0 (0s):
Hi, it's Dr. Weitz. Thank you so much for joining me for this episode of the private medical practice academy. One of the questions that I'm frequently asked is whether physicians should join a provider network. Obviously if you sign an individual contract with an insurance company, then you're going to be part of their provider network, but that's not actually what I'm talking about. I'm talking about whether you should join a provider network, like an IPA, a CIN or pho first, let's get the alphabet soup. Mumbo jumbo out of the way. IPA stands for independent practice association. CIN stands for clinically integrated network and pho stands for physician hospital organization.

0 (44s):
They may have different names, but fundamentally they serve the same purpose depending where you live. You may have one or more of these entities available for you to join today. I'm going to talk to you about the things that you'll want to know when you're considering. If you should sign up for one of these networks, when you sign up, you're joining a network, just like when you sign an individual contract. The difference here is that by joining an IPA, a CIN or a pho network, you are no longer directly negotiating with the insurance company. Instead, the network negotiates a master contract with each insurance company on behalf of their members, different networks may contract with different insurance companies.

0 (1m 28s):
So in other words, for example, provider network one may have master contracts with blue cross and Humana. Well provider network two may have contracts with Cigna and United. Sometimes the provider networks have overlapping contracts in that case network. Number one and network. Number two might both have a contract with blue cross. You'll want to understand what provider networks are available, where you are and what insurance contracts they actually have. Needless to say, you'll need to know your payer mix so that you can identify any insurance companies that aren't part of a provider network that you're interested in joining as a physician, participating in one of these networks, you'll be paid according to the provider networks, master contracts.

0 (2m 12s):
I also want to be clear that you can see patients outside of the insurers contracted through the provider network. You don't have to limit your practice to only patients within the network. So to start with let's talk about IPA's and how they operate IPA's are loosely formed alliances among physicians while they can include other entities like hospitals. They're primarily focused on independent, private practicing physicians. The intent of IPA's is for physicians to work together, but not to merge into a single provider number in general. The main purpose for forming an IPA is for pair contracting. In the old days, when managed care was in its infancy, the reimbursement structure was based on managing large blocks of populations.

0 (2m 58s):
Usually a capitated arrangement, basically with capitation and IPA was paid a certain number of dollars per covered life. And if the IPA spent less than they received, they got to keep the money by having a network of

physicians IPA's could often represent a cross section of practices in contract negotiations, and because the participating practices were at risk for reimbursement based on their overall services and not the volume of service, the IPA's actually had the ability to negotiate pair contracts. The problem is the capitation. Isn't really the way reimbursement works today, since sometime in the 1990s, capitation fell out of favor.

0 (3m 40s):
And now there are very few capitated contracts for years, reimbursement has been fee for service, or as we all know, fee for volume IPA's that aren't clinically integrated. Can't effectively negotiate pair contracts. If their participating providers aren't at risk, meaning that they're just paid for the volume of services performed. This is why some IPA's don't actually get you better contracted rates. Then you can negotiate on your own. IPA's are usually managed austerely meaning they have minimal staff and limited capital contributions. And as a result, it really limits the benefits that they can offer you while sometimes they offer other services like management services, group purchasing medical malpractice, insurance purchasing.

0 (4m 26s):
In most cases, the real value is the potential for any kind of payer contracting opportunity. Now let's talk about clinically integrated networks or CINs and for this purpose, let me also tell you that a pho is essentially the same thing as a clinically integrated network. As I told you on the surface, there are similar to an IPA, but there is some key differences. The first thing is to recognize that healthcare reimbursement is changing from the fee for volume based model that we all know to the value-based model. The CIN consists of a group of providers who come together to improve quality and cost efficiency in healthcare delivery.

0 (5m 7s):
The goal of the CIN is to provide higher value to the consumer of healthcare services. They employ best practice process improvement, methodologies, and measured, true costs and outcome metrics. CIS also facilitate referral optimization by matching patient needs. With those providers, best capable of meeting those needs. CIS can contract for services on behalf of their members. CIS also usually include a care management or care coordination infrastructure, as well as it infrastructure that serves multiple purposes. These include the seamless transfer of clinical information between providers think epic and the measurement of both quality and cost performance metrics down to the individual provider.

