Using Financial Incentives to Improve Quality

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Plan

1. The effectiveness of financial incentives to date
2. The UK general practice pay-for-performance scheme
3. Lessons for policy and practice

How effective are incentives?

Well, people say they work…….

"Ask GPs to do anything new and you'll have them clutching for their wallets"

Kenneth Clarke 1990

How effective are incentives?

Well, people say they work…….

….and there is evidence suggesting an association between doctor's remuneration and patterns of behaviour…..

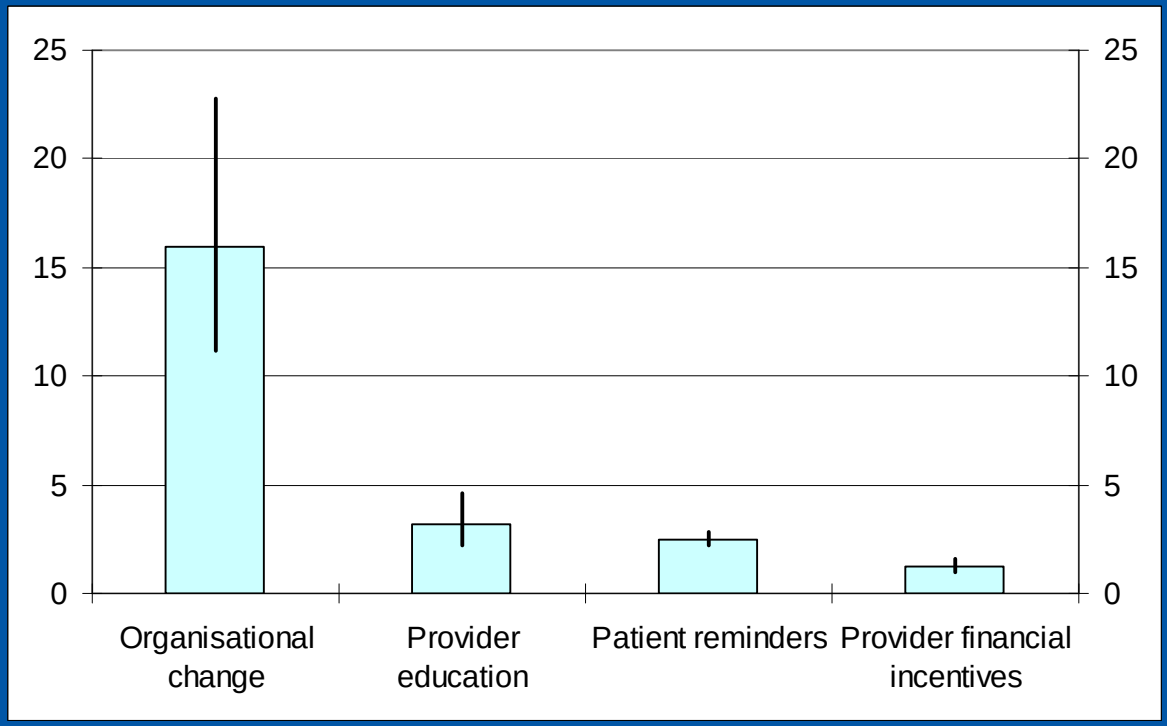
Law of economic incentives

Salary	**Do as little as possible for as few people as possible**
Capitation	**Do as little as possible for as many people as possible**
Fee-for-service	**Do as much as possible but only for carefully selected people**

How effective are incentives?

They work, but there are problems with incentives as they have been used to date……

- The effect size appears to be small



Effectiveness of interventions to improve immunisation uptakes

Stone et al. Ann Intern Med. 2002;136:641-651

How effective are incentives?

They work, but there are problems with incentives as they have been used to date……

- The effect size appears to be small
- The unintended consequences may be significant

- preoccupation with incentivised activities
- focus on short incentive cycles
- gaming
- 'crowding-out' of internal motivation

Smith, 1995
Mannion, Davies and Marshall, 2000
Marshall and Smith, 2004
Frey, 1997

Features of the new GP contract

- the contract is with the practice rather than individual GPs
- up to 20% of a GPs income derived from a complex set of 136 mostly evidence-based quality measures relating to:
  - clinical care (70% of total)
  - practice organisation (18% of total)
  - patient experience (10% of total)
- points awarded for achieving indicators (total of 1050 points available)

