Asset or Liability? How Your Residency Programs May Affect Your Competitive Standing

written by Thomas Dent, M.D. | October 15, 2014

At its core, value-based medicine is all about aligning physician and hospital costs with the quality and effectiveness of care. But all too often, providers ignore the impact of one of their greatest workforce resources: residency programs.

In many environments, residents deliver much of the front-line care in hospitals, emergency rooms and in employed primary care practices. But who is measuring your residents' unique contribution to quality and costs? Can you assess how resident-delivered care affects your bottom line? And here's the kicker: Will subsidized medical education continue to be a given in the future, if residency programs fail to train future doctors how to improve outcomes under value-based health care?

How Your Residency Program Influences Your Quality/Cost Profile

Many of the determinants of Medicare's value-based purchasing program tie directly into services that residents deliver or decide. Your residency program may be having a hidden impact on your organization's quality and cost profile. Here are three potential trouble spots to monitor:

> Completion and performance of PQRS and ACO quality measures. How your residents contribute to this process may determine whether your organization successfully reports quality to Medicare or is subject to penalties for non-reporting. Since the results are now

publicized, there may also be unanticipated issues once consumers or their employers begin to pay attention.

Value-Based Payment Modifier (VBPM) quality and cost tiering. As your residents learn medicine, the "uncertainty factor" may lead to unnecessary diagnostic tests, duplicative testing or admissions that put your organization in a higher cost tier.

Admissions and readmissions. How well your residents provide ambulatory care for "avoidable admissions" and the quality of ER residents' immediate decisions for patient hospitalization are important determinants in your overall admissions statistics.

These are not the only areas to monitor. Your residents may affect your patient satisfaction scores, the duration of hospital stay and, most importantly, patient outcomes.

Residency programs have long been built on a model of supervision by attending physicians. But this educational model focuses on one-on-one care provided to an individual patient in the office, at the bedside or in the operating room. Recognizing the need to evaluate how residents provide care across patient populations, as well, the Accreditation Council for Graduate Medical Education (ACGME) has developed new accreditation standards that require incorporation of patient safety and quality improvement standards into residency programs. This is an indicator of an emerging trend toward accountability for value-based medicine as part of graduate medical education.

Five Steps to Prepare Your Residency Program for Value-Based Health Care

How do you begin to integrate your residency program into your mainstream quality efforts? Here are the five most important steps you need to take now to prepare for performance measurement:

Ensure that your billing and EMR systems are properly classifying providers. You need to identify who actually delivers care versus who supervises or bills for services. Failure to clearly identify resident activity makes it very difficult to attribute care.

Assign patients to primary care residents in clinic settings, and make sure that patients know whom their physicians are. This is a foundation for attributing the direct/downstream costs and outcomes of patients to residents and identifying where you may have issues. It's also essential to evaluate how costs attributed to residents vary by supervising physician.

Use your QRUR data from CMS, especially your hospital readmissions and "avoidable" admissions, to assess the relationship with resident care. Although this retrospective data is at least one year old, it will help focus your efforts to create current and prospective measurement of resident activities.

Examine variances in cost of care provided by residents as part of your review of all

physicians in your practices and network. Organize your data as risk-based health plans do, to clearly identify costs of diagnostic tests, imaging, visits, consults and hospitalizations.

Evaluate outcomes of patients associated with assigned residents. Focus particularly on at-risk populations, and compare patient outcomes between residents, by resident training level and across your networks.

If this sounds like a lot of time and effort, you're right. Residents and fellows make a significant contribution to your workforce. They should be equally as involved—if not more so—than your permanent clinical staff. Some of the residents and fellows who train at your institution will stay on as attending physicians. Investing in their ability to gain an understanding of performance measurement and population health management will assist in your organization's current and future success.

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