

Incentives help Mass. General's physicians organization reach quality-improvement goals

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A program offering modest financial incentives to salaried Massachusetts General Hospital-affiliated physicians who achieve specific quality improvement targets has helped the organization meet goals related to the adoption of electronic health technology, improved quality and efficiency, and communication with patients and other providers. In their report in the October issue of *Health Affairs*, leaders of the Massachusetts General Physicians Organization (MGPO) describe results of the first six years of the MGPO Quality Incentive Program.

"Incentive programs like this – which can help organizations focus the attention of busy clinicians on tasks that help deliver better, more cost-effective care – are very valuable at a time when the [health](#) care system is transitioning from fee-for-service to new payment models," says Timothy Ferris, MD, MGPO medical director and a co-author of the report. "One of the ways this differs from traditional pay-for-performance programs is that it was designed by [physicians](#) for physicians, who determined what the goals and priorities were."

The MGPO employs more than 98 percent of the physicians on the MGH staff and is part of Partners Community Healthcare Inc. (PCHI) – a network of providers working within Partners HealthCare System, a regional system including Mass. General, Brigham and Women's Hospital, and several additional Massachusetts hospitals. While PCHI has maintained pay-for-performance contracts with coverage providers

for more than a decade, the goals of such programs were worked out with payors, focus mostly on primary care and are set on an institutional level. Insurer pay-for-performance payments are based on claims, which can lead to a delay of as much as two years, and often have little impact on individual physicians.

The MGPO Quality Incentive Program, in contrast, was designed to focus on clinical priorities applying to all physicians, to reward achievement of those priorities in a timely manner, and to be flexible enough to address new demands or challenges facing the clinical staff. The [program](#) – available to MGPO physicians and psychologists who participate in managed care contracts and spend a significant amount of time in clinical practice – is funded by redirecting a portion of physician earnings. Based on a system used by Medicare and other payors to calculate physician reimbursement, participants are categorized as having high, medium or low levels of clinical activity.

The program sets specific quality improvement goals for six-month terms, with three different measures and performance targets for each term. Two measures are chosen by the program leaders and apply to all participating physicians, with alternatives available for specialties that a measure does not apply to. The third measure is chosen on a departmental or divisional level. Some measures continue over several terms, with increasing targets for succeeding terms. For example, measures related to adoption of an [electronic health](#) record started with attending training sessions in the system. Later terms required timely incorporation of 80 and then 90 percent of preliminary outpatient notes into the system, and eventually physicians were asked to complete final notes within eight days.

Physicians with high levels of clinical activity who achieved their targets could receive a maximum of \$5,000 a year; payments for medium levels could reach \$2,500, and up to \$1,000 was offered to those with low

clinical activity. Around 1,300 physicians were eligible for the program when it began in December 2006, and 1,700 are currently eligible. The Health Affairs article reports on results covering 13 terms from the program's inception through the end of 2012. Throughout that period, an average of 62 percent of physicians met all performance goals during a term, and only a few missed all of a term's targets.

Along with the consistent use of the electronic medical record, the program also focused on increasing use of an electronic prescription system, preparation for Joint Commission on the Accreditation of Healthcare Organization reviews and implementation of its recommendations, and improved communication with patients. Departmental targets included reducing excessive use of emergency care, more timely and accurate completion of radiology reports, and increased standardization of chemotherapy protocols. In addition to helping the MGPO reach these and other goals, the program contributed to the achievement of many of the federal government's criteria for meaningful use of health information technology.

"By setting realistic targets that were increased in an incremental way, we could introduce more demanding goals at a pace that physicians found tolerable," explains Deborah Colton, MGPO senior vice president and a co-author of the report. "We wanted [goals](#) that were important but also achievable, and hoped that physicians would meet the targets about 80 percent of the time. They actually exceeded our expectations, and 90 percent of the available funds were paid out over the six years. Although the maximum annual incentive payment amounts to only a small percentage of the average physician's income, it proved to be a powerful motivating force among a group of physicians who pride themselves on excellent [performance](#)."

David Torchiana, MD, MGPO chief executive officer and first author of the report, says, "In the current, rapidly changing [health care](#)

environment, where our physicians face incessant new administrative demands, this program helped convey to our clinicians our assessment of the most important current priorities. The program is designed for constant evaluation and revision, so that as the [health care system](#) evolves, the incentives can change at the same time. We've been pleased with the program's success so far and hope that sharing our experience will help other institutions take on this important but challenging task."

Provided by Massachusetts General Hospital

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