Experiential Exercise: Chapter 11

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**Introduction**

Mapleton Family Medicine is a dual physician owned practice that employees a total of eight physicians of various specialties. Currently Mapleton is facing problems with quality and productivity. Specifically long wait times for patients, a drop in child immunizations, and no routine for vaccinations of at risk patients. The owners want the physicians to see an average of 30 patients a day, instead of the 25 they are currently averaging. To meet their goal one potential solution is to have an incentive based compensation plan where physician’s base salary is 75 percent of their current salary with the potential to earn up to 125 percent of the base salary. Until the owners finalize a solution they plan to set a base of 30 patients per day and encourage the physicians to see up to 35 patients a day through offered incentives. Quality goals for each physician will be set biannually and measured by patient satisfaction surveys, child-immunization data audits, and length of patient wait times. Physicians who met their goals will earn full salary, and those who achieve success above their goals will be compensated in bonuses (Fried & Fotter, 2008).

**Proposed Compensation Plan Advice**

The proposed solution follows a pay for performance model known as quality-focused pay for performance. Pay for performance models are built on the idea of “good work produces improved performance” intended to motivate employees (Fried & Fotter, 2008, p. 298). Due to the considerable costs associated with collecting data for the model’s reporting requirements, quality-focused pay for performance is not recommended for a smaller practice; larger practices like Mapleton, or hospitals, are better suited to support quality-focused pay for performance. In order for quality-focused pay for performance to be effective at Mapleton it is advised that the programs incentives exceed the costs of meeting the program goals (Fried & Fotter, 2008). Further for Mapleton’s proposed compensation model to be successful clear communications, straight forward approaches, listening to criticisms, and developing a clear rationale for the performance measures were the most effective ways to ensure success (Torchiana, et al., 2013).

**Addressing Potential Negative Consequences**

As with any new plan, there is the potential for negative consequences. With quality-focused pay for performance models one potential negative consequence Mapleton leaders should be aware of is a drop in quality, in order to reach the required quantity. Oliver (2015) notes that quality-focused pay for performance incentives could actually lower quality as physician may skip duties, such as taking blood pressure, or asking enough questions, in order to reach their quantity quotas. This could especially be true when seeing sicker or less compliant patients in the office. In order to save time, some physicians may choose to cut corners in order to fulfill goal treatment times.

**Physician Reaction and Involvement**

The reactions of the physicians may vary depending on a variety of factors including but not limited to age, seniority, status, and internal motivators. Young et al., (2010) found that physicians were generally comfortable with pay for performance models but had doubts it would be a direct motivator for quality performance improvements. A survey conducted found that most physicians agreed with the general model of financially rewards for providing high quality care, yet were unsure if financial incentives were an effective way to improve quality (Young et al., 2010). One way to find what motivates the physicians at Mapleton is to directly involve them in the discussion of quality and pay for performance models. If they provide input on motivators, and are made fully aware of the goals of the model and the parameters measured, the physicians will feel a sense of loyalty and ownership of the reimbursement program. In turn they will be more likely to strive to reach the goals of the program. It is especially important to include the physician in the discussion for Mapleton and other such organizations who employ more than one discipline of physician.

**Conclusion**

Quality-focused pay for performance at Mapleton Family Medicine has the potential to increase quantity, while also increases quality care if it is executed properly. Mindful planning is needed for successful implementation of this type of compensation model. To be successful Mapleton needs to make sure that their incentives exceed the costs of meeting the program goals, maintain clear communications among the leaders and other physicians, take straight forward approaches, listen to criticisms, and use input from the other physicians develop clear rationales for all performance measures. If Mapleton follows these recommendations the chances of successful implementation of quality-focused pay for performance compensation increase greatly.

**References**

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