Clinical indicators

- coronary heart disease and heart failure (15 indicators)
- stroke and transient ischaemic attack (10)
- hypertension (5)
- diabetes (18)
- epilepsy (4)
- hypothyroidism (2)
- mental health (5)
- asthma (7)
- chronic obstructive pulmonary disease (8)
- cancer (2)

Exception reporting for clinical indicators

- patient refused / not attended despite three reminders
- not appropriate e.g. supervening clinical condition, extreme frailty, adverse reaction to medication, contraindication etc
- newly diagnosed or recently registered
- already on maximum tolerated doses of medication
- investigative service is unavailable

Organisational indicators

- medical records (19)
- provision of information for patients (8)
- education and training of staff (9)
- practice management (10)
- medicines management (10)

Patient experience indicators

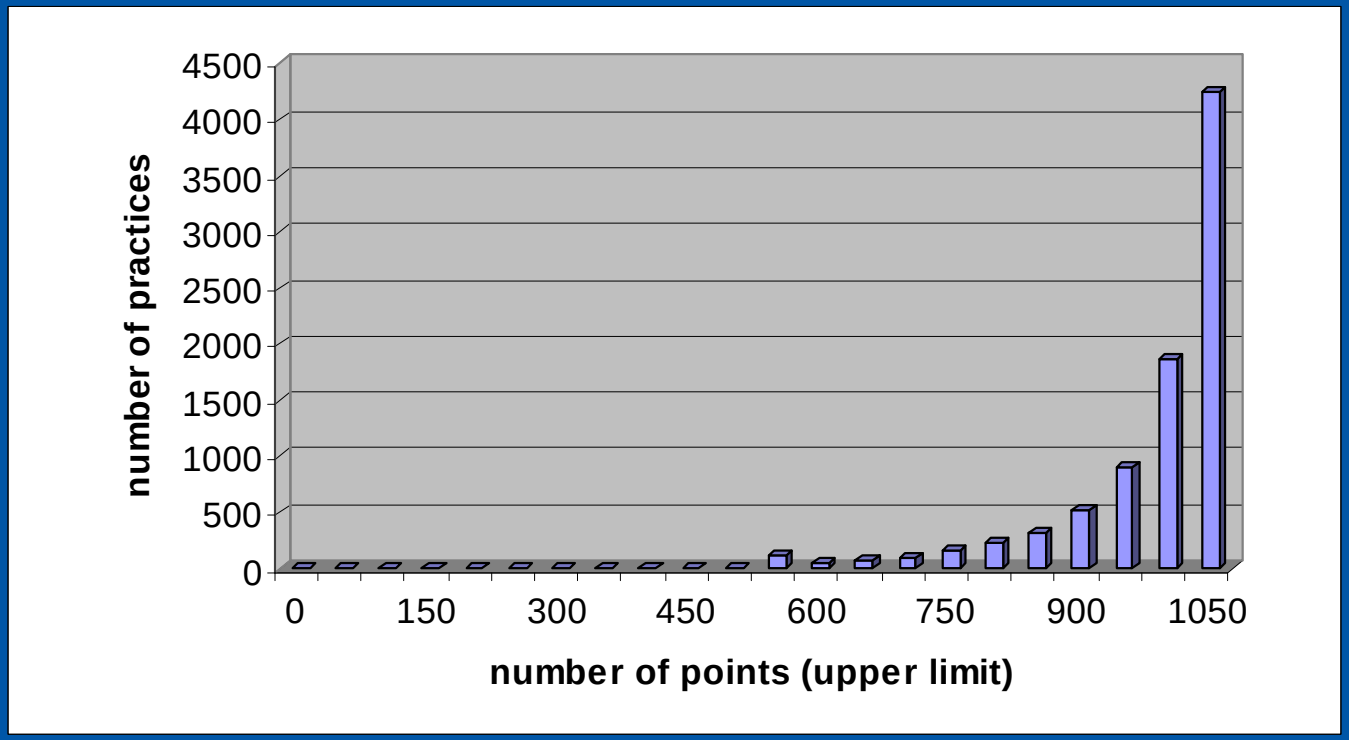
- practices should undertake an approved survey each year
- practices should reflect on the results and propose changes if appropriate
- practices should discuss the results with a patient group or a non-Executive Director of the Primary Care Trust
- appointments should be booked at an interval of no less than 10 minutes

Has the contract been successful?

