

Aligning Incentives for Better Outcomes: State of Play

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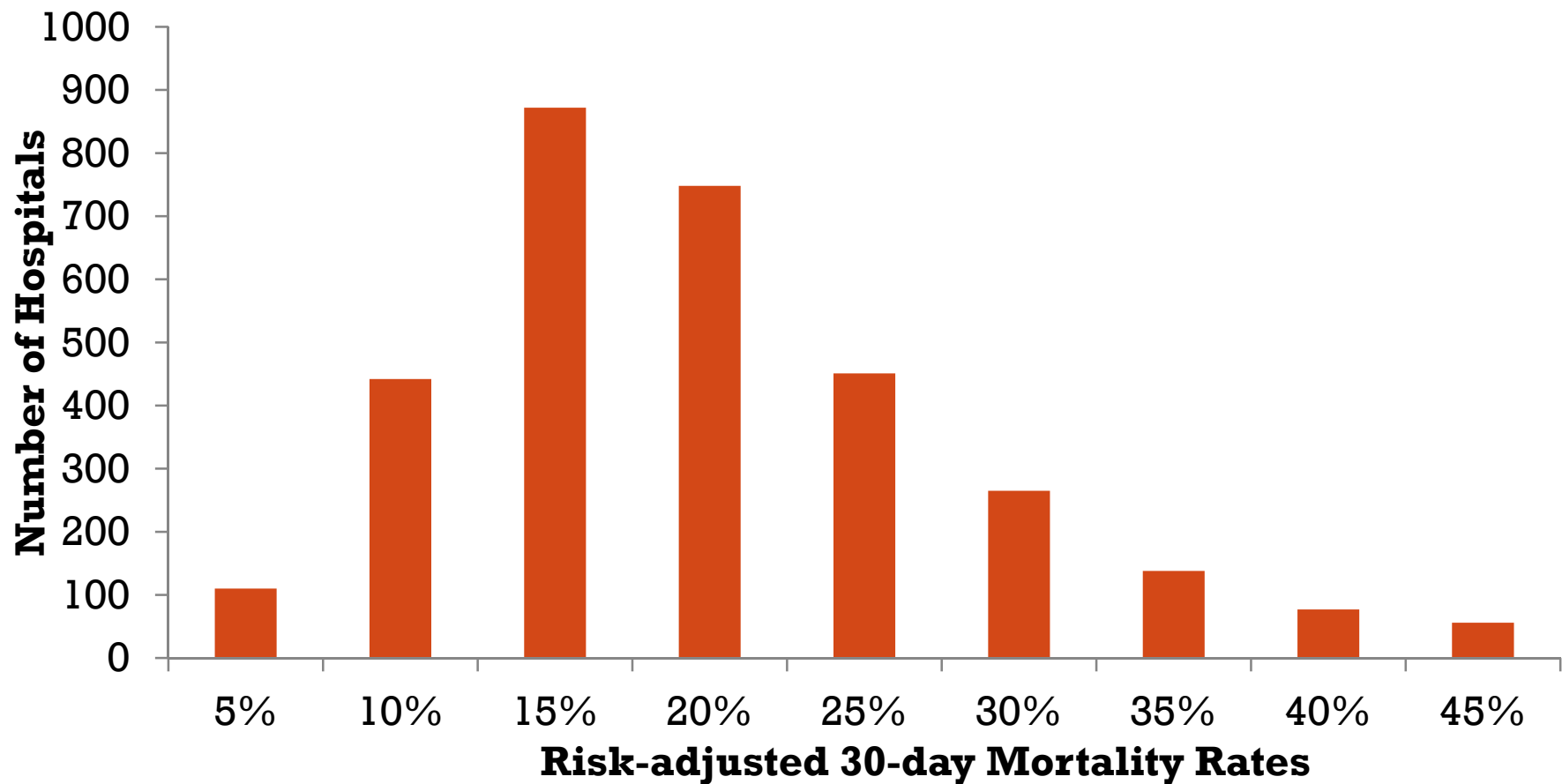
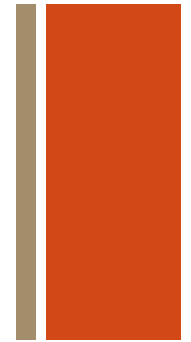
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+ Why do we need pay for performance?

+ Variations in AMI Mortality



+

Incentives 1.0: What did we try?

- Small dollars
- Process measures





Did it work?

