Does shifting a physician payment system shift physician priorities? A multi-site evaluation of an alternative payment plan (APP) for gynecologic oncologists in Ontario

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Summary

Objective: The objective of this study was to attempt to understand how changing the mode of reimbursement alters physician behavior from the physician's perspective.

Method: Individual interviews were conducted with 14 Ontario gynecologic oncologists. Each interview was analyzed using grounded theory.

Results: The move to an alternative payment plan (APP) significantly shifted physician clinical and personal priorities. This resulted in improvements in recruitment and retention. A model was developed to explain the link between the shift in the payment system and physician perceptions of their behavior. The model is comprised of two themes: (a) need for change: site similarities and differences, (b) effects of change: shifting priorities and time management. Even when the same compensation package was offered to four sites, the interpretations and motivations differed from site to site. We identified two types of situations: sites that were operating in 'survival mode' and those that were 'meeting core clinical and academic requirements'. They experienced the APP very differently.

Conclusion: This study presents a model that depicts how and why a funding shift has variable effects on physician behaviors, depending on the individual physician, site, and multi-site perspectives. It offers one of the few qualitative evaluations of a funding change.

Key words: Alternative Payment Plan; Gynecologic oncologist.

Introduction

The majority of Canadian surgical specialists are experiencing a decline in their net income under the fee-for-service (FFS) system [1]. One such group is gynecologic oncologists (GOs), who provide operative and medical care for women with gynecologic cancers. Ontario GOs are based in university teaching centers and affiliated with regional cancer centers. Prior to 2001, Ontario GOs worked on a FFS system overseen by the Ontario Ministry of Health (MOH). Reimbursement for teaching, research and administrative responsibilities was minimal. By the year 2000, these mounting pressures created significant barriers to retaining and recruiting GOs to Ontario. The GOs proposed an Alternate Payment Plan (APP), which is a contract between a physician group and the MOH. The FFS system rewards productivity, but also rewards service regardless of patient need, and discourages referrals appropriate for subspecialist care [2]. An APP allows physicians to focus their time on maximizing health benefits for the patient, but a physician is paid the same amount of income, regardless of productivity. We conducted an evaluation to understand the contextual and motivational elements of physician behavior that result from changes in reimbursement.

Methods

This study was qualitative and exploratory [3,4,5]. A semi-structured interview guide using key questions was developed (Appendix 1). The guide consisted of professional and personal factors, but was flexible in the order of the topics, questions and probes. Interviews were conducted in person in the physician's office; they were audio recorded and transcribed. Identifying information was anonymized. McMaster Ethics approval was obtained.

GO services are provided at six sites in Ontario, and physicians at four sites signed the APP contract. A non-APP site was included to gauge their views of the APP from the vantage of non-participants. Transcripts were analyzed using Grounded Theory Analysis [6]. The data was coded. Two investigators independently analyzed the data. Together the themes were discussed and theory developed. Two final interviews were performed to validate the emerging model. All participating GOs were asked to review a draft report, and they corporately provided feedback that is included in this report.

Results

Of the 16 GOs working in Ontario, 14 were contacted at a total of five sites and all were interviewed. Two sites employed two GOs each, two sites employed three GOs each, and one site employed five GOs. The interview lasted one hour and took place within eight months of the funding change.

The two main themes were (Appendix 2) the 'need for change' and the 'effects of change'. The 'need for

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Appendix 1 - *Interview Guide*

Issue	*Question*
To outline from the physician's perspective, the problems that led to pursuing an APP.	What kind of problems, were gynecologic oncologists in (Name of city) experiencing in the fee for service setting? What specifically led to pursuing an APP? What aspects of the APP ensured 'buy-in' for you?
Negotiations	What were the barriers experienced during negotiating the APP? Is there something about the APP that you would have liked to have changed during negotiations?
To determine from the physician's perspective, the profession role changes that have been experienced or expected.	Is there something about the APP that you would like to change now? What changes have occurred in your practice since the new funding model began (July 2001)? Are these important changes?
Effects on Interactions	How will this APP affect your interactions with: – other oncologists – referring physicians – patients – the staff – hospital management – CCO
Effect on Time/Role	The APP is intended to be used by you to restructure your time allocation. In what activities will you reduce your time? In which activities will you increase your time? Who will be most clearly affected by these role and time changes? Who will support/resist your reorganization of time and role?

change' was described in terms of 'shared frustrations', 'site differences', and 'feeling pushed to leave'. The 'effects of change' were described in terms of 'setting new priorities and time management', 'impact of APP', and 'the future of the GO APP in Ontario'.

