Case 2: Getting to the “bottom” of quality

Lane Centive is a 29 YO primary care physician at Pleasant Valley Medical Clinic who completed her residency two years ago. Her clinic includes two other physicians and a nurse practitioner. The clinic is one of 14 clinics owned and operated by Agreegix Health Care System. Lane had a salary guarantee that has now expired, and her compensation is determined by a blended model that includes capitated payments for panel members as well as a 10% withhold for quality performance.

Last year Agreegix Health Care Systems contracted with D-Lux Plastic Factory to provide health services for its employees. The factory has a stable, middle-aged work force with a new insurance plan that includes a $5,000 deductible. Lane has already seen her panel size grow, and she is anticipating a steady rise in salary due to increased volume.

Agreegix has set colonoscopy screening for colorectal cancer as one of its performance measures. The goal for screening is 85% of patients between the ages of 50 and 75. Colonoscopy is performed at Agreegix’s Center for Digestive Function with a cost per procedure of $1,172. The Affordable Care Act (ACA) mandates coverage of screening colonoscopy but does not cover anesthesia, bowel preparation products, pathology charges or facility fees. At Agreegix, these additional fees average $3,237 and are subject to co-pay and deductible.

Lane has 253 patients in her panel who meet this criterion for screening. The yearly report was just posted in Agreegix’s electronic QI newsletter, and Lane was alarmed to see her name in the red column entitled “Underperformers.” Despite her best efforts, Lane’s colonoscopy rate was 68%. Moreover, her salary was to be reduced 5% for this coming year for failing to meet goal.

Lane set about to increase colonoscopy screening in her practice by having her nurse call every eligible patient who had not yet had this procedure. In addition, she took the time at each clinic visit to educate patients about the need for this potentially lifesaving test. She was surprised at the refusal rate. When she asked patients why, the typical response was “I can’t afford to spend most of my $5,000 deductible on this test right now. I feel fine.”

1. How effective is pay for performance in improving health care outcomes? In reducing cost?
2. Are withhold agreements an effective tool to motivate physician practice?
3. What inherent conflicts exist within this system of health care?
4. Who determines what and how to measure? Who sets the goals? Is there evidence that these thresholds improve morbidity and mortality?
5. If a patient opts out of screening, should the physician be penalized?
6. How effective is peer pressure in motivating physician behavior change?
8. How would you design a physician reimbursement plan that rewards evidence-based practice but also honors patient autonomy?