Pay-for-performance programs show positive impact on low-performing physicians

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Pay-for-performance (P4P) programs are payment models that reward workers for meeting certain performance measures for quality and efficiency. In the healthcare setting, P4P programs use a variety of methods to reward physicians financially for achieving targets, including fee differentials and bonuses.

A new study in the Journal for Healthcare Quality reveals that P4P programs appear to be effective in incentivizing low performing physicians. The article is part of the January/February 2010 special issue on pay-for-performance in the health care system.

Judy Ying Chen, Ning Kang, Deborah Taira Juraez, Krista A. Hodges, and Richard S. Chung investigated the impact of P4P in a Preferred Provider Organization (PPO) on low performing physicians over a four year period.

Results found that a P4P program in a PPO setting can improve quality of care. This was true especially for selected quality measures, such as mammography, cervical cancer screening, and childhood immunization measures. The low performing physicians using P4P improved significantly more than the comparison group (which did not implement a P4P program) for many measures. In addition, the study found that the positive benefit of the P4P program may not be realized until the 3rd or 4th year, highlighting the importance of sustaining P4P over longer periods of time..
"Our findings reveal that a P4P program appears to be effective in incentivizing low performing physicians to sustain improvement," the authors note.

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