The Need For Change

All participants shared the desire to change the physician reimbursement system. Each site had a different perception of the problems, approaches to facilitate change and expectations from the change.

Shared frustrations

The key frustration was that the fee structure did not reward high acuity clinical work. For example, although ovarian cancer surgery is billed at the same level as a hysterectomy, the former is much more time consuming and complex.

...if you look at an obstetrician gyn and what their salary is, we are in the lower 5% of the salary scale even though we are cancer surgeons. We did all the complicated stuff and we were paid at the lowest end of the scale for an OBGYN.

A significant amount of time was focused on trying to balance high outpatient volumes with a cancer surgical mix that would maximize the needs of cancer patients. Maintaining this balance was frustrating, as GOs felt their emphasis should mostly be on high acuity cancer work, but the FFS rewarded low acuity procedures. This tension was further aggravated by the FFS structure, which only reimbursed clinical activities.

Doing any academic work, teaching, research, administration, loses money for you.

Site differences

Although frustrations with FFS were shared, the relative importance of these varied from site to site.

We had never met as a group before the APP process... Accepting that there was more than one agenda at the table was crucial, and we all had to learn what other people were looking for.

The sites had created different approaches to function within the FFS system. The FFS system created two sites that were in 'survival' mode, and two sites that were 'meeting core requirements'.

The main issue at two sites was recruitment of additional physicians. Struggling with heavy clinical workloads, they struggled to provide a level of care consistent with patient needs. Physicians felt the workload was also affecting their personal lives. The 'Survival' sites were willing to forego lengthy negotiations over salary to try and win concessions on recruitment, but the problem was that is was impossible to recruit a GO into a 'survival' site.

The remaining sites saw the change in income as the potential to get away from the FFS priorities for low

Appendix 2
Summary of Grounded Theory Model of GO APP

	UPSC-pure	UPSC-mixed	p	UPSC	MPD-EEC	p

Section 1: **The need for change - site similarities and differences**

Shared Frustrations
- High acuity for low reimbursement
- Personal income
- Referrals and demanding clinical schedule
- Devaluing of subspecialty
- Patient follow-up
- Non-clinical duties
- No recruitment, no trainees in system

Site Differences
- Recruitment vs personal income as APP priority
- Pre APP environment
- Different expectations for APP income
- Clinical variation across sites
- Non-APP sites

Feeling Pushed to Leave
- Negotiation and provoking change
- Negotiation success factors
  - Group approach
  - Media

Section 2: **The effects of change - shifting priorities and time**

Setting new priorities and time management
- Reducing low-acuity work
- Changing patient care and referral patterns
- Colposcopies
- Personal income
- Administration, research, education
- Recruitment
- Retention
- Resources
- Personal perspectives

Impact of APP
- Pre-existing site structure
- Patient need
- Clinical treadmill
- Pre-post APP philosophy
- Recruitment and retention
- Resources
- Administrative time

The Future of Gyn Onc APP in Ontario

acuity clinical work and make decisions based on professional skills. These sites felt the current system devalued the GO role, and the comparative value of the GO to other subspecialists was quite low. These physicians were 'meeting core clinical requirements', but were not sufficiently recognized for this work, and found the FFS system discouraged attempts to move beyond the basic requirements of care.

Pushed to leave

Several GOs were feeling pushed to leave Ontario.

They were seriously looking at positions elsewhere and, that was going to be a real crisis, because the remainder of the GOs were going to have to take care of the volume of the cases in the province and we did not have enough bodies in positions to do this.

The success of the APP agreement was credited to the agreement that both income and workload had to be defined in any agreement, and, that the problem was province wide, as opposed to site specific.

The effects of change - shifting priorities and time management

Shortly after the APP was implemented each 'survival site' filled long time vacancies. Under the FFS, a quarter of the GOs were actively seeking employment outside Ontario. Post-APP all but one GO remained in Ontario. From a personal perspective, the benefits were pronounced.

