Physician Incentives in a Gainsharing Program Lower Costs and Improve Quality

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BACKGROUND
The Inspira Health Network comprises three hospitals, four multi-specialty health centers and more than 1,000 medical staff members in southern New Jersey. The leadership team sought to enhance transparency and accountability on what matters most to patients and to payers: outcomes, cost, and value. Aligning the hospital and physicians’ financial incentives and quality goals is essential for success.

METHODS
Inpira participates in the New Jersey Hospital Association (NJHA) Gainsharing Program and since the CMS BPCI Model 1 (Acute Care only) initiative; BPCI Model 1 expanded the 2009-12 NJ Medicare Gainsharing Demonstration Project (Agency for Healthcare Research and Quality, 2014). The NJHA program is a Medicare initiative and provides all the necessary waivers (e.g. antikickback, Stark and Civil Monetary Penalties). Physician participation is voluntary. All patients admitted to Inspira receive notification that the hospital is participating in the program on admission.

INCENTIVE STRUCTURE
Gainsharing promotes higher level of performance by establishing incentives that align physician and hospital goals. The size of the financial incentive is based on delivering care at a cost savings to the actual cost compared to each physician’s historical costs. Physician financial incentives are conditional on quality measures, such as:

- Outcomes measures (e.g., infections, adverse events)
- Efficiency measures (e.g., delinquent medical records, timely operative reports, timely discharge summaries)
- Patient experience measures (e.g., physician HCACHPS scores)

PurPOSE
Since physicians are most responsible for managing costs within a hospital (Leff, et al., 2009), Inspira implemented the gainsharing program to engage physicians using an incentive payment based on reducing inpatient costs and improving quality performance.

RESULTS
Gainsharing promotes higher level of performance by establishing incentives that align physician and hospital goals. The program aligned medical staff and hospital incentives, and enabled a higher level of proactive collaboration, coordination and cooperation. The program aligned medical staff and hospital incentives, and enabled a higher level of proactive collaboration, coordination and cooperation.

CONCLUSION
The gainsharing program reduced inpatient costs. Since inception, the Vineland and Elmer campuses realized $6.3 million in cost savings after incentives and program costs. By June 2015, on average, Inspira realized savings on almost 1 of every 3 dollars of identified internal costs. The incentives reinforced care redesign protocols, such as:

- The establishment rates for the COACH and palliative care programs is better than the 20% improvement goal.
- Through use of the VTE assessment, hospital acquired DVTs and pulmonary embolism are minimal.
- The pneumonia core measure of administering the appropriate antibiotic reached 96%.

The program aligned medical staff and hospital incentives, and enabled a higher level of proactive collaboration, coordination and cooperation. The success of the program helped Inspira realize a fundamental shift in the care delivery process, and implement additional value-based programs such as:

- Designation as a Patient Centered Medical Home by NCQA
- Medicare Shared Savings Program
- Employee Accountable Care Organization
- Physician Hospital Organization
- SNF Preferred Provider Network

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SAMPLE PHYSICIAN DASHBOARD

REFERENCE


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