

POSTER ABSTRACTS
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Evaluating Care Delivery
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Capitated Primary Care Physician Compensation: Impact On Care For Enrollees With Diabetes And Hypertension

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Background: One approach to limiting the costs of health care is to place financial responsibility directly on physicians through the mode of compensation. The possibility that this may place clinicians in positions where their interests will conflict with those of their patients has led to concern about the potential impact of this change on patient care, particularly for those with chronic disease. Most of what is known about practice patterns under different models of health care delivery does not account for the variation in modes of individual physician compensation.

Methods: We evaluated the impact of a change in the method of compensation for 120 primary care physicians in a group-model HMO, from encounter-based to partial capitation, on their treatment patterns for enrollees with diabetes (n=1803) and hypertension (10384) during the two years preceding and the two years following the change in compensation.

Results: Although utilization rates could be expected to fall when physician compensation was based on the number of enrollees on their panel rather than number of encounters, the median number of primary care physician visits was largely unchanged: for enrollees with diabetes during the 2 years prior to the change, rates were 3.0 and 4.0 visits per year; for each of the 2 years following the change, the median rate was 4.0. For enrollees with hypertension, the median rate was 3.0 visits per year for each of the 4 years. Visits to the group's specialists and office visits to out-of-plan physicians were also stable, as were laboratory tests, hospitalizations, and emergency room visits. We found that enrollees with diabetes were more likely to meet standards for diabetes care, including glucose and HbA1c testing and visits to ophthalmologists and podiatrists, after the change in compensation method.

Conclusion: Despite the potential for reduced patient contacts implicit in capitation, this group of primary care physicians maintained their patterns of care for enrollees with diabetes and hypertension when switched to this compensation method.