

## Impact of US pay for performance programs 'limited and disappointing' say experts

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The impact of pay for performance programs in US hospitals has been "limited and disappointing" say experts in a study published by *The BMJ* today.

Their findings show that care for older patients was no better at hospitals that had been operating under pay for <u>performance</u> programs for more than a decade compared with those which had only been under financial incentives for less than three years.

And they add that pay for performance programs as currently implemented are unlikely to be successful in the future, even if their timeframes are extended.

In many countries, hospitals are rewarded for better outcomes, but previous studies have found that pay for performance programs have had limited impact. However, advocates argue that it takes time for hospitals to make meaningful improvements to care under financial incentive programs.

Researchers led by Dr Igna Bonfrer at Harvard School of Public Health therefore set out to examine how hospitals that volunteered to be under <u>financial incentives</u> for more than a decade as part of the Premier Hospital Quality Incentive Demonstration (early adopters) compared with similar hospitals where these incentives were implemented later under the Hospital Value-Based Purchasing <u>program</u> (late adopters).



The study included 1,189 hospitals in the USA (214 early adopters and 975 matched late adopters). Most were medium or large, private not for profit, and based in urban areas.

Using Medicare claims data for over 1.3 million patients aged 65 years and older from 2003 to 2013, the team analysed clinical process scores (a measure of whether or not a healthcare provider gives the recommended care to patients with a particular condition) and 30 day mortality data at each <u>hospital</u>.

They found that <u>early adopters</u> started from a slightly higher baseline of clinical process scores (92) than late adopters (90). However, both groups reached a ceiling (98) a decade later.

Starting from a similar baseline, the researchers found no noticeable differences in mortality between early and late adopters for conditions targeted by the program or for conditions not targeted by the program over the study period.

The authors point out that this is an observational study, so no firm conclusions can be drawn about cause and effect, and add their results might not apply to the general population because the study only looked at <u>older patients</u>.

Nevertheless, they say: "No evidence that hospitals that have been operating under pay for performance programs for more than a decade had better process scores or lower mortality than other hospitals was found."

These findings suggest that even among hospitals that volunteered to participate in pay for performance programs, having additional time is not likely to turn pay for performance programs into a success in the future," they add.



They suggest policymakers should revise the program, for example by increasing the incentives and focusing on a few measures that matter most to <u>patients</u>.

"Given the growing worldwide interest in pay for performance programs and the unclear American health policy agenda, these findings should be considered by policymakers when assuming that programs like these simply need more time to have a meaningful effect," they conclude.

**More information:** Impact of Financial Incentives on Early and Late Adopters among US Hospitals: observational study, *BMJ* (2018). www.bmj.com/content/360/bmj.j5622

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