GUIDELINES: PHYSICAL THERAPIST PAY FOR PERFORMANCE PROGRAMS BOD G11-05-06-09 [Guidelines]

Improving Patient/Client Care

• The primary objective of any pay for performance or value-based payment system must be the promotion of quality patient/client care in all situations and settings and should not be solely designed to achieve financial savings or reduced utilization.

• Under no circumstances should any pay for performance system create conditions or requirements that limit patient/client access to appropriate and necessary care.
  – Pay for performance programs must neither directly nor indirectly disadvantage patients/clients from any ethnic, cultural, or socio-economic group, those with specific medical conditions, or the physical therapists who serve these patients/clients.
  – Pay for performance systems must neither directly nor indirectly disadvantage patients/clients or their physical therapist based on the setting in which care is delivered or on the location of the populations served (such as inner-city or rural areas).

• Pay for performance systems must be designed to support the physical therapist’s relationship with the patient/client and recognize the ethical obligations of the physical therapist to always use sound professional judgment and hold the best interests of the patient/client as the foremost consideration.

• Any pay for performance system must contribute to assuring quality care by encouraging and recognizing collaborative efforts involving all members of the health care team.

• Pay for performance programs must be able to demonstrate improved quality patient/client care that is safer and/or more effective as a result of program incentives.

• Any pay for performance system must fully recognize limitations on measures and outcomes caused by patient/client non-compliance, and sponsors of pay for performance programs should attempt to minimize non-compliance through plan design and availability.

• Health plans that sponsor pay for performance programs must be accountable for prospectively explaining these programs to their patients/clients and the communities covered by them.

Encouraging Voluntary Physical Therapist Participation

• Physical therapist participation in any pay for performance system must be completely voluntary.

• Pay for performance programs should be available to any physical therapist who wishes to participate and must not favor any physical therapist or practice over another. Programs must be designed to encourage broad physical therapist participation across all practice settings and must not favor any practice based on size (large, small, or individual) or access to information technology.
  – Programs should provide physical therapists with tools to facilitate their participation.
  – Programs should be designed to minimize financial and technological barriers to physical therapist participation.
Pay for performance programs must be designed so that a physical therapist’s decision not to participate does not threaten the economic viability of the physical therapist’s practice.

Physical therapist participation in a specific pay for performance program must not be linked to participation in other health plans or government programs.

Sponsors of pay for performance plans must notify physical therapists of the program’s implementation. Sponsors must offer physical therapists the choice of opting to participate or not to participate in any pay for performance plan without affecting the existing or offered contract provisions from the sponsoring health plan or employer.

Pay for performance programs must educate physical therapists about the potential risks and rewards inherent in choosing to participate in the program and notify participating physical therapists immediately of any newly identified risks or rewards.

Physical therapists participating in any pay for performance program must be notified in writing about any change in program requirements or evaluation methodology. Programs should only be able to make such changes on a once-a-year basis.

**Basing Incentives on Accurate Data**

The primary measures used in any pay for performance system must be evidence-based quality of care measures.
- Physical therapists must be eligible and able to participate fully and fairly in any achieving performance measures applied to the services they provide and the payment they receive.
- All performance measures for the services they provide must be prospectively defined and developed in collaboration with physical therapists.
- The development and maintenance of these performance measures must involve the appropriate professional organizations in the periodic review and updating of measures based on evidence-based information in an open and participatory process.
- Physical therapist practices must have time to adopt and adapt to performance measures. These measures must remain stable for at least two years, unless revisions are required to reflect significant new evidence-based information or changes in practice.
- Measures of performance should be scored against both absolute values and relative improvement related to those values.
- Any performance measures must be subject to the best available risk adjustments to account for patient demographics, severity of illness, and comorbidities.
- Performance measures must be developed in select practice areas that have significant promise for improvement to benefit patients/clients.

The quality of data collection and analysis used in any pay for performance system must be scientifically valid. Program results must be based on data collected over a significant period of time and relate care delivered to a statistically valid population of patients/clients.

Collection and reporting of data must be reliable, administratively simple, and must not create financial or other burdens on physical therapists or their practices. Audit systems should be designed to ensure the accuracy of data in a non-punitive manner.

Physical therapists must have the ability to review and comment on data and analysis used by the program to construct any performance rating prior to the use of such ratings to determine payment or for public reporting.
- Physical therapists must be able to review preliminary ratings and have an opportunity to adjust practice patterns over a reasonable period of time to more closely meet quality objectives.
Prior to the public release of any ratings, programs must provide a mechanism for physical therapists to review and to appeal their ratings in writing. If requested by the physical therapist, the comments of the physical therapist must be included adjacent to any ratings.

- Prior to implementation, any pay for performance system must be successfully pilot-tested for a period of time sufficient to obtain valid data in a variety of appropriate practice settings and across all patient populations. If implemented, the system must be phased in over an appropriate period of time to enable all willing physical therapists to participate.

- Pay for performance systems must recognize and allow for significant variation from specific performance measures that are in conflict with sounds professional judgment and, in doing so, should require the minimum amount of appropriate documentation to justify the variation.

- Patient privacy must be protected in all data collection, analysis, and reporting. Collection of data must be administratively simple and consistent with the Health Insurance Portability and Accountability Act (HIPAA).

- Physical therapists must be adequately reimbursed for an administrative cost incurred as a result of collecting and reporting data to the pay for performance program.

Providing Appropriate Incentives

- Any pay for performance system must be based on rewarding exceptional performance and not on penalties for less than exceptional ratings.

- All physical therapists who actively participate in a pay for performance program and who achieve pre-specified absolute program goals or who demonstrate pre-specified relative improvement toward program goals must be rewarded by the program. Rewards must not be based on comparative rankings with other physical therapists participating in the program.

- Physical therapists must never be financially penalized by a pay for performance program on the basis of factors outside of the physical therapist’s control.

- Pay for performance systems utilizing bonus payments must be designed to protect patient access and must not financially disadvantage physical therapists who serve minority or uninsured patients/clients.

- Pay for performance program incentives must be sufficient in scope to cover any additional work and practice expense incurred by physical therapists as a result of participating in the program.

- Bonus payments based on specific performance measures must be financed by pay for performance programs with supplemental funds.

- Pay for performance programs must provide a complete explanation of all program facets to all eligible physical therapists and practices. This explanation must include the methods and performance measures used to determine incentive eligibility and incentive amounts.

- If pay for performance programs identify physical therapists with exceptional performance in providing effective and safe patient care, the reasons for such performance must be shared with physical therapists participating in the program.

- The results of pay for performance programs must never be used against physical therapists in health plan credentialing, licensure, or certification. Individual physical therapist quality performance information and data must remain strictly confidential and not subject to discovery in legal or other proceedings.
• Pay for performance programs must have clearly defined security measures to prevent the unauthorized release of physical therapist ratings.

• Pay for performance programs must offer financial support to physical therapist practices that implement information technology systems or software that interact with any aspects of the program.

Relationship to Vision 2020: Evidence Based Practice
(Payment Policy & Advocacy Department, ext 8511)

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Explanation of Reference Numbers:
BOD P00-00-00-00 stands for Board of Directors/month/year/page/vote in the Board of Directors Minutes; the "P" indicates that it is a position (see below). For example, BOD P11-97-06-18 means that this position can be found in the November 1997 Board of Directors minutes on Page 6 and that it was Vote 18.