



Effective Health Care

Physician Compensation Models

Results of Topic Selection Process & Next Steps

The nominator, a physician and former executive from a large healthcare system, is interested in a new systematic review on physician compensation models. The nominator is interested in how physician behavior, quality of care, and healthcare costs are affected by various physician compensation models.

We found a recent (2017) Veterans Affairs Evidence-based Synthesis Program systematic review titled “The Effects of Pay-for-Performance Programs on Health, Health Care Use, and Processes of Care: A Systematic Review.” Therefore, a new review would be duplicative of an existing product. No further activity on this topic will be undertaken by the Effective Health Care (EHC) Program.

Topic Brief

Topic Name: Physician Compensation Models

Topic #: 0745

Nomination Date: August 2017

Topic Brief Date: September 2017

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Conflict of Interest: The authors do not have any affiliations or financial involvement that conflicts with the material presented in this report.

Summary of Key Findings

- Appropriateness and importance: The nomination is both appropriate and important.
- Duplication: An AHRQ systematic review on the topic would be partially duplicative of a 2017 VA Evidence-based Synthesis Program evidence review examining Pay for Performance.¹ After consultation with the nominator, it was determined that an additional systematic review is unlikely to answer the nominator’s remaining concerns.

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Introduction

Physicians are currently compensated in many ways. Previously, physician compensation was more straightforward, and physicians were paid for the services which they provided, in primarily a fee-for-service model. Now multiple other financing models, also known as alternative payment models, are designed to replace fee-for-service payment.

One common model within alternative payment models is pay for performance (P4P). P4P refers to using financial incentives to improve the quality and efficiency in health care. Ideally P4P programs incentivize health care systems and providers to reduce use of unnecessary health care services, improve patient health outcomes, and enhance the quality of care.² The idea of P4P was promising, but previous studies have not consistently demonstrated improvement in patient health outcomes.³

Topic nomination #0745 was received on August 31, 2017. It was nominated by a former executive from a large healthcare system. The key questions for this nomination are:

Key Question 1. What are the benefits and harms of physician compensation plans on:

- 1a. Physician behavior?
- 1b. Quality of care?
- 1c. Healthcare costs?

To define the inclusion criteria for the key questions we specify the population, interventions, comparators, and outcomes of interest. See Table 1.

Table 1. Key Question and PICOs

Key Questions	What are the benefits and harms of physician compensation plans on: 1a. Physician behavior? 1b. Quality of care? 1c. Healthcare costs?
Population	Healthcare providers at the individual, managerial, group, and institutional levels.
Interventions	Any physician compensation plans/model
Comparators	Other physician compensation plan/models, or non-financial incentives
Outcomes	1a. Provider-centered outcomes (e.g., incidence of burnout, satisfaction, self-efficacy), professionalism, degree of risk aversion 1b. Patient-centered outcomes measures (e.g., quality-of-life measures, mortality and morbidity, health care utilization, access to care) 1c. Individual and institutional costs (e.g., patient, provider, and healthcare system)

Methods

To assess topic nomination #0745 *Physician Compensation Models* for priority for a systematic review or other AHRQ EHC report, we used a modified process based on established criteria. Our assessment is hierarchical in nature, with the findings of each step in our assessment determining the need for further evaluation of the next step. Details related to our assessment are provided in Appendix A.

1. Determine the *appropriateness* of the nominated topic for inclusion in the EHC program.
2. Establish the overall *importance* of a potential topic as representing a health or healthcare issue in the United States.
3. Determine the *desirability of new evidence review* by examining whether a new systematic review or other AHRQ product would be duplicative.
4. Assess the *potential impact* a new systematic review or other AHRQ product.
5. Assess whether the *current state of the evidence* allows for a systematic review or other AHRQ product (feasibility).

6. Determine the *potential value* of a new systematic review or other AHRQ product.

Appropriateness and Importance

We assessed the nomination for appropriateness and importance (see Appendix A).

Desirability of New Review/Duplication

We searched for high-quality, completed or in-process evidence reviews pertaining to the key questions of the nomination. Table 2 includes the citations for the reviews that addressed the key questions.

