

***Position Statement on the Medicare Physician Quality Reporting Initiative (PQRI)***

The North American Spine Society (NASS) is a multidisciplinary medical organization dedicated to fostering the highest quality, evidence-based, and ethical spine care by promoting education, research, and advocacy. NASS is comprised of more than 6,200 members from several disciplines including orthopedic surgery, neurosurgery, physiatry, neurology, radiology, anesthesiology, research, physical therapy and other spine care professionals.

**What is Value-Based Purchasing?**

Performance measurement and pay-for-performance are the current rallying cries in health care reform.<sup>1</sup> While the current health care system pays for volume of care, value-based purchasing (VBP) links reimbursement to quality of care in an attempt to decrease spending and variation in treatment, while simultaneously increasing quality of care for patients. In its broadest sense, VBP is a method of health care delivery that seeks to improve the quality, safety, efficiency and outcome of care through use of evidence-based performance measures and reimbursement incentives.<sup>1</sup> Government and third party payers are widely using and testing VBP in a variety of forms. Remarkably, very little research has been done on whether pay-for-performance actually works.

VBP generally refers to purchasing practices aimed at improving the value of health care services, where value encompasses both quality and cost.<sup>2</sup> This is typically achieved through financial incentives or disincentives to health care providers to meet desired patient care goals. To determine whether a provider meets these goals, performance on specific measures is reported for evaluation. Providers may be rewarded for meeting goals or gains in improvement.

**Medicare Physician Quality Reporting Initiative (PQRI)**

The successes and failures of the Medicare PQRI, currently a pay-for-reporting program anticipated to progress to pay-for-performance, have been the subject of scrutiny due to the fact that Medicare policies are usually duplicated by other third party payers. Enacted in 2006, the Centers for Medicare and Medicaid Services' (CMS) PQRI provides a mechanism for physicians and other health care professionals to report quality data to the government to evaluate the care they furnish to Medicare beneficiaries.<sup>3</sup> Providers meeting specified goals receive reimbursement bonuses. The first PQRI reporting year was 2007, with incentives authorized through 2010.<sup>4</sup> Unfortunately, implementation of PQRI in its first year uncovered a number of issues for physicians.<sup>5</sup> PQRI participants complained that usage reports have not been received in a timely fashion—a key component to improving care and

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<sup>1</sup> Wong D, Mick C, Hayden P. Invited Review: Performance Measurement and Pay-for-Performance-The Next Wave. SpineLine. March/April 2006. Available at: [http://www.spine.org/Documents/SpineLine\\_MarchApril06\\_P4P.pdf](http://www.spine.org/Documents/SpineLine_MarchApril06_P4P.pdf). Accessed: 06/17/09.

<sup>2</sup> Evaluating the Impact of Value-based Purchasing. A Guide for Purchasers. Available at: <http://www.ahrq.gov/about/cods/valuebased/evalvbp1.htm>. Accessed: 02/27/09.

<sup>3</sup> Centers for Medicare and Medicaid Services. Department of Health and Human Services. Physician Quality Reporting Initiative 2007 Reporting Experience. 12.3.08.

<sup>4</sup> Centers for Medicare & Medicaid Services. Overview. Physician Quality Reporting Initiative. Available at: <http://www.cms.hhs.gov/PQRI/>. Accessed: 02/27/09.

<sup>5</sup> Alliance of Specialty Medicine. Protecting Medicare Beneficiary Access to High Quality Specialist Services. Draft. 01/22/09.

comparing results. There have also been numerous reports of miscalculated payments, payments incorrectly labeled and lacking sufficient information to match payment with patients. Further, participating physicians have not been able to determine why some claims are paid when others are not, even when measures reported are consistent with the evaluation and treatment of the patient. Finally, PQRI lacks a formal appeals process by which participants can challenge information in reports and payment discrepancies, to allow for fair and equitable resolution to issues that arise between participants and CMS. There have also been concerns that enough measures do not yet exist to allow participation from all medical specialties and that some measures included in the program may not be truly evidence-based. The PQRI implementation issues need to be addressed to prevent jeopardizing access to high-quality care for the Nation's elderly and disabled. Various proposals have been made in anticipation of PQRI's progression from pay-for-reporting to pay-for-performance. NASS would support the following features in proposals for the Medicare PQRI program:

- Payment of PQRI incentives to eligible professionals who participate in a qualified American Board of Medical Specialties Certification (maintenance of certification or MOC) and complete a qualified MOC practice assessment.<sup>6</sup>
- Calculation of incentives without regard to existing geographic adjustments in the physician fee schedule since PQRI incentive payments should be based on quality of service performed rather than geographic location.<sup>6</sup>

### **North American Spine Society and Value-based Purchasing**

NASS is committed to providing high quality care to all spine patients, including Medicare beneficiaries. In pursuit of the highest quality care, NASS develops evidence-based clinical guidelines and is an active member of the AMA-convened Physician Consortium for Performance Improvement process for developing and evaluating performance measures. NASS is also pursuing development of a research outcomes registry. It is at the heart of NASS' mission to advance quality spine care, and to this end, NASS is committed to working with a broad range of stakeholders to ensure proper design and implementation of VBP programs.

***NASS supports value-based purchasing when guided by the following principles for all payer programs:***

- ***Measure Characteristics.*** Performance measures used for VBP should be:
  - Evidence-based, scientifically sound and adequately risk-adjusted.
  - Clinically important in areas where improvement will significantly impact burden of disease/illness/treatment disparities/underserved areas.
  - Within the direct control of the provider. (This does not include patient satisfaction which is not within the direct control of the provider.)
- ***Measure Development.*** Government and other payers should work with medical specialty societies to develop and select performance measures.
- ***Early Notification.*** Measures and program parameters should be published with adequate time for provider implementation prior to the start of reporting periods.<sup>7</sup>
- ***Adequate Funding.*** Value-based purchasing programs should be adequately funded and recognize increased system costs to providers and provide adequate additional funding to them for reporting.<sup>5</sup>
- ***Pilot Testing.*** Results of pilot and demonstration projects should be evaluated and conclusions considered in the administration of the final programs.<sup>8</sup>

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<sup>6</sup> Senate Finance Committee. Description of Policy Options: Transformation of the Healthcare Delivery System: Proposals to Improve Patient Care and Reduce Health Care Costs. 4.29.09.

<sup>7</sup> American Medical Association. Quality Improvement Statement.

<sup>8</sup> North American Spine Society. Position Statement: Pay-for-Performance. 2005.

- **Implementation.** All VBP programs should monitor for unintended consequences resulting from the program to both patients and health care professionals and address them as they are identified.
- **Report Access and Verification.** Performance scores should be reported to the provider for the purpose of verification in a timely fashion before payment is issued and before being publicly reported. Providers should also be able to easily access reports for review.<sup>5,7</sup> Providers should use reports as one tool for quality improvement within their practices.
- **Available Appeals Process.** Providers should have the opportunity to review reports and appeal any errors or inconsistencies prior to payment or public reporting.<sup>5,7</sup>
- **Transparency.** Provider incentives should be calculated in a transparent fashion.
- **Incentivize, Not Penalize.** Pay-for-performance should be used as a carrot rather than a stick.<sup>1</sup>
- **Encourage Participation and Effort.** Support providers who demonstrate a willingness to improve and provide sound reward to those with good results.

Approved by NASS Board of Directors, October 2009.