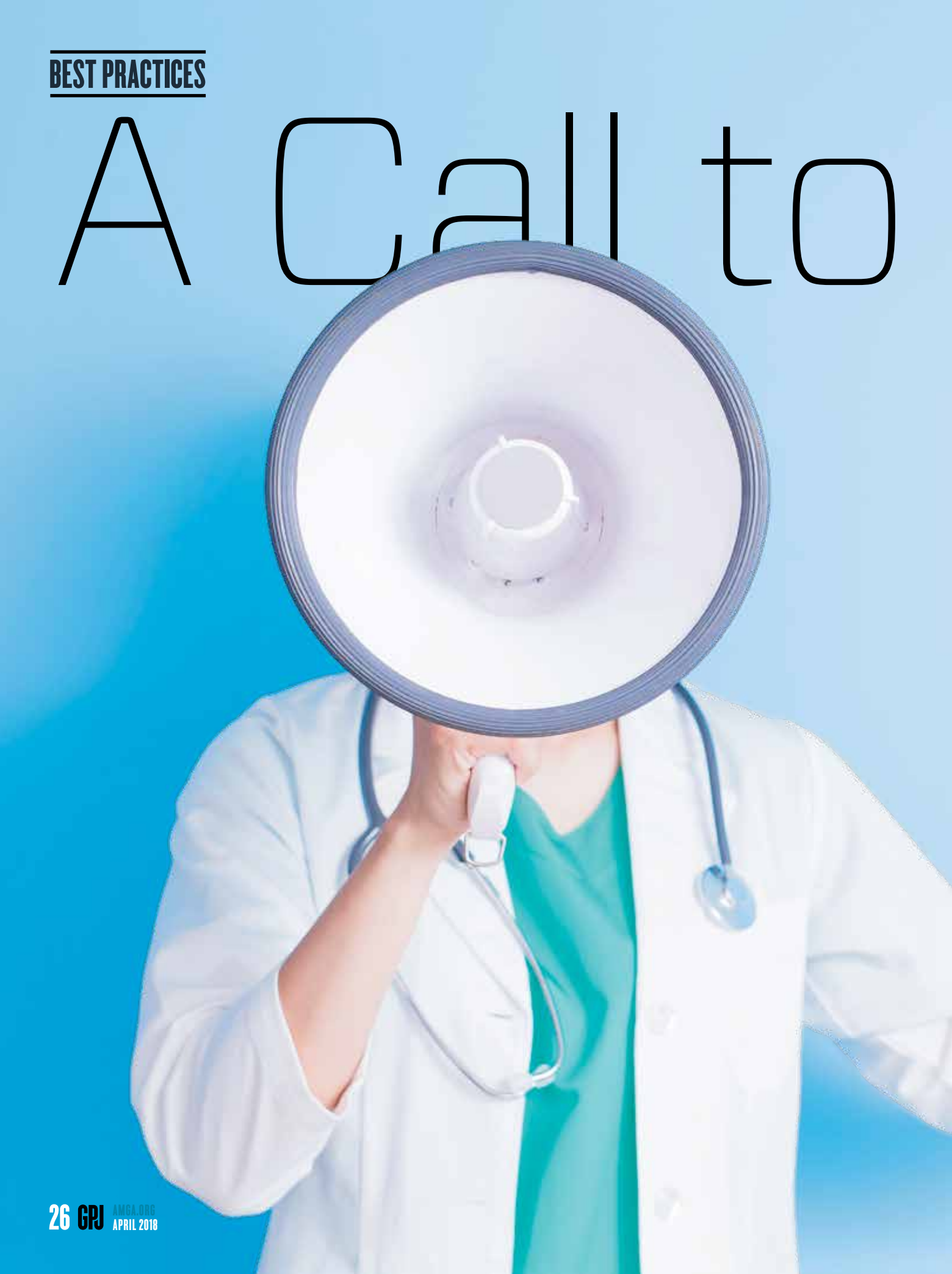
A Call to



Action

Engaging physicians to drive quality

By Carla D'Angelo and Allen Miller

It is no trade secret that physicians drive quality and medical spend in the healthcare industry. Across the nation, health systems, independent physician associations (IPAs), and accountable care organizations (ACOs) are challenged to effectively partner with their physicians to achieve high-quality outcomes and reduce the total cost of care. Those organizations most successful in managing risk often demonstrate a common set of key organizational qualities: engaged clinical leadership, aligned financial incentives, satisfied and productive providers, and credible data.

