



ON THE MAP: For the first time ever, the United Health Foundation's national "healthiest states" ranking took account of data about the cost versus the quality of care —by drawing on the *Dartmouth Atlas of Health Care*.

THEN & NOW

A reminder of the pace of change, and of timeless truths, from DMS's 1902 "Circular of Information":

"Applicants for admission to [DMS] must have (a) graduated from a registered College, or (b) satisfactorily completed a full course in a registered Academy or High School, or (c) have had a preliminary education considered and accepted as fully equivalent. . . . All other candidates for admission . . . will be examined in the following subjects." Among the subjects listed were Shakespeare's *Merchant of Venice*; Pope's *Iliad*; Scott's *Ivanhoe*; Allen's *Short History of the Roman People*; chemical notation; quadratic equations; plane geometry; and "the ability to translate at sight easy Latin prose."



> 4,600

Number of applicants to the DMS Class of 2010

Fisher steps into the pay-for-performance ring

Pay for performance is a relatively new—but already controversial—trend in the health-care world. Proponents argue that it will save Medicare and the entire U.S. health-care system from financial collapse while improving quality; detractors argue that it will undermine the altruistic and professional core of medicine and further squeeze small-practice physicians.

A Dartmouth physician-researcher who has helped shape the national debate over health-care spending is now helping shape the pay-for-performance debate, too. "In a nutshell, pay for performance is about giving financial incentives to providers to improve the quality of care they give their patients," explained Dr. Elliott Fisher in a September interview with the *New England Journal of Medicine*.

Pitfalls: The trouble with pay for performance is not in the concept but in the implementation, which is fraught with potential pitfalls. Fisher and 22 other health-care experts from around the country examined those pitfalls—and suggested strategies to avoid them—in a recent Institute of Medicine (IOM) report. Titled "Rewarding Provider Performance: Aligning Incentives in Medicare," the report offers six recommendations for policy-makers. Among the recommendations is that any pay-for-performance plan take into account broad aspects of performance—clinical quality, patient-centered care, and efficiency—not just narrow mea-

asures, such as the percentage of a physician's patients who receive a certain screening test.

The report also recommends that physicians be rewarded, at least initially, for simply collecting and reporting data, since doing so will require an investment of time and resources on their part. Perhaps most importantly, the report emphasizes the need for pay for performance to be implemented in a "learning environment," as Fisher puts it.

Broken: "The payment system is fundamentally broken and is a barrier to achieving high-quality health care," says Fisher. "Pay for performance is a means to learn how to" improve that system and health care in general. But unless policy-makers carefully evaluate and learn from the early implementation of pay for performance, Fisher notes, "we might well produce more harm than good."

Fisher should know. He's been studying health-care delivery and outcomes for about 20 years. He and Dr. John Wennberg, both senior faculty at Dartmouth's Center for the Evaluative Clinical Sciences (CECS), were the first to show that geographic areas that spend more on health care often have worse outcomes. Both are also members of the IOM, established in 1970 by the National Academy of Sciences as the premier health advisory organization in the country. Fisher was elected to the Institute in October.

It's more than just a personal honor, Fisher says of joining the

IOM. It is also a "validation and recognition of the relevance and importance of the work we're doing at Dartmouth around the relationship between spending, clinical practice, and the outcomes of care," he says.

Fisher hopes the research at CECS will continue to inform the IOM's policy statements. As for the recent report he contributed to, such documents "can have a powerful influence," he says. Pay for performance is widely perceived to be "the current magic bullet," he points out, but "our committee raises serious questions" about its implementation. (For more on pay for performance and DHMC's role in a national trial of the concept, see http://dartmed.dartmouth.edu/spring05/html/disc_performance.php.)

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Elliott Fisher has been a national force in the pay-for-performance debate.