Data sources used for evaluation:

1. **payment database**
2. **interrupted time-series evaluation**
3. **qualitative studies**
4. **miscellaneous sources**

Distribution of total scores

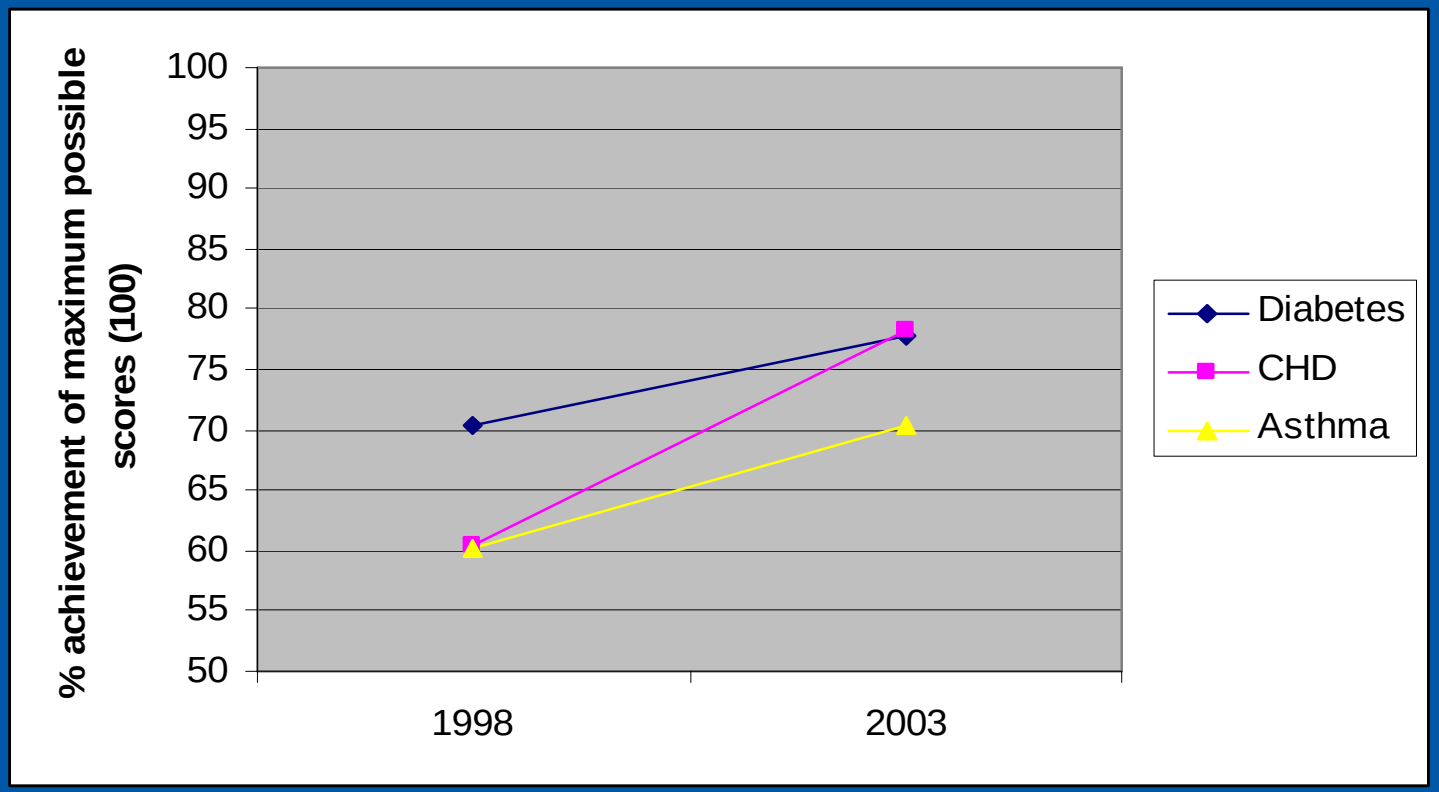


Average no. of points achieved: 959 (91.3 %)