As value-based payments (VBPs) continue to lead the reimbursement landscape in the United States, provider organizations are grappling with how to adequately incentivize their physicians and hold them accountable for improving quality outcomes and reducing healthcare spend. Following are best practices and lessons learned across the country on how to engage physicians as groups move to taking on risk.

Never-Ending Questions

Administrators spend many hours a day reviewing financial statements, quality reports, satisfaction scores, and utilization rates. Unlike their physician counterparts, administrators are knee-deep in trying to solve never-ending questions: How can we reduce our costs? How do we improve our member satisfaction scores? What do we need to do to achieve top quality scores?

Physicians may or may not be brought into these conversations in a meaningful way, but they do want to be part of the solution to reduce inefficiencies and unnecessary costs.

A common complaint from physicians is that they lack credible data to make informed cost and quality of care decisions for their patients. Former HealthCare Partners CFO Matthew Mazdyasni shares, "It is extremely powerful when physicians are educated about the components of total cost of care and examples of how to reduce costs, improve quality, or patients receiving timely care in the most-effective setting. You need to provide timely and accurate reports to the physicians along with plans and actionable steps. An example could be patients who haven't had certain tests and the process to identify them at the point of service."

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Empowering physicians with transparency into the cost of care by providing them with the tools and resources to understand clinical best-practice options for their members drives improvement. For instance, primary care physicians (PCPs) send patients to high-cost specialists for multiple reasons, but they may make different choices if decision-making support is readily available.

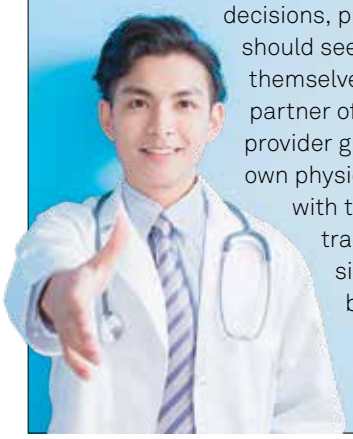
Educating PCPs on alternatives is key to guiding physicians to shift their referral patterns and make the best choices in a value- over volume-based environment.

Strategies for empowering physicians to use data for decision support include:

1. **Share** data reports and analytics with physicians only after the data has been fully tested and validated. If physicians find errors in their data, they will be far less likely to trust or buy into whatever it is the provider organization is attempting to do.
2. **Understand** costs and profile by physician. Regularly run reports and look at vital data such as admits per 1,000 and specialty referral patterns using risk-adjusted utilization data.
3. **Share** data on a regular basis—at least quarterly. Identify physician outlier performances and spend time understanding why they are worse or better than their peers. Educating providers on how they measure up against their peers works better than comparing them to national benchmarks.
4. **Provide** physicians only with simplistic, meaningful reports. Overwhelming physicians with too much data and/or data not directly related to their care delivery decreases the likelihood that they will review reports.

Partner of Choice

Physicians are spending more time than ever in board rooms and meetings with administrators, making decisions about how they should conduct their practices. These conversations often focus on deciding whether or not to join an ACO or IPA, whether to be exclusive to that ACO or IPA, weighing the financial pros and cons of each, and how they will impact direct patient care. As physicians take time away from their patients to weigh these important decisions, provider groups should seek to differentiate themselves to become the partner of choice. Whether a provider group employs its own physicians or partners with them through contractual arrangements, simple solutions can be implemented to become a physician's preferred partner.



Appropriate Incentives Are Key

Depending on which study you look at, anywhere between 40% to 60% of physicians in the United States report having some type of incentive linked to their compensation. One could hypothesize this would lead to improved outcomes and reduced costs, but data thus far have yet to demonstrate that this is the case. While incentives can be a powerful way to inspire physicians to make recommended changes in their practices and behaviors, identifying and implementing the most appropriate incentives are key. As Mazdyasni advises on best practices, "Every incentive plan should be designed based on desired outcomes, specific metrics, physician culture, correlation of the incentive to the base compensation, level of difficulties to achieve, and any regulatory or legal limitations."

Government payers such as the Centers for Medicare & Medicaid Services (CMS) are also offering financial incentives for organizations participating in advanced Alternative Payment Models (APMs), such as through the Medicare Access and CHIP Reauthorization Act (MACRA) bonus program.