0 (5m 55s):
If you're listening to this, thinking that participating in the CIN means more work for you. You're right. So why are CIS it's gaining popularity over IPA's because there's a growing demand from both payers and consumers for greater value in the healthcare industry. And that's why both government and commercial payers are moving towards that value based reimbursement model. Now, this is where you should be thinking about MIP S and if you missed it, check out the podcast episode on MIP S in addition, large self-insured employers are becoming increasingly interested in the development of population health management contracts with providers and consumers are demanding more price, transparency, and higher

value.

0 (6m 41s):
Now that there's wider use of consumer directed health plans, where they are more personally responsible for payments related to their own healthcare pause here for a reality check. Medicine is a business, no matter how many physicians want to deny this, it's undeniable and our failure to police ourselves and not be active participants in this, is it the core of why someone else is forcing it upon us? Okay, I'm off my soap box moving right along. IPA's can have certain limitations that you need to be aware of when you're considering whether you should join. IPA's tend to function more as a messenger, rather than as an active participant.

0 (7m 22s):
They frequently lacked a business plan, the infrastructure and the capital one reason for this is that IPA's only source of income is the dues they receive from participating practices. As I told you earlier, I think he is have limited contracting ability, especially now as value-based reimbursement is such a big deal with this change. Clinical integration is at the heart of being able to negotiate better contracts in order to have clinical integration, there needs to be a significant it investment without the infrastructure. There can't be clinical integration. So how are you going to prove that you're actually adding value? There are a growing number of <inaudible> as well as IPA's that are trying to convert to CIS because of the integration component, including the need for significant capital outlay for infrastructures that's required for being part of the CIM.

0 (8m 15s):
The transition for an IPA is easier said than done. So where does that leave? You? You may have the opportunity to join one or more IPA's or CIS while remaining independent. When you join, you're going to be asked to sign a contract. I want you to note that these contracts vary widely. So you need to read the fine print. Here are some of the things you're going to want to consider before you sign on the dotted line. First, what's your organizational structure. There needs to be an effective board of directors and experienced leadership team and a weld quality. If I had staff too, is there sound fiscal management.

0 (8m 55s):
You don't want to join a group that doesn't manage its money well or spends more than it earns. You should ask to see the financials and have someone walk you through the budget, the profit and loss, and the long-term plans for financial success. This is especially true for IPA's next. You want to know whether the business operations and service match your style. You want to understand what your obligations are going to be for participating in this network, and it should be obvious to you. This is particularly true for CIS, because you're going to have to actually participate in clinically integrated care. Now, you also want to understand the it requirements. Does everyone in the network use the same practice management and EMR technology.

0 (9m 40s):
Isn't mandatory. How's the infrastructure paid for? If you have to switch from your EMR to their EMR, what's

involved in making that switch. And is there going to be a cost to your practice? One last piece to think about before you join one of the provider networks is whether you're comfortable giving up some of the control in exchange for perhaps reducing your risk and maybe minimizing some of the management responsibilities. There are always pros and cons. If you're more comfortable having a lot of control over which payers you contract with negotiating your contracts and being involved in every detail of your billing, then a provider network may not be for you.

0 (10m 20s):
However, on the other hand, if you're more interested in providing care and would prefer to be more hands off than being part of a provider network may be for you in the end, there's really not a right answer. It depends on the individual contract for either the IPA or CIN. You're going to have to do the due diligence to make sure that you're going to be gaining enough, either in terms of better contracted rates or reduced overhead to make it worth joining one of these providers networks. Thanks for joining me, be sure to sign up for my newsletter below, and I'll be sending you tips on how to start your practice best run your practice, grow the practice, and then ultimately be able to leverage your medical practice into multiple other businesses.

0 (11m 9s):
I hope to see you soon.