- News headlines over past five years:
 - “Health Affairs article finds Medicare’s pay-for-performance **did not spur quality improvement**”
 - “New NEJM Report: **Pay-for-performance...a bust**”
 - “Paying doctors for quality **doesn’t work**”
 - “Medicare’s policy **did not reduce infection rates**”



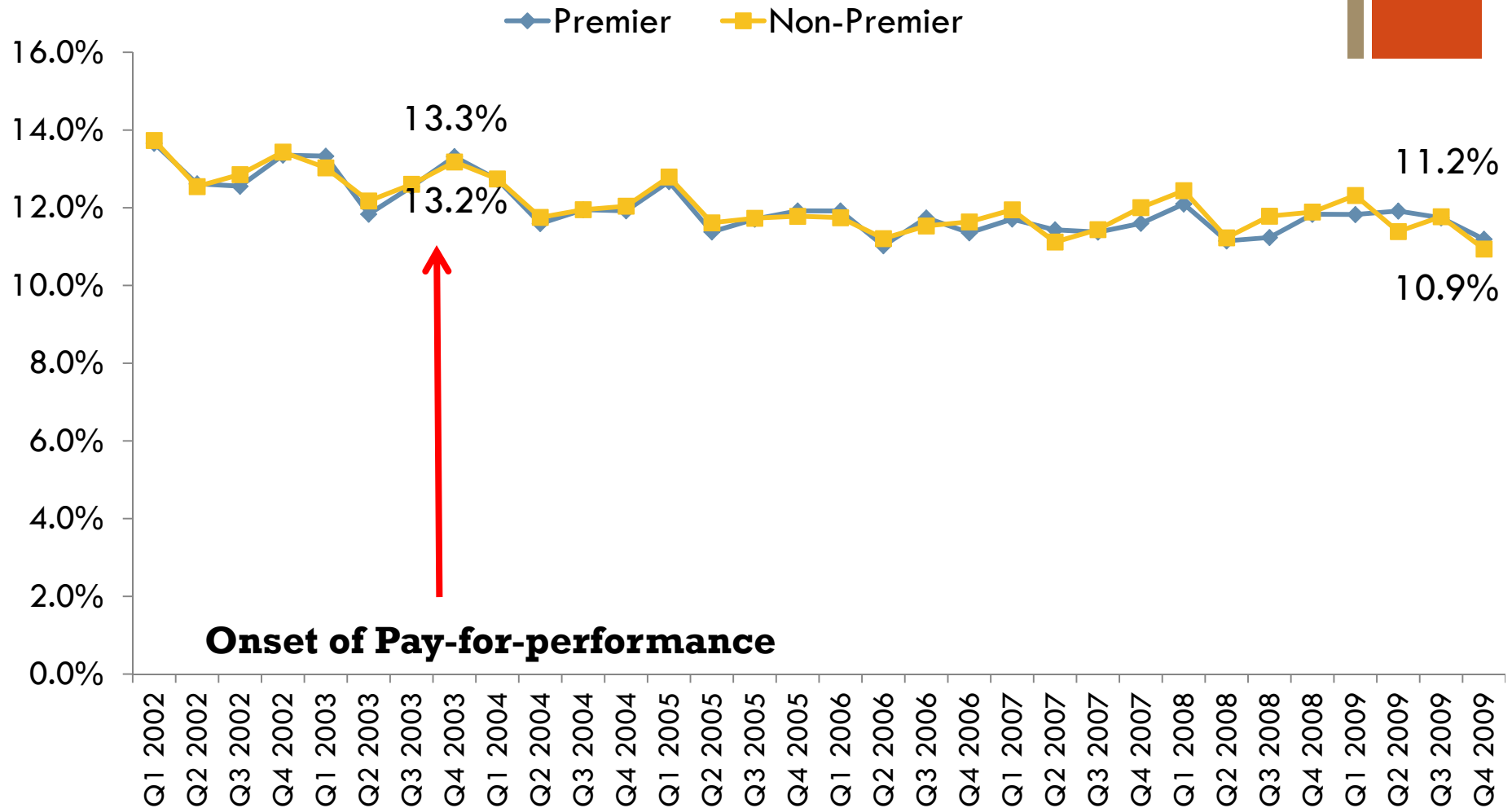


And the more formal evidence?



- Houle et al. Systematic Review:
 - “The effect of P4P targeting individual practitioners on quality of care and outcomes remains largely uncertain”
- Evidence is variable, underwhelming

+ Premier HQID: Did It Work?



+ What is ACA doing?



