

Part B Insider (Multispecialty) Coding Alert

Pay-For-Performance Is Here, CMS Says

While policymakers continue to debate ways to reward providers for achieving certain standards of care or information technology, Medicare is already sailing ahead with a demonstration program.

The **Centers for Medicare and Medicaid Services** has unveiled initiatives to pay health care providers for the quality of the care they provide. CMS says 10 large [physician groups](#) across the U.S. will participate in the first Medicare pay-for-performance initiative for physicians. Known as the Physician Group Practice demonstration, the program will encourage interventions for chronic patients before the patients require expensive care.

Over the three years of the project, CMS will reward the groups when they improve outcomes by coordinating care for high-cost and chronically ill beneficiaries. CMS will use measures that focus on congestive heart failure, coronary artery disease, diabetes mellitus, hypertension and other illnesses. CMS will also look for preventive services, such as influenza and pneumococcal pneumonia vaccines and breast cancer and colorectal cancer screenings.

The doctors will still receive fees for their services, but also "performance payments" when they improve quality and avoid complications. Physician groups competed to be part of the project.

Other quality initiatives include the Medicare Chronic Care Improvement Program, which focuses on defined populations of chronically ill beneficiaries; the Medicare Care Management Performance demonstration, which focuses on using information technology to improve quality of care for chronic patients; and other disease management initiatives. To find out more, visit www.cms.hhs.gov/researchers/demos/pgp.asp.