Cost and Quality Measurement: Why? By Whom? 
What New Skills Will Physicians Need?

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"I wish you would make up your mind, Mr. Dickens. Was it the best of times or was it the worst of times? It could scarcely have been both."
Today’s talk

• Increasing cost and quality measurement
  – why?
  – by whom?
  – consequences?
• What skills do physicians need in the new environment?
• What can provider organizations do to help their physicians?
• Should board certification/maintenance of certification measure these skills?
Increasing measurement of physician performance - Why?

• Measurement can lead to identification of problems and to improvement

• Measurement is used in pay for performance/value-based purchasing

• MACRA
Measurement and rewards

• for physicians as pecking pigeons?

AND/OR

• for provider organizations to help support investments in systematic processes to improve the quality and control the cost of care?
Possible unintended consequences of strong financial incentives

- decreased attention to important but unmeasured areas of quality
- gaming
- avoiding patients perceived likely to lower providers’ performance scores
- increasing SES and racial/ethnic disparities in care
- decreased physician intrinsic motivation/professionalism
The Panopticon
Bentham's (1748-1842) Panopticon

- The Panopticon is a type of institutional building designed by the English philosopher and social theorist Jeremy Bentham in the late-18th century.
- The concept of the design is to allow a single watchman to observe (-opticon) all (pan-) inmates of an institution without the inmates being able to tell whether or not they are being watched.
- The design consists of a circular structure with an "inspection house" at its centre, from which the manager or staff of the institution are able to watch the inmates, who are stationed around the perimeter. Bentham conceived the basic plan as being equally applicable to hospitals, schools, sanatoriums, daycares, and asylums, but he devoted most of his efforts to developing a design for a Panopticon prison, and it is his prison which is most widely understood by the term.
Professionalism Matters: Measured vs. Unmeasured Quality (Individual Physician)
Professionalism/intrinsic motivation/altruism

• Critical to:
  – minimize unintended consequences of incentives
  • especially critical for physician efforts to provide good care in areas where performance is not measured
  – maximize physician satisfaction
Professionalism matters

“If an employee is expected to devote time and effort to some activity for which performance cannot be measured at all, then incentive pay cannot be effectively used for other activities.”

Internal vs. External Measurement

• measurement by an external entity (e.g. Medicare or a health insurer):
  – measures must theoretically be “bullet-proof”
  – may be bullet-proof but inflexible and/or not meaningful
  – limited ability to take individual provider context into account
    • e.g. disproportionate percentage of socioeconomically disadvantaged and/or high need patients
Measurement by your own organization ("internal" measurement)

• can be flexible and "crude;" may be easier to devise measures for specialist physicians
• open to internal appeal
  – e.g. “yes, my generic prescribing rate is lower than most of our internists- but I have a very high percentage of patients with HIV”
• can be used for rapid cycle improvement - e.g. PDSA (plan, do, study act)
• need not be tied directly to financial incentives
  – annual “global” evaluation and/or simply seeing each other’s performance lead to improvement without direct financial incentives
• can include patient narratives
Patient narratives about their care

- feasible for provider organizations to collect on-line in large numbers
- may provide important information about unmeasured but important areas of quality
- give specific information on areas in which a physician or organization might improve
- are publicly available for University of Utah physicians
Mark Twain:

“I’m in favor of progress; it’s change I don’t like.”
Skills for physicians under value-based care

• Basic concepts
• Two views of quality; population health
• Quality improvement
• Leadership
• Interpersonal and communication skills
Skills for physicians under value-based care

- basic understanding of:
  - quality and costs in U.S. healthcare
  - unexplained variation in provision of services and in outcomes
  - overutilization and Choosing Wisely

- two views of quality
- population health
- leadership
Two Views of Quality

• Individual Physician View

• Population Health View
Individual Physician View of Quality

• quality is what I do:
  – for whatever patients happen to show up
  – while the patient is in front of me

• this view is necessary, but not sufficient
Population Health View of Quality

- quality is also what an organization does:
  - for the population of patients for which it is responsible
  - using organized care management processes

- should complement the individual physician view

- are you a high quality physician if your organization does not use organized processes to improve care?
Population-Based Care

- Know who your patients are
  - for preventive care
  - by type of chronic illness
- Stratify the patients by risk
- Higher risk patients get more attention
- Care goes on BETWEEN visits, not just during visits
- Help patients learn to manage their own illness
- Measure and improve the organization’s performance
Physician Leadership

• Most physicians do not need skills to lead an organization
• But all physicians should have skills useful for leading and/or participating in teams in their immediate work environment
What’s new: Duties of a doctor in the workplace

- Engage with colleagues to maintain and improve the safety and quality of patient care.
- Contribute to discussions and decisions about improving the quality of services and outcomes.
- Raise and act on concerns about patient safety.
- Demonstrate effective team working and leadership.
- Promote a working environment free from unfair discrimination, bullying and harassment, bearing in mind that colleagues and patients come from diverse backgrounds.
- Contribute to teaching and training doctors and other healthcare professionals, including by acting as a positive role model.

Use resources efficiently for the benefit of patients and the public.
What can organizations do for their physicians with regard to measurement?

- Create systematic processes to improve care that don’t depend on physicians
  - e.g. care management; preventive care; screening
- Use measures for improvement rather than for financial rewards
  - More attention to non-financial incentives that reinforce intrinsic motivation, for example:
    - transparent internal reporting of physician performance
    - patient narrative feedback
- Provide a usable EHR
- Organizational structure and leadership
  - AHA/AMA Joint Principles
Integrated Leadership for Hospitals and Health Systems: Principles for Success
AMA-AHA Fundamental Principle

• Integrated clinical physician and hospital leadership:
  – including nursing and other clinicians
  – present at all levels of the integrated health system
  – and participating in all key management decisions.

• physician-administrator “dyads” at multiple levels of the organization
Key factors for success in joint leadership (AMA-AHA)

- physician organization
- leadership development
- culture
Physician Organization

• “The need for physicians to organize under a formal self-governance and management structure
  – whether employed by a hospital, in a large group, small group or solo practice
  – cannot be overstated.”

AMA-AHA Principles
“competencies such as communication, teamwork, empathy and quality improvement, are also vital for effective patient care, but formal assessment of them for practicing physicians is challenging. The Task Force recommends that ABIM should continue to include the demonstration of these skills as part of initial certification requirements [because] these are assessed in a standardized . . . way in training programs and under direct observation. However, the best approach to assess these skills at the individual level outside of a training program is not clear.”

“We’d now like to open the floor to shorter speeches disguised as questions.”