

1 VERMONT MEDICAL SOCIETY
2 RESOLUTION
3 Adopted on October 15, 2005

4 Principles for the Development of Pay-for-Performance Programs

5 Whereas, In recent years, third-party payers and policy-makers have chosen to promote
6 programs that offer financial incentives for physicians to achieve benchmarks of
7 performance; and

8 Whereas, In 2000, Vermont received the lowest Medicare payments per beneficiary of
9 any state -- while at the same time it received the country's second highest health quality
10 ranking for Medicare beneficiaries; and

11 Whereas, these pay-for-performance programs are operating in a complex reimbursement
12 environment that often creates barriers to reaching the goal of consistent, high quality
13 care for all patients; and

14 Whereas, These programs are frequently implemented without first addressing the
15 underlying levels of inadequate reimbursement; and

16 Whereas, Notwithstanding their recent proliferation, pay-for-performance programs are
17 largely untested and in order to support the provision of safe, high quality care they must
18 achieve fair reimbursement for necessary services and work to the advantage of patients;
19 and

20 Whereas, Clear principles are needed to guide the development of pay-for-performance
21 programs in order to help ensure they promote improved health care quality and patient
22 safety in Vermont's health care system; therefore, be it

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

26 **Resolved, Programs must be designed to support the patient/physician relationship**
27 **and recognize that physicians are ethically required to use sound medical judgment,**
28 **holding the best interests of the patient as paramount; and be it further**
29

30 **Resolved, Pay-for-performance programs must be able to demonstrate improved**
31 **quality patient care that is safer and more effective as the result of program**
32 **implementation; and be it further**
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34 **Resolved, Evidence-based quality of care measures must be the primary measures**
35 **used in any program and all performance measures used in the program must be**
36 **subject to the best-available risk adjustment for patient demographics, severity of**
37 **illness, and co-morbidities; and be it further**

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Resolved, 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; and be it further

Resolved, Programs should allow for variance from specific health care performance measures that are in conflict with sound clinical judgment; and be it further

Resolved, 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; and be it further

Resolved, 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; and be it further

Resolved, 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; and be it further

Resolved, 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; and be it further

Resolved, The quality of data collection and analysis must be scientifically valid and physicians must be reimbursed for any added administrative costs incurred as a result of collecting and reporting data to the program; and be it further

Resolved, Patient privacy must be protected in all data collection, analysis, and reporting and data collection must be administratively simple and consistent with the Health Insurance Portability and Accountability Act (HIPAA); and be it further

Resolved, The results of pay-for-performance programs must not be used against physicians in health plan credentialing, licensure, and certification; and be it further

Resolved, Programs must not financially penalize physicians based on factors outside of the physician’s control and programs must be designed to protect patient access; and be it further

Resolved, Programs must not financially penalize physicians who chose not to participate.