VERMONT MEDICAL SOCIETY RESOLUTION

As Reaffirmed and Amended by VMS Board November 8, 2023

Principles for the Development of Pay-for-Performance Programs

Resolved:

The primary goal of any pay-for-performance program must be to promote quality patient care that is safe and effective across the healthcare delivery system, rather than to achieve monetary savings;

Programs must be designed to support the patient/physician relationship and recognize that physicians are ethically required to use sound medical judgment, holding the best interests of the patient as paramount;

Pay-for-performance programs must be able to demonstrate improved quality patient care that is safer and more effective as the result of program implementation;

Evidence-based quality of care measures must be the primary measures used in any program and all performance measures used in the program must be subject to the best-available risk adjustment for patient demographics, severity of illness, and co-morbidities;

Physicians must have the ability to review and comment on data and analysis used to construct any performance ratings prior to the use of such ratings to determine physician payment or for public reporting;

Programs should allow for variance from specific health care performance measures that are in conflict with sound clinical judgment;

Physician participation in any pay-for-performance program must be completely voluntary and the sponsoring health plan must ensure that physician nonparticipation does not threaten the economic viability of physician practices;

Programs should be available to any physicians and specialties who wish to participate and programs must not favor physician practices by size or by capabilities in information technology;

Although some information technology systems and software may facilitate improved patient management, programs must avoid implementation plans that require physician practices to purchase health-plan specific information technology capabilities;

Programs must finance bonus payments based on specified performance measures with supplemental funds and the funding should not come from a redistribution of current physician reimbursement;

1 The quality of data collection and analysis must be scientifically valid and physicians must be
2 reimbursed for any added administrative costs incurred as a result of collecting and reporting
3 data to the program;
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5 Patient privacy must be protected in all data collection, analysis, and reporting and data
6 collection must be administratively simple and consistent with the Health Insurance Portability
7 and Accountability Act (HIPAA);
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9 The results of pay-for-performance programs must not be used against physicians in health
10 plan credentialing, licensure, and certification;
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12 Programs must not financially penalize physicians based on factors outside of the physician's
13 control and programs must be designed to protect patient access;
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15 Programs must not financially penalize physicians who chose not to participate;
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17 Given that approximately 90% of the cost differential between the US and the other developed
18 countries reflects high prices rather than an excessive volume of services, payment programs
19 should refocus on evaluating and addressing the causes of conspicuously high prices of goods
20 and services paid for by the Medicare program and other insurers in the US;
21
22 Programs should not impose ethical conflicts on participating clinicians, such as clinicians
23 facing significant financial loss when their patients require costly procedures; and they should
24 be designed to protect patient access to necessary care, especially patients with expensive,
25 complex illnesses; and
26
27 Care coordinators, social workers, and other mental health and substance abuse services
28 targeted to at risk patients should be available to all primary care practices, regardless of
29 whether practices have chosen to engage in financial partnerships with private sector Medicare
30 subcontractors in value-based care programs.
31
32 **See related:**
33 VMS Policy, Addressing Ethical Dilemmas in Some of CMS's Pay for Performance and Value
34 Based Care Programs, https://vtmd.org/vms-resolutions
35
36 AMA Policy H-450.944, Protecting Patients Rights, available at: https://policysearch.ama-
37 assn.org/policyfinder/detail/%22Protecting%20Patients%20Rights%20H-
38 450.944%22?uri=%2FAMADoc%2FHOD.xml-0-4068.xml
39 AMA Policy H-450.947, Pay-for-Performance Principles and Guidelines, available at:
40 https://policysearch.ama-
41 assn.org/policyfinder/detail/Pay%20for%20Performance%20Principles%20and%20Guidelines
42 ?uri=%2FAMADoc%2FHOD.xml-0-4071.xml
43

AMA Policy H-450.941, Pay-For-Performance, Physician Economic Profiling, and Tiered and Narrow Networks, available at: https://policysearch.ama-assn.org/policyfinder/detail/Pay%20for%20Performance?uri=%2FAMADoc%2FHOD.xml-0-4065.xml