Commercial payers are developing their own custom physician incentive programs that may or may not align with government entities. No clear right or wrong way to incentivize physicians exists, and it will not be standard across the board, but impactful incentives payers have seen and implemented in multiple markets include:

1. **Align** quality and financial incentives as much as possible. Understanding all the at-risk metrics an organization has and then aligning those incentives reduces the number of interventions and activities a physician needs to reap the benefits.
2. **Be transparent** in sharing with providers their progress on incentive measures and performance relative to their peers and nationally. Engage providers through physician dashboards and/or provider report cards to allow physicians to make real-time updates to their care delivery in alignment with their incentive measures.
3. **Consider** making quarterly payments with a strong reconciliation process performed no less than annually. The frequency of incentive distributions is top-of-mind for physicians.
4. **Provide** financial incentives for PCPs and specialists to have access and availability of appointments to encourage members to stay within the network. Out-of-network leakage remains one of the largest cost drivers in risk arrangements.
5. **Leverage** hospitalists and offer PCPs bonus payments if they see their members within 48 hours of discharge.

For clinically integrated networks, offer high compensation and rate potential for physicians who elect to have exclusivity with your IPA or ACO. The more members they have within one organization, the more meaningful its success will be to them, and the more likely they are to actively participate in reducing cost and improving quality outcomes.

James Slaggert, former CEO, Medical Group Foundations, Providence Health and Services shares, "Formal physician leadership is crucial for the success of an IPA or ACO. This is extremely important at the governing board level, where a physician should be the chairperson, as well as in all board committees. The identification and selection of physician leaders must go hand-in-hand with education on the clinical and business purposes of each committee, as well as orientation and education on governing board process and fiduciary responsibilities. If physician leaders are set up for a successful leadership tenure, the organization and patients will ultimately benefit."

IPAs and health systems may acquire a reputation for only seeking profitability. This can scare physicians away from wanting to partner with or join an organization. It is critical to understand the needs and desires of physicians and recognize that financial incentives only motivate so far. To bolster your reputation:

1 **Build** an organization with a culture of quality (both clinical and administrative) from day one.

2 **Offer** attractive compensation in addition to capitation, such as an annual quality bonus or a monthly care coordination payment to provide physicians the financial support to develop the infrastructure needed for patient-centric care.

3 **Run** reports on PCPs to identify those with little membership and drive conversations with them to bring in members through exclusivity arrangements or recruitment efforts. For contractual arrangements where members are assigned to a PCP, the more attributed members a physician has with a single health system/IPA/ACO, the more engaged and vested they are, and the more important the compensation structure for that organization becomes. For capitated physicians, the critical mass of members can be lucrative.

4 **Host** physician roundtables or town hall meetings to allow providers opportunities to voice their opinions and collaborate with their clinical peers.

For IPAs, the more ownership PCPs have, the more likely they will engage in quality-improvement and cost-control interventions.

Finding Joy in Work

Physicians who consider themselves "happy" in the workplace are likely to have good staff engagement linked with high-quality patient care and safety, improved patient experience, and high productivity. As the Institute for Healthcare Improvement (IHI) has put a spotlight on physician "joy in work," physicians are seeking employment and partnership with organizations that place a high value and focus on their happiness in the workplace.

Physician burnout is occurring across the board, and as the nation combats provider shortages, physicians have their pick of where to work. Provider organizations with reputations for promoting joy in work and physician satisfaction will be highly sought. To build your reputation:

1 **Celebrate** successes—even the small ones! For example, consider public recognition and acknowledgment for physicians with high patient satisfaction scores.

2 **Measure** provider satisfaction regularly. Be open to discussion with your provider network and make adjustments that align with providers' needs and strategic objectives for the organization.

3 **Leverage** hospitalists to the extent possible and allow them to admit members and take care of them while in the facility. PCPs can avoid these frustrating trips to the hospital and thereby experience less burnout and exhaustion.

4 **Provide** detailed reports and care plans after admissions to allow providers to stay informed and involved in their members' care regardless of setting, as well as potentially improve quality measures associated with follow-up care after emergency room visits.

5 **Arrange** part-time employment options for providers looking to retire or cut back on working hours. Develop physician partnerships to incrementally take on their members for smooth and easy transitions from these physicians. This also helps for those physicians who would like to take on work outside the exam room, such as medical missions, consulting, volunteering, etc.

In the face of ambiguous legislation, the healthcare sector must move forward with the transformation of care delivery. Value-based payments and, in particular, risk sharing in medical groups, are the future of financial sustainability for healthcare providers. To the extent they are implemented, the above strategies are key to engaging physicians in improving the cost and quality of care delivered. GPJ

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