

The New York Times

Medicare Begins Pay-for-Performance Initiative April 15, 2005

The New York Times on Friday looked at how Medicare for the first time has begun giving providers financial incentives to meet quality goals. More than 600,000 Medicare beneficiaries by the end of this year will be participating in pilot projects that give physicians and hospitals bonuses for improving medical care.

Physicians will get bonuses for demonstrated improvements in care for patients with common chronic diseases such as congestive heart failure, coronary disease, diabetes and high blood pressure. The program involves 10 large groups covering approximately 200,000 patients, the Times reports. Medicare likely will pay \$21 million in bonuses to hospitals during the three-year program.

Medicare already has launched a similar pay-for-performance program involving 280 hospitals, and later this spring Medicare will publish on its Web site results on 34 quality measures for those hospitals, the Times reports. A third test project scheduled for later this year will deal with chronic-care management companies that help patients manage diabetes and other chronic illnesses (Kolata/Abelson, New York Times, 4/15).