Predicted no. of points that would be achieved: 750

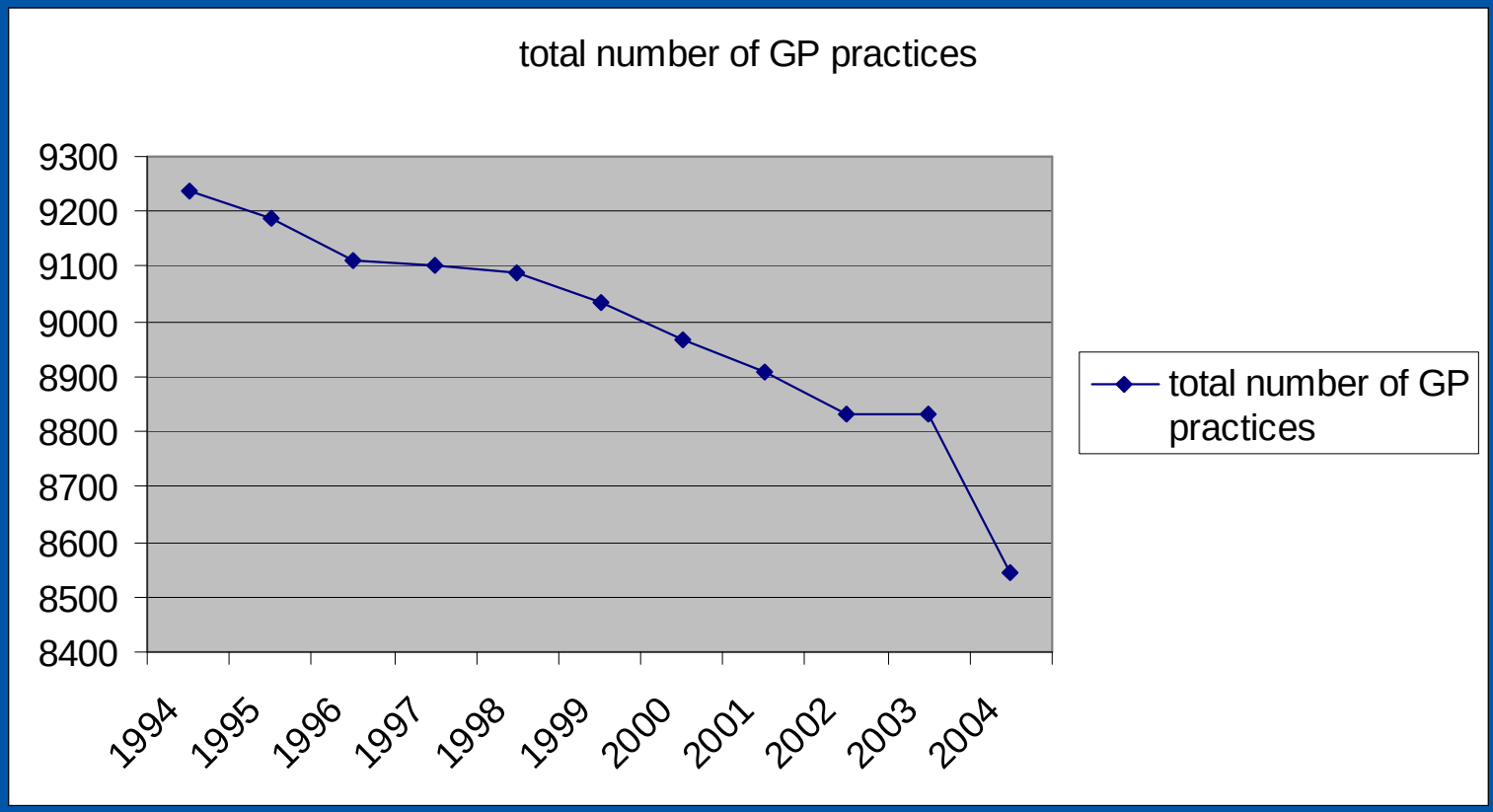
2.6% of practices achieved maximum score

When did the improvements take place?



