



## “Ask Dr. J”



The “Ask Dr. J” columns are authored monthly by Jennifer Christian, MD, MPH, President of Weability Corporation. See previous columns at [www.weability.md](http://www.weability.md).

Dr. J’s columns also appear in the monthly Bulletin of the Disability Management Employer Coalition (DMEC). To purchase a book of Dr. J’s collected columns, go to [www.dmec.org](http://www.dmec.org).

The columns often summarize issues discussed by the Work Fitness and Disability Roundtable, a free, multi-disciplinary e-mail discussion group moderated by Dr. Christian. Apply to join the Roundtable at [www.weability.md](http://www.weability.md).

### October 2006 – Strategies for Incentive Alignment

Dear Dr. J:

We want to reward the doctors who are willing to work with us to help prevent needless disability. Any ideas on things we might try?

Rosie in Rochester

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Dear Rosie:

It’s great to hear you’re thinking along these lines! Improving incentive alignment sure makes sense. Someone said “it’s hard to get a man to understand something if his paycheck depends on his not knowing it.” This goes for doctors and disability prevention, too. If doctors see no benefit to them from helping you reduce lost workdays – if instead they see it taking money out of their pocket – why the heck would they do it?

Today, every time a doctor spends a few extra minutes assessing their patient’s ability to work or answering an employer or claims payer’s questions about return to work, they get paid nothing for it. And worse than nothing, they’re losing the money they would have earned by doing something reimbursable with those same minutes. In fact, I contend that most doctors who do disability management today are being suckers – delivering value for nothing. (The exception is those few doctors who can see from their business records that their skill at disability management is a “value added service” that actually attracts or retains employers/purchasers.)

When you stop and think about it, the awkward fact is that every one of the “helping” professions now paid on a fee for service basis (physicians, psychologists, PT, social workers, vocational rehabilitation counselors, lawyers, you name it) does better financially when their patients/clients do worse, meaning their problems fail to resolve. The slender thread on which the system rests is the ethical, moral and professional commitment of the service provider. It certainly makes sense to bolster that commitment with some real world rewards.

In my book, there are two main kinds of rewards that motivate people. Some are driven more by one than the other. The obvious one, but often not the most important one is money. The other is acknowledgement and appreciation. I think people overestimate the importance of financial rewards. If making the most possible money were your ONLY goal, wouldn't you have chosen another profession? Most people have other goals besides making money. I think doctors, in particular, chose medicine because they wanted to do good for others, to make a difference, to be challenged and solve hard problems, to be respected and admired – all this while making a solid living. But again, if maximizing money were the only goal, they could have chosen a whole lot easier way to make that good living.

So, allow me to give you some ideas for ways to reward providers, drawn partly from “real life” examples and partly from my imagination.

1. Pay physicians a flat “situation management fee” – for helping manage the situation caused by the injury or illness as well as the medical problem itself. This sends a powerful signal that you realize that workers' compensation requires extra effort, and that you value the doctor's time. A flat fee lets the doctor decide which cases need how much service and thus discourages overuse of situation management services. Acordia of West Virginia is now paying \$55 per month for the first several months to physicians in its PPO network who are serving as the treating physician. In the past, ManagedComp paid a one-time \$60 flat fee to its selected primary occupational physicians, and held back half of it contingent on performance. The symbolic importance of the fee produced a strong willingness to cooperate among physicians – and the savings generated swamped the trivial extra cost.
2. Pay physicians for specific services that you want to encourage. In the state of Washington, physicians who participate in the Centers of Occupational Health Excellence project can bill an extra \$10 when they send in the state-mandated physician's first report of injury within 48 hours, and bill for time they spend on the phone with employers planning return to work. The results of that project so far include both a reduced cost per claim and a reduction in the percentage of all injuries that incur lost work days.
3. Create reasons for doctors to want to improve their performance – so more of them will!
  - a. Take steps to ensure that good doctors do well financially – so they'll stay in business to take care of your injured / ill employees! Don't kill the goose that lays the golden eggs by pressing them for discounts for the “privilege” of doing business with you. Establish working relationships and agreements with the doctors who have a track record of delivering good medical care that results in faster claim resolution and lower overall episode costs. Allow them to earn a premium because they deliver premium service – and rely on that service to deliver overall savings to you. The Broward County School District in Florida, in collaboration with Blue Cross Blue Shield's workers' compensation claims administration subsidiary, has identified physicians to serve as “strategic partners”, is channeling all their employees to them, and is paying them a healthy flat fee that is way above the usual fee schedule to follow pre-agreed protocols and provide pre-agreed services for the first few visits. The results so far include a remarkable reduction in lost work days and total episode costs.
  - b. Acknowledge the good doctors. Think of a way to make them feel appreciated. Maybe you could write them letters with compliments that make it clear they are among the best. Or recognize them by name in public situations. Or invite them to an annual event of some sort reserved for your “strategic partners.” As an example of a recognition program, the Choice Network in Florida holds a contest each year for the

best workers' compensation providers, takes nominations from everyone in the state, and holds a big deal awards ceremony. Many but not all of the winners are members of their network. Imagine how honored the selected provider must feel – and what good publicity it gives them – and the beneficial effect it must have on their practice – and the positive light it casts on Choice.

- c. Treat doctors who deliver good results better than you treat the ones who are mediocre or bad. For example, grant good ones privileges that reduce the hoops they have to jump through or allow them to use expedited procedures or grant them access to rapid payment processes. Above all, don't treat the good doctors the same way you do bad ones! Most of the programs mentioned above allow the premium doctors some kind of special privileges – because they have earned the right to less oversight by proving that they are good stewards of the payer's money.

Physicians (like other human beings) love being recognized, acknowledged, rewarded, and being able to earn “special” status by being the best. If you (a) harness that positive energy and (b) make sure your employees know how good those doctors are and go there for their care, you can watch your results improve!

These ideas should be enough to give you a head start. Please let me know what you decide to do – and how it works out!

Smiling,  
Dr. J

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