

Developing a Growth Strategy for a Clinically Integrated Network

This clinically integrated network ("CIN") had a track record of success, but was still leaving money on the table. Did they need to achieve formal CIN designation? Would one model of physician participation accommodate all types of interested physicians?

Client Profile: A growing mid-Atlantic health system that includes more than 1000 physicians, including many independent practices, and expects to add hundreds more physicians in the near future.

Challenge/Situation: The client wanted to take on greater risk/reward in their value-based contracting, while adding more physicians. Physician participants were at different levels of sophistication and experience with value-based care, with some still using paper records. Among questions to address were:

- ① Whether the physician network should achieve formal Clinical Integration as defined by the FTC
- ② How to remain attractive to independent physicians
- ③ Whether more than one model of physician participation was required to accommodate both high and low performers in the existing network, and those who are not prepared for value-based contracting
- ④ How the organization should handle fee-for-service contracting and fee schedules
- ⑤ How best to structure the value-based enterprise

Solutions: A tiered membership approach was chosen, and tiers of physician participation were defined. It was decided that the network did not need to pursue formal CIN designation, and that focus on value-based contracts was most important. The client will:

Target an increase in value-based contracts and contract opportunity, expanding it to all payers

Update their incentive distribution model to drive physician performance more effectively in value-based contracts

Update targeted fees and maintain a fee-for-service contracting methodology that meets regulatory requirements

Results: The network is implementing the tiered membership approach. It is positioning itself to increase the number and breadth of value-based contracts it handles, such that all contracts have value-based components in two years, and to increase the value of those contracts.