



# PAY FOR PERFORMANCE

February 2007

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**ISSUE:** The Administration and Congress are undertaking initiatives in the Medicare program designed in part to improve patient care by establishing standard measures of performance. Quality improvement initiatives have potential to improve the overall quality of health care, including psychiatric treatment. Performance measures are an integral element in quality improvement initiatives, but care must be taken to ensure that such measures are developed by physicians and focus on quality patient care, not on reducing Medicare payments to physicians.

**BACKGROUND:** On December 20, 2006, the President signed the Tax Relief and Health Care Act of 2006 which authorized the establishment of a voluntary quality reporting program within the Centers for Medicare and Medicaid Services (CMS): the Physician Quality Reporting Initiative (PQRI). The enacted law also authorizes an additional Medicare payment of 1.5% to physicians who participate in PQRI by reporting on a designated set of quality measures between July 1 and December 31, 2007.

Physicians including psychiatrists recognize the benefits of appropriate performance measures, provided that such measures are relevant to the particular illness and the physicians providing treatment and to the setting in which services are provided. The American Medical Association (AMA) heads one of the official venues for submitting performance measures for inclusion in the CMS reporting program: the Physician Consortium for Performance Improvement (the Consortium). APA and virtually all medical specialties are part of the Consortium and have been working to ensure that performance measures are physician-controlled and developed, reflect clinical expertise by specialties, and are focused on meaningful improvements in patient care. By the end of 2006, the Consortium developed some 140 performance measures, including a number that impact psychiatric treatment for depression, for example.

Legislative proposals in the 109<sup>th</sup> Congress sought to tie a portion of Medicare payment to the “voluntary” reporting of data as required by the relevant performance measure, known as “Pay for Performance.” Under some proposals, after a transition period in which physician reporting is voluntary, physicians would face a payment penalty if they declined to report data. While none of these measures was successful last Congress, it is fully anticipated that similar bills will be introduced in the 110<sup>th</sup> Congress.

**APA POSITION:** APA has voluntarily participated in the important work of the Physician Consortium for Performance Improvement in order to ensure that performance measures impacting psychiatric patients are developed by those with clinical expertise, thus helping to ensure that the measures are relevant to the field and have the potential to actually improve overall quality of care, while balancing the burden of the reporting instrument. Compliance with reporting requirements developed by the Federal Government should be linked to a positive incentive payment for those physicians who choose to participate. APA opposes penalizing physicians who, for whatever reason, decline to report data. Members of Congress are urged to ensure that performance measures deliver quality improvement and are not used to cut back Medicare payments.