I am seeing my kids a lot more now. It is like night and day... From the time perspective and job satisfaction, but we are also remunerated better which makes you feel like people value the job you do.

Setting new priorities

The APP provided an opportunity to prioritize activities, allowing the reduction of low-acuity work such as colposcopy. GOs have also begun the process of decanting follow-up patients that do not require their specialized skills. This process is slow because patients and referring doctors must be educated in this change. The APP agreement also created the opportunity to plan non-clinical time more effectively. New educational and research programs have begun.

Impact of APP

The clinical workload changes varied from site to site. Although the APP was to reduce the overall workload, it seems that in the short term this is unlikely.

I often find myself staying later now because of the natural increase in the number of patients. Most cancers we see are in older people; baby boomers are getting into their cancer years. We are seeing an absolute increase in the number of patients that need attention. Second, there are some senior gynecologists in the community who are now retiring, so that they, rightly or wrongly, are sending more patients to us. Third, the younger trainees have been trained in an environment to be very selective on who they operate. They, wisely we think, refer the complicated cases to us. The absolute and relative numbers are both increasing.

The speed and level of decanting of low-acuity patients is more an individual physician decision, but new initiatives are planned to guide this process.

Until all sites are able to fill all vacancies, the full benefits of the provincial APP can only be partially realized.

You cannot really judge us, because we have not really filled out the APP yet. We have money for a clinical assistant, but we cannot hire one... a new third person is starting in a few months.

Even full recruitment will not solve other issues. All sites have stated strongly that even if they have the ability to hire another GO there would be little for that person to do with the present constraints on operating room (OR) resources.

The problem is, there is no OR time to give them. It would be nice to have a new person to see new patients, but that new person would be frustrated because there would not be the additional OR time.

Future of the GO APP

The current APP contract is for three years. Most GOs fear that the future of the provincial GO APP is in jeopardy. It is anticipated that as university, cancer centre, and hospital relationships with physicians continue to flux, the next iteration of the APP will not be focused on gynecologic cancer care.

Conclusion

Two themes were identified; 'site similarities and differences in perceiving the need for a new funding policy', and 'the effects of change on shifting priorities and time management'. When the same compensation package is offered to four GO sites, physician motivations for change differed. We identified two types of sites; those that were operating in 'survival mode' and those that were 'meeting core clinical requirements'. These two types of sites experience the effects of APP differently. Although many of the frustrations with the FFS were shared, those sites 'Meeting Core Clinical Requirements' were focused on realigning clinical activities with their skills and receiving remuneration that are more consistent with their subspecialty skills. Those sites that were in 'Survival Mode' were concerned about recruitment. This suggests that evaluations must account for a variety of differences in perceptions and motivations for being involved in a payment system, and must be sensitive not only to shared frustrations, but also to site differences.

There is little work on the perceptions underlying behavior changes [7]. Because the most crucial evaluation issue is to determine how organizations and physicians interpret, feel motivated by, and act in response to funding changes [8], qualitative research is ideally suited for this type of investigation. Cosby [9] found that when there is a change in funding, the hospital, university, clinical and personal changes are implemented in an uneven fashion. This evaluation affirms that the funding change results in various interpretations and behaviors

The main limitation of this study is that it focused on the perspectives of the physicians who received the funding change. An expanded evaluation could include the perspectives of the hospital, cancer clinic, university and provincial Ministry of Health. A second limitation is that we only used one method. Ideally, quantitative measures would have been used to triangulate with the qualitative findings to determine the level and degree of actual changes in clinical, research, and administrative activities.

There are a number of advantages of this study. Though administrative databases may reveal changes in patient load, the task of attributing these changes to the APP can be extremely complicated [10]. Since the literature is currently unclear as to how funding mechanism changes affect recruitment, retention, behavior and satisfaction, the real question is not 'Did the change have an effect?' but 'Can the change have an effect?'. In the current study, we conclude that the GO APP has a number of desirable effects on physician behavior, and the changes vary significantly from site to site. Finally, policy makers must anticipate delays in realizing some of the objectives of a funding change. First, patients and non-GO colleagues must adjust to the new way of doing business. Second, the move from an FFS to an APP is a significant philosophical change. Although the main tasks of the GOs remain the same, clear, tangible provincial and individual objectives need to be defined for any shift in physician funding.

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