Compilation of Findings

We constructed a table outlining the selection criteria as they pertain to this nomination (see Appendix A).

Results

Appropriateness and Importance

This is an appropriate and important topic. This topic represents a significant cost burden to healthcare systems, payers, and patients. In the recent healthcare climate which emphasizes cost effectiveness, evidence-based approaches to payment models is becoming a priority to many healthcare systems.

Desirability of New Review/Duplication

A new evidence review examining physician compensation models would be duplicative of a pre-existing systematic review. A 2017 Veterans Affairs Evidence-based Synthesis Program (ESP) systematic review on pay for performance found that incentive programs could improve processes of care, but there was no clear evidence that these programs improved patient outcomes.¹

See *Table 2, Duplication* for the full list of systematic review citations that were determined to address the key question.

Table 2. Key question with the identified corresponding evidence reviews

Key Question	Duplication (Completed or In-Process Evidence Reviews)
#1: Benefits and harms of physician compensation models	Total number of completed or in-process evidence reviews: 1 <ul style="list-style-type: none">• VA ESP: 1¹

Summary of Findings

- Appropriateness and importance: The nomination is both appropriate and important.
- Duplication: An AHRQ systematic review on the topic would be partially duplicative of a 2017 VA Evidence-based Synthesis Program evidence review examining Pay for Performance.¹ After consultation with the nominator, it was determined that an additional systematic review is unlikely to answer the nominator's remaining concerns.

References

1. Mendelson A, Kondo K, Damberg C, Low A, Motúapuaka M, Freeman M, et al. The Effects of Pay-for-Performance Programs on Health, Health Care Use, and Processes of Care: A Systematic Review. *Ann Intern Med.* 2017;166:341–353. doi: 10.7326/M16-1881
2. Epstein, A. M., Lee, T. H., & Hamel, M. B. (2004). Paying physicians for high-quality care. *N Engl J Med*, 350(4), 406-410.

3. Eijkenaar, F., Emmert, M., Scheppach, M., & Schöffski, O. (2013). Effects of pay for performance in health care: a systematic review of systematic reviews. *Health policy*, 110(2), 115-130.

Appendix A. Selection Criteria Summary

Selection Criteria	Supporting Data
1. Appropriateness	
1a. Does the nomination represent a health care drug, intervention, device, technology, or health care system/setting available (or soon to be available) in the U.S.?	Yes, this nomination represents a healthcare system in the U.S.
1b. Is the nomination a request for a systematic review?	Yes, this nomination is a request for a systematic review.
1c. Is the focus on effectiveness or comparative effectiveness?	Yes, the focus of this nomination is on both effectiveness and comparative effectiveness.
1d. Is the nomination focus supported by a logic model or biologic plausibility? Is it consistent or coherent with what is known about the topic?	Yes, this nomination focus is supported by models consistent with what is known about the topic.
2. Importance	
2a. Represents a significant disease burden; large proportion of the population	Yes, this nomination represents a burden on the large proportion of the medical population.
2b. Is of high public interest; affects health care decision making, outcomes, or costs for a large proportion of the US population or for a vulnerable population	Yes, this nomination affects health care decision making, outcomes, and costs for a large proportion of the US population.
2c. Represents important uncertainty for decision makers	Yes, this nomination represents important uncertainty for decision makers.
2d. Incorporates issues around both clinical benefits and potential clinical harms	No, this nomination does not incorporate issues around <u>clinical</u> benefits and harms.
2e. Represents high costs due to common use, high unit costs, or high associated costs to consumers, to patients, to health care systems, or to payers	Yes, this nomination represents high costs to healthcare systems, payers, and patients.
3. Desirability of a New Evidence Review/Duplication	
3. Would not be redundant (i.e., the proposed topic is not already covered by available or soon-to-be available high-quality systematic review by AHRQ or others)	An AHRQ systematic review on this topic would be redundant. One recent (2017) evidence review was determined to meet the nominator's needs. ¹