Shared savings don’t jeopardize patient outcomes

A 4-year study shows patient outcomes didn’t change significantly when hospitals and physicians joined in a pay-for-performance (P4P) program for 8 types of surgery. The researchers say this is one of the first studies of P4P to look at patient outcomes.

The project used a gainsharing model in which 3 New York City hospitals and about 300 physicians shared savings while tracking outcomes to make sure financial incentives didn’t jeopardize quality.

“Our premise was that if P4P was done correctly, there should be no effect on quality, and we put this to the test,” Faiz J. Bhora, MD, MBBS, FACS, one of the researchers, told OR Manager. Participating hospitals were Beth Israel Medical Center, St Luke’s Hospital, and Roosevelt Hospital.

Examining the results for 1,768 patients having major surgery from 2007 through 2010, the study found morbidity and mortality rates weren’t statistically different before and after the project was implemented.

For example, in 269 colorectal operations, the complication rate went from 30% before the project to 22% afterward. For lung operations, complications increased slightly, while death rates declined slightly.

“We also wanted to make sure we were not cherry-picking our cases by selecting perhaps the less severely ill patients,” Dr Bhora says. “From our data, we thought we were not because the case mix index and severity score for the hospitals were no different before and after.”

Procedures studied in addition to colorectal surgery were gastric bypass, appendectomy, cholecystectomy, arterial bypass, carotid endarterectomy, and complete and partial lung removal.

Tracking outcomes

Dr Bhora stresses that the study tracked patient outcomes rather than use of process measures such as giving and stopping antibiotics on time or removing the Foley catheter on time.

Outcomes were monitored through the American College of Surgeons National Surgical Quality Improvement Program (ACS NSQIP), which collects data on 138 variables, and the Society of Thoracic Surgeons database.

Among complications monitored were pneumonia, pulmonary embolism, unplanned tracheal intubation, acute renal failure, bleeding requiring transfusion, cardiac arrest, coma, stroke, superficial surgical site infection, and wound disruption within 30 days.

Cost savings

The researchers estimate that P4P saved about $20 million over the 2 years studied through aspects of care such as shorter length of stay, decreased OR time, more selective use of nonessential technology, and decreased ICU costs.

The program is voluntary for the physicians, Dr Bhora notes. Those in the top 25th
percentile for costs and outcomes compared with their peers are eligible for a bonus, which ranges from several hundred dollars to $10,000 every 6 months, depending on the physician.

Every 6 months, participants receive a dashboard showing them their cost breakdown for the OR, ICU, medications, and so forth for specific DRGs compared with their peers.

Dr Bhora says of the study: “It appears from our limited data that one can achieve cost savings that are fairly significant without sacrificing quality. “This should come as no surprise because the health care system is redundant in many aspects. It is wasteful, it is expensive, and there clearly are areas where things can be done much better and more efficiently with no detriment to patient care.”

The project was conducted by Continuum Health Partners, a 5-hospital system that accounts for about 22% of patient discharges in Manhattan.

The study was presented at the American College of Surgeons Clinical Congress in October 2011 in San Francisco. ❖

Have a question on the OR revenue cycle?

Keith Siddel will respond to questions in the column. Send your questions to editor@ormanager.com
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