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Perspective

Tracking Physicians' Performance Through Technology

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Hospitals are relying on technology, which is enabling closer and faster monitoring of a physician's work.

Introduction

As a result of the federal health care law, payments to hospitals – as well as penalties from the Medicare program – will be tied to a hospital's performance on quality metrics, particularly expensive re-hospitalizations.
To be successful in this environment, hospitals recognize they need to more heavily lean on physicians – who make most of the important decisions regarding treatments, tests, drugs prescribed and devices implanted.

According to the Wall Street Journal, hospitals have started relying on technology to make it easier to monitor physicians' work, especially since details about patients can now be compiled electronically versus on paper charts. New tools are being sold by software makers to "crunch the numbers". Software offered by at least one company currently includes information on over 500,000 physicians – up from less than 50,000 just four years ago.

Impact Of Health Care Law

The federal health care law is accelerating select trends, including: *More physicians working for hospital systems,* Many physicians making deals with insurers to transition away from traditional fee-for-service reimbursement, and * Insurers – who may independently track physician performance results – seeking to provide a set payment for the overall care of the patient.

Bottom line: Physicians who provide costly care – or at least care costlier than the average – may wind up being a burden on their hospitals' budgets.

Haven't We All Been Here Before?

Yes, similar programs have been attempted before – and with the usual "mixed results". About 20 years ago, hospitals acquired physician groups –and insurers attempted to pay for care based on per-patient fees versus charges for individual services. Patients and physicians led a minor revolt and many programs turned out to be financial failures. In addition, linking a physician's fee to performance has been tried in the past – and the pro's and con's of the "opportunity" continue to be debated.

So What's New This Time?

New technology is enabling closer and faster tracking of individual physicians — and new insurance payments factor in quality goals. Physicians are being quickly informed when they're not measuring up and are "strongly persuaded" to improve. The programs are too new to provide any meaningful results.

However, the one software company (with the information on a half-million patients) has confirmed that among hospitals using its software for at least three years: *Lengths of inpatient stays have been reduced 2.9% on average, and* Re-admissions dropped 4.5%

What Are Hospitals Doing To Prevent Another Physician Revolt?

The Wall Street Journal reports that hospitals are providing feedback regarding performance in sessions led by fellow physicians – not by any outsiders. In hospital-speak, this is being positioned as "alignment" as compared to "telling the physician what to do".

One non-profit hospital group in California keeps detailed data on how physicians perform on numerous measures. The results are compiled, crunched and then used to help determine how much money physicians will earn.

To secure physician buy-in, hospitals emphasize that results will be made public. The hospital groups' CEO admitted that "tracking physicians' performance was key to the future" – and stated that "wide variations in practices among physicians is extraordinarily costly". The objective, the CEO says, "is not to control physicians, but to use the process and information to get them on the same point".

What Does The Software Measure?

One of the hospitals within the California group introduced the software package in 2011. For each physician, the software identifies variables including: complications, hospital re-admissions, and measures of cost. The system utilizes "dashboards" — red,

yellow or green colors to signal whether a physician is performing worse than, about as well as, or better than his peers.

The California non-profit hospital group suggests that as a result of physician-data efforts, the following improvements have been made:

- Reduced average stay for adult patients from 4.2 days in 2011 to 4.0 days in 2012,
- Reduced the average cost per admitted adult patient by $280, saving $13.8 million in total, and
- Improved indications of quality, including patient re-admissions, mortality and complications

At other Health Systems across the US, technology is also currently measuring (or has measured) the following:

- Using a Focused Professional Practice Evaluation process to identify a physician outlier, then changing the physician's behavior and reducing length of stay
- Conducting timely Ongoing Professional Practice Evaluation reviews for 2,000+ physicians by building an electronic review process to deliver faster reviews
- Creating a 10-point strategic plan for implementing and executing on physician data transparency
- Launching a physician-led hospital quality partnership resulting in a clinically-integrated network and over 900 physicians using physician-data
- Reducing re-admissions and length of stay for cardiac patients resulting in significant quality and utilization impact for a complex patient population
- Reducing cost and length of stay for psychoses DRG 885 yielding annualized cost savings of $2M
- Studying physician utilization patterns resulting in better inventory management and pharmacy savings of over $58K in one year

How Are Physicians Handling Performance Metrics?

The same hospital group has opined that physicians "had to go through stages of acceptance — including anger first, then denial, followed by acceptance". Some physicians are resentful that "bean-counters may decide what performance is". They claim that the metrics are a "cost-cutting measure" and wonder if they will be "pushed to avoid older, sicker patients who may drag down their numbers". However, many others feel that "all this stuff needs to happen and it will happen".

Takeaways Going Forward

- Insurers and hospitals will more closely monitor the performance of their physicians – and the results will be publicized, as well as the outcomes of the devices physicians are implanting. Data collection will become mandatory – and the technology is in place to support the effort.

- Consolidation will accelerate within the provider community:
  - Hospitals and physicians will continue to “align”
  - Hospitals and insurers will continue to “align”
- In addition, hospitals will continue to reduce their vendor pool. Product choices will be fewer and the adoption and usage of new products likely slower.
- Providers and payers will continue to move away from fee-for-service plans and reward value (bundled payments) over volume.
- Orthopedic companies who are not implementing evidence-based and/or economic-focused marketing programs may wind up being identified as a “burden” on insurers and hospitals budgets – similar to those identified physicians who provide more costly care.
- Orthopedic companies who are not fostering relationships with non-traditional partners (ACO’s, insurers, other MedTech companies, technology companies, etc.) may also be missing out on more disruptive innovation that will be focused around access and delivery of health care.

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