

CONFERENCE ABSTRACT

Performance Management in Accountable Care Organizations in the U.S. and Germany: From external reporting requirements to enabling internal performance management in physician practices

17th International Conference on Integrated Care, Dublin, 08-10 May 2017

Alexander Pimperl¹, Hector P. Rodriguez², Julie A. Schmittziel³, Stephen M. Shortell²

1: OptiMedis AG, Germany;

2: University of California, Berkeley, School of Public Health, Health Policy and Management, Berkeley, CA, United States;

3: Kaiser Permanente Northern California, Division of Research, Oakland, CA, United States

Background: USA: Performance management systems (PMSYSs) are an important tool for increasing the performance (quality, efficiency, effectiveness) of accountable care organizations (ACOs), and enable continuous improvement in affiliated physician practices. So far, there is limited knowledge about the extent of their implementation in US physician practices and about factors associated with their implementation. In addition, although performance measurement is seen as a core element of ACOs and is externally enforced, sparse information exists as to the interplay of external reporting requirements and incentives for internal PMSYSs.

Germany: Whereas there are currently over 800 ACOs in the USA, Germany has only a few comparable ACO flagship projects. Also external financial and non-financial performance measurement requirements are, in comparison to the US, in an early stage. However, accountable, integrated care and performance measurement initiatives have moved up the political agenda. There may arise important insights for policy makers and health care managers from the experiences in the USA.

Methods: A mixed-method approach using survey data analyses of a nationally representative sample of US physician practices (total n = 1,328; ACO practices n = 316) and case studies in the US (n=3) and Germany (n=1, *Gesundes Kinzigtal*) was used.

Results: On average, practices affiliated with an ACO (24%) used only approximately half (53.1 points out of 100) of the measured PMSYS processes, whereas practices not participating in ACOs (76%) used even fewer PMSYS processes on average (22.6 points). Participating in an ACO was one of the strongest differentiators of US physician organizations with robust PMSYSs versus those with underdeveloped PMSYSs. Also participation in other forms of networks, such as Independent Physician Associations or Physician Hospital Organizations, and greater health information technology (HIT) capabilities

Pimperl; Performance Management in Accountable Care Organizations in the U.S. and Germany: From external reporting requirements to enabling internal performance management in physician practices.

and chronic disease registries were factors associated with a greater implementation of PMSYS. The use of financial and non-financial incentives offered mixed results in the survey analysis. The case studies indicate that a culture of quality drives the internal implementation and use of PMSYSs. Financial incentives play a minor role, and nonfinancial external incentives, such as public reporting, are secondary in the studied organizations. External incentives may even compete for internal PMSYS resources.

Implications for the US: These findings highlight that policies to further strengthen ACOs or other networks could be a viable strategy to help physician practices strengthen their internal organizational capabilities and prepare for the new performance measurement requirements, such as the MACRA value-based payment models. External requirements have to be balanced with the strengthening of internal capabilities, such as HIT functionality. Cultural aspects and potential adverse effects of financial incentives (e.g. on intrinsic motivation) have to be considered.

Implications for Germany: Although the quantitative findings are based in the US, the findings may generalize to physician practices and networks in other countries, as indicated by the German ACO case. For the advancement of performance measurement in Germany external requirements should be simplified by synchronizing initiatives and eliminating unnecessary, invalid demands, to free resources for internal PMSYS. In addition, further strengthening of networks could facilitate PMSYS implementation.

Keywords: accountable care organizations; population health management; performance measurement; performance management
