Study evaluates pay-for-performance program for Medicaid children in an ACO

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The first pay-for-performance (P4P) evaluation of pediatricians under a full-risk Medicaid accountable care organization (ACO) for children shows P4P incentives were partially responsible for higher performance on quality measures across Partners for Kids' primary care network of employed and affiliated physicians, according to study authors at Nationwide Children's Hospital. Partners for Kids (PFK), the oldest and largest pediatric Medicaid ACO in the United States, emerged a leader in children's accountable care with its 5-year cost and quality outcomes shared last year in the journal *Pediatrics*. On January 25, *JAMA Pediatrics* published the evaluation of the P4P physician incentive program that has been in place at Partners for Kids since 2012.

Nearly 3,000 primary care pediatricians were sorted into three comparison groups to observe differences in their performance on 14 incentivized and seven non-incentivized quality measures, before (2010-2011) and after (2012-2013) incentives were introduced. Physician classifications included employed (173), independent incentivized (203), or independent non-incentivized (2,590). Employed providers see patients for an annual salary, while independent providers bill for every visit. The study found that over the pre- and post-incentive 4-year period, better scores were seen across all 21 measures for all three physician groups. However, the independent incentivized providers' improvements significantly surpassed those of the non-incentivized group for seven of the 21 measures. Of the seven measures, five were incentivized and two were not, suggesting the program could have had its intended effect on provider performance.

Additionally, results show that although independent incentivized providers saw a higher number of significant improvements over the non-incentivized, the employed group's improvements were more consistent. Authors credit some of this consistency to the milieu of system-aligned providers, such as enhanced communication and access to technology and quality improvement resources.

"The implementation of point-of-care clinical decision support within the Electronic Medical Record likely drove a portion of these improvements," said Sean Gleeson, MD, lead author of the JAMA Pediatrics study and president of Partners for Kids.

Having seen only moderate improvement in the effect on physician performance, PFK leadership is beginning to test modifications to the design of the P4P program. For instance, rather than giving a small incentive for all patients meeting a measure, they could use larger incentives targeting patients with greater need. This new methodology is currently under evaluation before a decision can be made to change the entire program.

So far, these innovative programs have focused on primary care physicians, as PFK has not yet implemented incentives for specialists in their network. In Utah, however, a joint venture accountable care organization led by Primary Children's Hospital has begun experimenting with incentivized specialists under their partial-risk model. Outcomes from early adopters in similar structures can inform P4P expansion strategies aiming to enhance care across the continuum. According to Dr. Gleeson, "Successful accountable care organizations will be those who effectively engage all physicians in the process of increasing value in healthcare."

Provided by Nationwide Children's Hospital

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