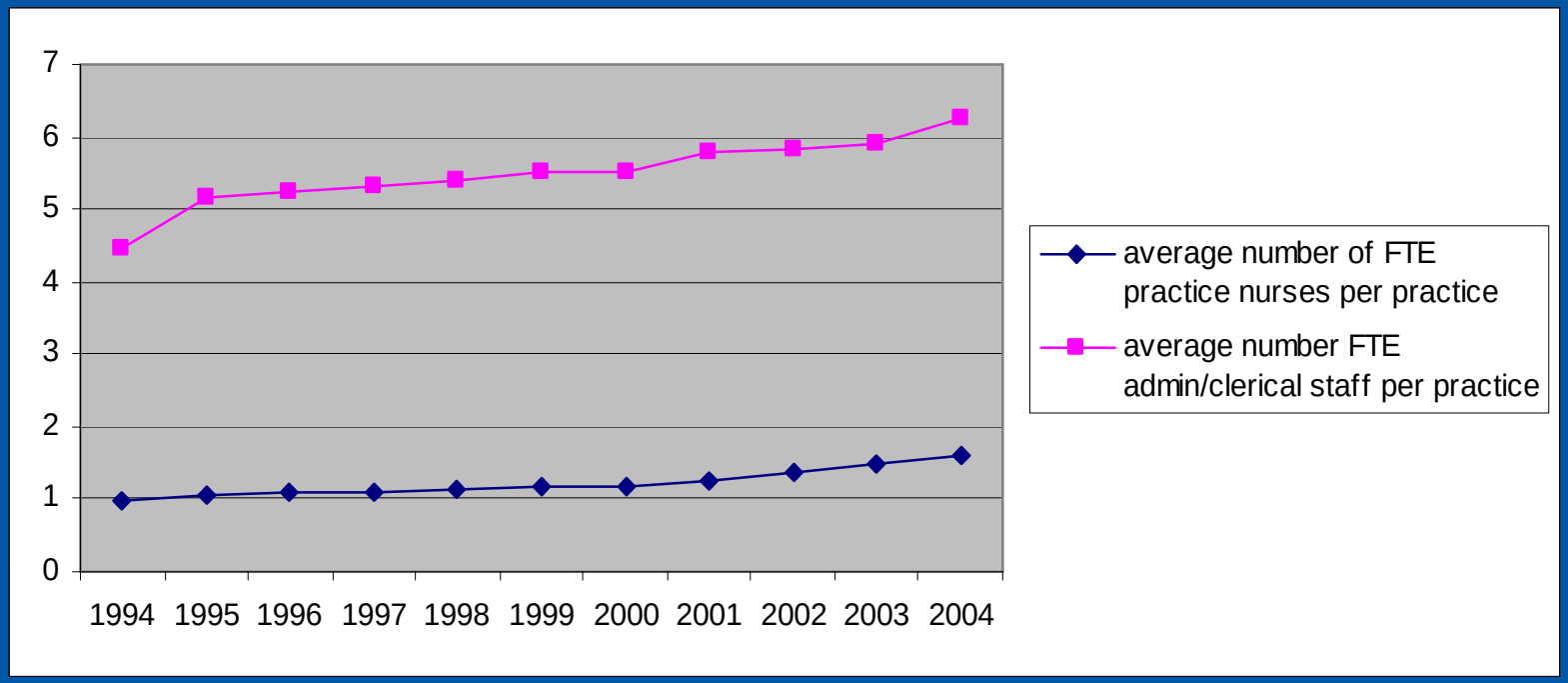
There may have been a higher level of quality before the contract than we realised