Value-based purchasing

Hospital Readmissions Reduction Program

Accountable Care Organizations

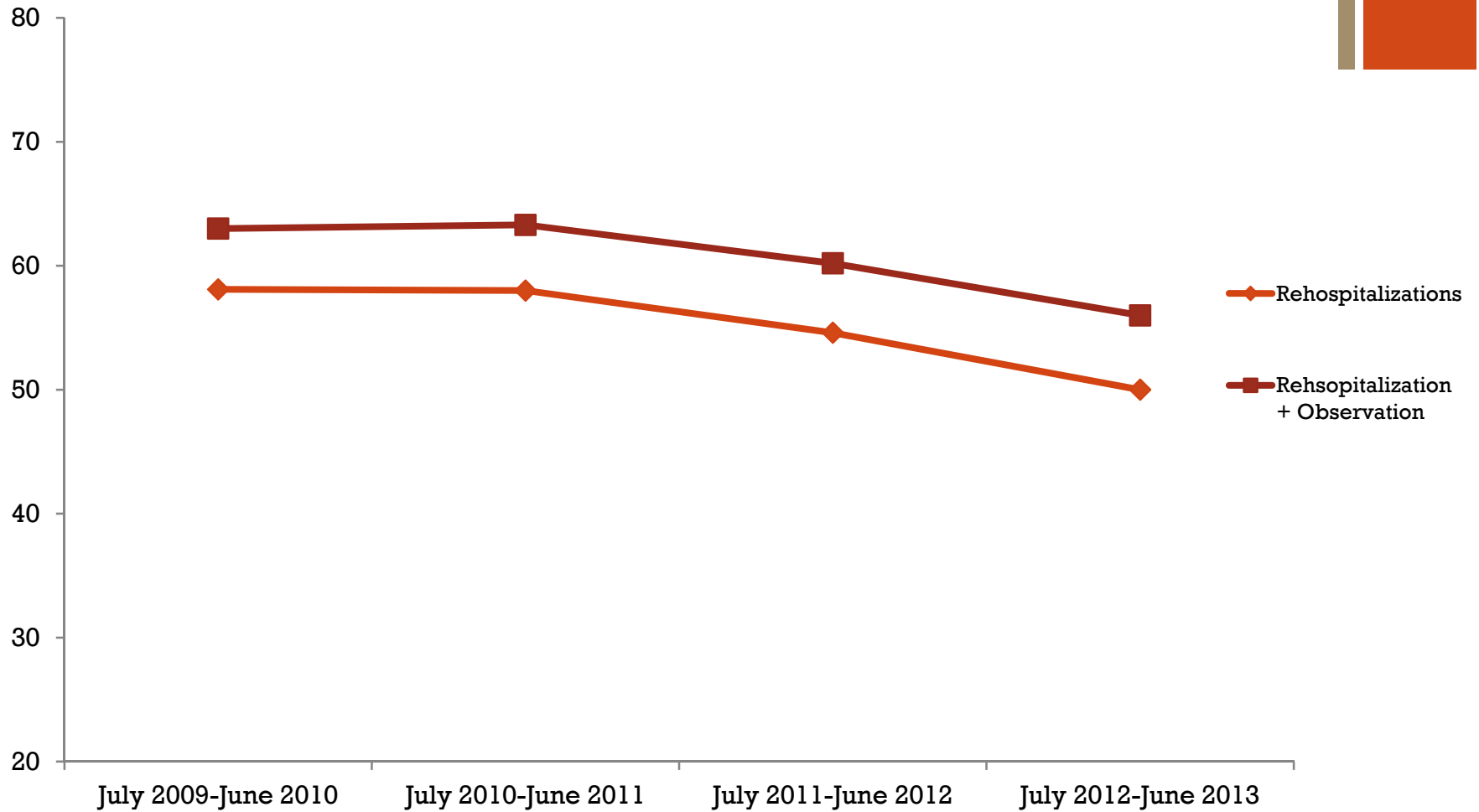
Hospital-Acquired Condition Reduction
Program

+ What is ACA doing?

- Incentives are generally small
- Mix of process and outcomes measures
- The effects to date are modest



+ Rates of readmissions are falling



Daughtridge GW et al. JAMA. 2014;311(10):1013-4.

+ Pay-for-performance

- Old question: “Does pay-for-performance work?”
- New question: “**How** do we get pay-for-performance to work?”

+ ACA 2.0: What might it look like?

- Bigger incentives?
- Target a small number of outcomes?
 - Especially over the longer run
 - Across a broader set of measures
- Structure it right
- Play into intrinsic motivations
- More nuanced approach to the safety net

