Pay for Performance, Coming Soon to a Hematologist Near You

By Paul Cheng, MD, PhD, and Richard Schwab, MD

On Saturday evening, our ASH President Dr. Kanti Rai got the Practice Forum off to an entertaining start by enthusiastically announcing this year's Outstanding Service Award winners. The winners are the members of the ASH Pay-for-Performance Task Force: Dr. Steven Allen (Chair,) Dr. Kenneth Adler, Dr. Timothy Miley, and Dr. Lawrence Solberg. After this session, focused on ASH's pay for performance efforts, it is clear that these awards were earned many times over.

As an idea, pay for performance is simple — pay doctors that provide optimal care more, and this will encourage the delivery of the best possible care. In practice, there are many challenges to implementing these standards. Who determines what optimal care is and how it will be monitored? Beyond these obvious issues, the involvement of numerous public, private, nonprofit, and for-profit groups has made this issue into a true quagmire.

HMOs have rapidly implemented these standards, giving bonuses or cutting reimbursement based on specific criteria. Rosenthal et al. (NEJM, 2006) found that more than half of HMOs, representing more than 80 percent of HMO-enrolled patients, are including pay-for-performance standards in their provider contracts. Additionally, since 2004, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) has required the collection of performance measurements for an ever-expanding set of diagnoses. And now the Centers for Medicare and Medicaid Services (CMS) is collaborating with many groups, including the National Quality Forum, JCAHO, and others to develop and implement pay-for-performance standards.

The National Quality Forum (NQF) is a public-private partnership created to develop and implement a national strategy for quality measures and reporting. Dr. Rodger Winn, the Director of the NQF's Cancer Quality of Care Measures Project, presented an informative background on pay-for-performance standards. Thus far these standards have mainly been applied to primary care in the form of point measures that do not account for co-morbidities. As these measures move into subspecialty care, there could be unintended consequences. One example would be if an 83-year-old man with stage III colon cancer received adjuvant chemotherapy, even with a diagnosis of Alzheimer's dementia.

It may come as a surprise to many that pay-for-performance programs will affect American hematologists in the coming year. In the last session of the 109th Congress, in the same bill that averted the planned 5.1 percent CMS reimbursement cut, a pay-for-performance rule was included. Fortunately, ASH is prepared for this sudden development. The Society has well-developed standards and it is anticipated that these standards will be accepted by CMS for this newly legislated 1.5 percent bonus. Unfortunately, this bonus incorporates a payment cap, and ASH will need to continue to work with CMS as the mechanics of this program are developed.

Healthcare providers are also moving forward with pay-for-performance initiatives in hematology. Dr. Paul Adams, President of the Michigan Society of Hematology and Oncology (MSHO), discussed his group's work with Blue Cross/Blue Shield. Blue Cross/Blue Shield anticipates that drug costs will double in the next five years and are very motivated to slow this process. After many ambitious back-and-forth proposals, MSHO did come to an agreement regarding a modest pilot program. If hematologists can reduce the use of erythropoetic agents by 10-20 percent they will share in at least 50 percent of the savings. Unfortunately they are required to work in groups of at least 30, larger than any current group in Michigan. There is also a real concern that the physicians that inappropriately use these products will not participate, and the goal will therefore be unachievable.

Representatives of ASH leadership, including Dr. Samuel Silver and Dr. Lawrence Solberg, also spoke. Dr. Solberg covered the Society's initiatives on pay-for-performance standards and the quality measures that are being developed. The ASH Pay-for-Performance Task Force has measures that should be accepted by CMS, and these are already being made available as Practice Improvement Modules that ASH members can utilize for ABIM recertification points. An MDS module is currently available online, with modules for multiple myeloma and ITP to follow shortly. Dr. Silver, Chair of the ASH Subcommittee on Reimbursement, focused on the continuing need to work on fixing the current reimbursement methodology in addition to taking advantage of pay-for-performance initiatives. He put these new initiatives in perspective as icing on the cake that represents reimbursement.

Lastly, attendees were updated regarding the dramatic legislative actions taken at the end of the 109th Congressional session. ASH Government Relations Consultants Ellen Riker and Bernie Patashnik gave their insights on the effects of the recent political shift in Congress and how this may impact practicing hematologists. With Democrats in power, beneficiary cost sharing will be the main focus, while insurers and the pharmaceutical industry will lose much of their influence. It has been a long time since a sweeping change to CMS payments has been made, so this is likely. This means that now is the time to be active with ASH's Grassroots Network, local societies, and with your local Congressional representatives.

Complex changes are coming rapidly, and members who attended this year's Practice Forum are better prepared for them. Although pay-for-performance standards represent yet another burden on practicing hematologists, if properly implemented, they may help to highlight and reward the excellent care ASH members are already providing to their patients.