Changes in practice size



The contract may be triggering practice mergers

Changes in practice staff



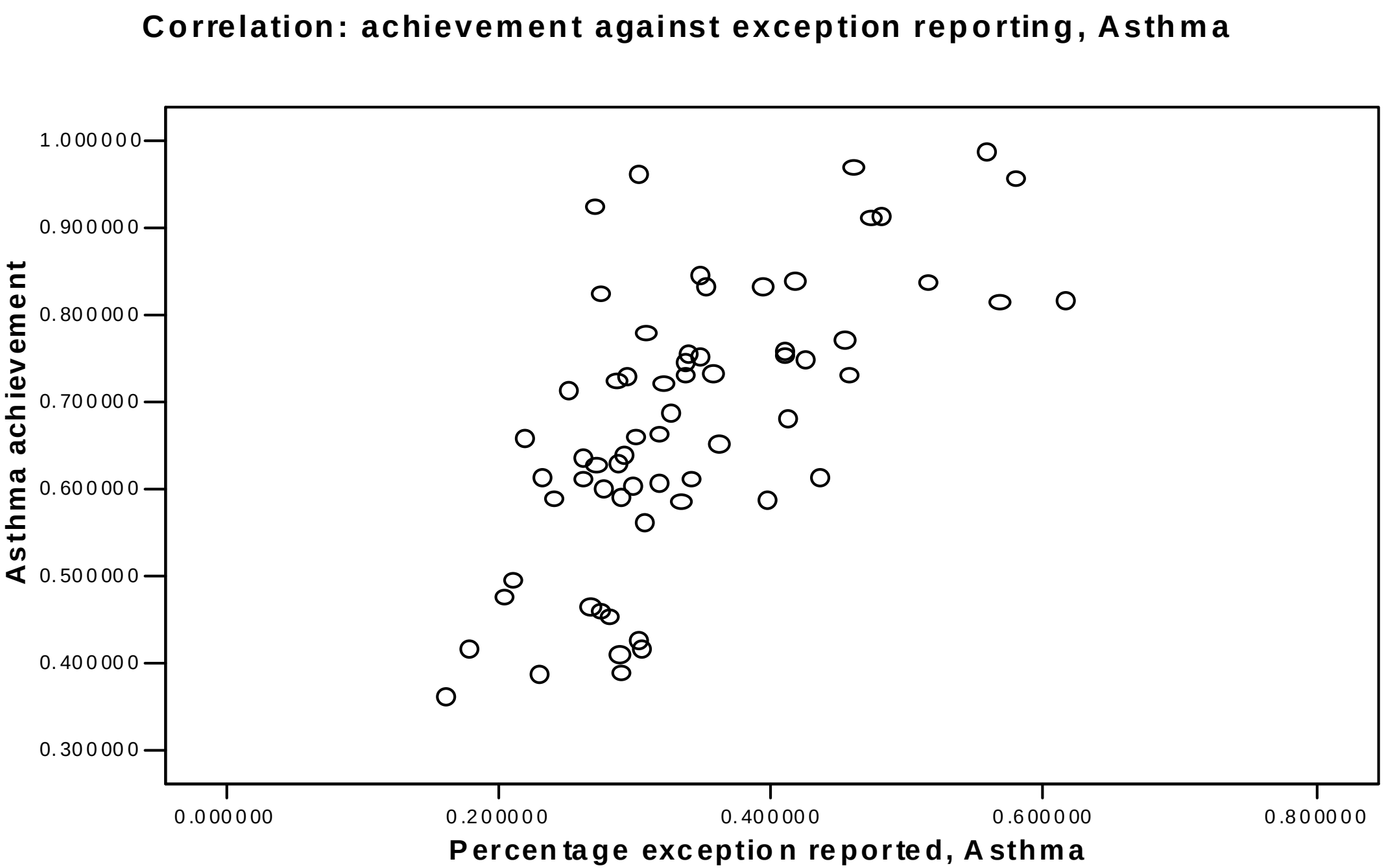
The contract may be leading to the employment of more non-doctor staff

Changes in working practices and morale

- change in type of work done by GPs and nurses
- more administrative staff undertaking different tasks
- more meetings
- more bureaucracy
- GPs are happier and more wealthy

Unintended consequences

- 48 hour access improved, planned access worse
  - 30% of patients unable to pre-book appointment (HCC, 2005)
- Possible abuse of exception reporting (based on limited data set)
  - rates high (34% for asthma)
  - 5/64 practices out-liers in terms of number of patients exempted
  - strong correlation between total scores and exception reporting


Correlation: achievement against exception reporting, Asthma
Asthma achievement
1.000000
0.900000
0.800000
0.700000
0.600000
0.500000
0.400000
0.300000
0.000000
0.200000
0.400000
0.600000
0.800000
Percentage exception reported, Asthma

Overview: the strengths

- the focus on key policy areas
- the level of engagement of practice staff
- the ways in which the contract has stimulated innovation

Overview: the weaknesses

- lack of patient and public involvement
- lack of systematic data about gaming
- difficulties in linking performance data to population demographic characteristics

Overview: the uncertainties

- does the apparent high level of performance represent real improvement or simply changes in recording behaviour or gaming?
- what is the impact on the unmeasured aspects of care?
- is such a large investment a cost-effective use of resources?
- are financial incentives the cause of the changes?
- will new incentives work in the future?
- what is the impact of the contract on internal professional motivation?

Summary: how to design an effective incentives scheme

- use evidence- or consensus-based indicators
- involve professionals in the development of the scheme
- carefully consider the scale of the scheme
- implement in a high trust environment
- plan for unintended consequences
- start off with new money
- integrate with other approaches to QI

"Money won't make you happy, Waldron, so instead of a pay rise, I'm going to give you a Prozac"