Commission to End Health Care Disparities issue brief

Pay for performance and quality reporting: Implications for eliminating racial/ethnic health care disparities

Public and private insurers are developing new and expanded programs using payment methods and other incentives to promote quality improvement and cost effectiveness in medical care. These programs, however, appear to be at odds with ongoing efforts to reduce racial and ethnic health care disparities. This issue brief discusses how pay-for-performance (P4P) programs might affect the quality of care provided to racial and ethnic minority patients and offers suggestions to assure that these programs are not a disincentive for physicians who care for these patients.

What are health care disparities?

The health status of different racial and ethnic populations can be attributed to a number of factors, including the environmental conditions in which people live, socioeconomic status, health insurance status and the quality of health care. Health care disparities exist when racial and ethnic populations receive poorer quality health services than do non-Hispanic white populations. These disparities persist even after accounting for health insurance and socioeconomic status.

What is pay for performance?

P4P refers to programs intended to encourage physicians to provide high-quality, cost-effective care by offering a variety of rewards based on achieving a prearranged set of specific goals.

What are the rewards?

Public and private insurers can provide either nonfinancial incentives, such as public recognition, preferred assignments or reduced administrative requirements, or financial incentives, such as bonuses, quality grants or higher reimbursement on the usual fee schedule. Many programs use a combination of incentive models.

What performance measures are used?

Groups like the American Medical Association (AMA)-convened Physician Consortium for Performance Improvement® and the National Committee on Quality Assurance have conducted extensive scientific reviews to identify appropriate performance measures that reflect various aspects of quality care. Public and private insurers, in turn, use a subset of these measures in P4P programs. The AQA alliance—a group formed by the American Academy of Family Physicians, the American College of Physicians, America's Health Insurance Plans, and the Agency for Healthcare Research and Quality to promote quality care in the ambulatory setting—has approved a set of 26 recommended P4P measures that focus on the following:

- Preventive measures
- Coronary artery disease
- Heart failure
- Diabetes
- Asthma
- Depression
- Prenatal care
- Quality measures addressing overuse or misuse of clinical services

Do P4P models usually include consideration for racially and ethnically diverse populations?

No.

What are some of these considerations?

- Difficulty with English as the primary language
- Health beliefs about the causation of disease and cures that differ from mainstream medical science
- Distrust
- Low health literacy
- Disabilities and other special health needs
- Engagement of extended family members in decision-making
- Logistical problems accessing regular care
- Lack of systematic, organizational and clinical cultural competence

How might these issues affect achieving performance measurement goals?

Physicians who have a substantial number of racial and ethnic minority patients in their practice may find a P4P program's prearranged performance targets difficult to reach because these patients may have difficulty effectively communicating with the physician, thereby not fully understanding the treatment plan or adhering to medication regimens. They may also have difficulty arranging for follow-up tests or visits due to lack of transportation.

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How might P4P be developed to help physicians who provide care for racial and ethnic minority patients?

The AMA and other organizations have identified a number of guidelines to help ensure the appropriateness and effectiveness of P4P programs, and that such programs promote, rather than impede, quality care for racial and ethnic minority patients. These guidelines recommend that:

- P4P programs should be patient-centered and link evidence-based performance measures to financial incentives
- Variations in an individual patient-care regimen should be permitted based on a physician's sound clinical judgment, and should not adversely affect P4P program rewards
- Programs should reward both absolute quality scores and improvement over time, recognizing that some physicians will begin their quality improvement process with lower scores than other physicians who have a less ethnically diverse and healthier patient population.
- Programs should use risk adjustment and/or stratified analyses to level the playing field and avoid penalizing physicians who see a large number of racial and ethnic minority patients
- Programs should consider using patient satisfaction and rotating measures to minimize the physician tendency to focus mainly on performance measurement targets and neglect other aspects of care that are important to racial and ethnic minority patients, as well as to all patients
- Programs should use only relevant incentives that can be based on statistically reliable and valid measurements of patient care

Summary

Although P4P programs are increasing rapidly, there has been little discussion on how these programs might foster quality improvement for certain populations while adversely impacting health care quality for others, such as racial and ethnic minorities.

The health of populations is affected by more than just the quality of health care. Quality care does, however, impact health outcomes and should be tailored to meet the needs of all populations. Suggestions are provided in this issue brief to help P4P programs account for the challenges faced by physicians who care for racial and ethnic minority patients.

About the Commission to End Health Care Disparities

The Commission to End Health Care Disparities, co-chaired by the AMA and the National Medical Association, comprises leaders from more than 60 health care organizations that work together to educate physicians and health professionals about health care disparities while identifying and developing strategies to eliminate disparities in care based on race and ethnicity.

Selected references

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