

V^o.8
Issue 2

JUNE 2013
IN THIS ISSUE

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HEALTH POLICY research

Rice University's Baker Institute-Baylor College of Medicine
Joint Program in Health Policy Research

Can surgeons be paid according to performance?

Yes, but cautiously. "Pay-for-performance" is a broad term used for a variety of initiatives intended to improve quality, decrease waste and increase transparency in medical care. The "pay" refers to financial incentives offered to practitioners and hospitals that demonstrate improvements based on metrics. It also refers to financial penalties imposed for not participating in programs, or if benchmarks are not reached.

The principal challenge for performance incentive programs is the development of appropriate metrics to measure quality. Although many incentive programs exist among the private sector, Centers for Medicare and Medicaid Services (CMS) and state-based initiatives, there are few evidence-based, validated criteria for determining what constitutes quality of surgical care. The tools used to determine quality, value or efficiency can include direct outcome measures but commonly employ proxies such as process measures, cost savings or infrastructure improvements. To date, however, few of these measures have been directly linked to surgical quality. Surgical groups express concern about omitting critical aspects of surgical care in determining quality, such as the complexity of a procedure and the multispecialty nature of surgical care. For example, when administrative data is used for evaluation, it is particularly challenging to determine attribution of an event that contributed to an outcome following an operation that involved a team of surgeons, anesthesiologists, nurses and other professionals.

The Affordable Care Act contains several pay-for-performance programs designed to improve the quality of surgical care provided to the American public. The metrics developed for these programs will be used to inform decision-making for quality of care in value-based purchasing and accountable care organizations, as well as in creating incentives or penalties in physician quality reporting. Through its Division of Advocacy and Health Policy, the American College of Surgeons (ACS), an association of surgeons whose mission is to improve the

quality of surgical care, has partnered with CMS to evaluate existing surgical quality measures and to help develop additional clinically relevant metrics that can be compared across broad populations.

Recommendations include incorporating clinical data registries into the Physician Quality Reporting System to decrease reliance on a flawed administrative claims data system for measuring outcomes; use of a multistakeholder, physician-led, consensus-based endorsement process when introducing new measures to be used for public reporting or value-based purchasing; and including risk-adjusted, outcome-based, procedure-mix-adjusted quality measures that have already been validated through the ACS National Surgical Quality Improvement Program.

In conclusion, surgical societies including the ACS are committed to the improvement of surgical care. Pay-for-performance programs are one potential avenue for bettering surgical outcomes. A three-phase approach could ensure effective implementation of pay-for-performance in surgery. Phase I is pay-for-reporting, which rewards physicians for self-reporting data showing compliance with accepted standards. Phase II would measure how surgeons meet goals for process measures shown to reduce risks. Phase III would pay for improved patient outcomes. This would require enhanced data reporting and case-mix adjustment at the specialty level. A partnership between providers, payers and regulators is necessary to move this initiative forward.

ACS Hospital Value-Based Purchasing Comment Letter, ACS, March 8, 2011.

ACS Medicare Claims Data Comment Letter, ACS, August 8, 2011.

ACS Statement to the House Energy and Commerce Committee Subcommittee on Health, July 27, 2006.

"Surgeons, CMS Explore Setting Value-Based Updates Within Specialties," InsideHealthPolicy.com, July 18, 2012.

HEALTH POLICY research presents a summary of findings on current health policy issues. It is provided by **Vivian Ho, Ph.D.**, James A. Baker III Institute Chair in Health Economics at Rice University's Baker Institute, in collaboration with **Laura Petersen, M.D., M.P.H.**, chief of the Section of Health Services Research in the Department of Medicine at Baylor College of Medicine.

This publication aims to make research results accessible to regional and national health policymakers. The views expressed herein are those of the study authors and do not necessarily represent those of the Baker Institute or of Baylor College of Medicine.

The Baker Institute and Baylor College of Medicine's Section of Health Services Research work with scholars from across Rice University and Baylor College of Medicine to address issues of health care — access, financing, organization, delivery and outcomes. Special emphasis is given to issues of health care quality and cost.

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Volume 8, Issue 2, June 2013

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