

# Pay for Performance and Next Steps IOM Report

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# First Report on Measurement made clear ---

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“Quality chasm” remains wide; spending high

- ◆ Many obstacles but 1<sup>st</sup> order requirement is --- coherent goal-oriented system for assessing/reporting perf.
- ◆ Lots of initiatives but need *Nat'l* system for *Nat'l* goals concern re duplication/inconsistencies
- ◆ Information must be transparent/publicly available
- ◆ Begin w/ “starter set”; move to comprehensive measures need composite measures/shared accountability

# 3rd IOM Report Released 9/21/06

## (Clinical Pathways Series)

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### Key Messages:

- ◆ Broken Medicare payment system
- ◆ P4P a key fix; *not* a “*magic bullet*”  
---one of many steps needed
- ◆ Evidence-base for P4P not robust *but*  
evidence-base for current problem is!
- ◆ Need to encourage high quality, efficient health care
- ◆ Need “**active learning**”

# Major IOM Recommendations

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- ◆ “Phased” Approach
- ◆ Initial funding from existing funds – except docs
- ◆ Initially use provider specific funds
- ◆ Over time, move to consolidated pool – shared accountability
- ◆ Reward quality, efficiently-provided, patient-centered care

# Major IOM Recommendations (cont.)

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- ◆ Reward improvement and achievement
  - ◆ Start with “Pay for Reporting”
  - ◆ Start with narrow measurement sets; move to comprehensive measures
  - ◆ Use voluntary approach for physicians initially; reassess in three years
- ◆ Reward care coordinator

# Some “Take-away” Messages

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Some providers already reporting quality measures ready to report –

start P4P here; soon/slow

Docs --- measures more varied; problems for small groups start voluntary; “P4R”, encourages doc participation

Many other changes needed:

realigning financial incentives among providers

encourage real or virtual groups

encourage health IT