

Joining physician-led integrated systems: A guide to better decision making

As a result of the COVID-19 pandemic, physicians are actively exploring ways they can provide high-quality care for their patients and have a sustainable medical practice that provides them professional satisfaction. One such option is a physician-led integrated health system.

To understand more about this practice setting and whether it may be a good option for you, the AMA has provided the guide, *Joining or aligning with a physician-led integrated system*.

Introduction

This guide focuses on the physician-led integrated system, a practice option many believe to be an effective model for advancing quality and cost-effective care. Giving basic information and a road map to help you decide whether you want to join or align with a physician-led integrated health system, the guide:

- Defines physician-led integrated systems and the different types of systems under this umbrella.
- Offers important questions physicians should consider and discuss during a job interview at an integrated system.
- Lists 12 main categories for assessing the performance of a physician-led integrated health system; under each category are questions physicians should consider when making a decision.

Types of physician-led integrated health systems

Physician-led integrated health systems exist in several forms; the following examples are more common types of systems. This is not an all-inclusive or mutually exclusive list.

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Multispecialty/integrated physician group: Successful group practices are characterized by a culture that values coordination, teamwork and collaboration.

Physician-owned practices: This business model allows physicians to own the practice through equity shares.

Foundation model: In this model, a non-profit foundation owns the “bricks and mortar” and the physician group provides the clinical expertise.

Accountable care organization: This is an entity that is clinically and fiscally accountable for the entire continuum of care for a given population of patients.

Physician-hospital organization: This type of entity creates a formal relationship between physicians and hospitals that provide physician and hospital services and contract with payers.

Independent practice association: Independent practice associations (IPAs) were created to allow contracting between independent physicians and payers without creating anti-trust conflicts. Some have evolved to become coordinated networks that share patient data to improve quality and outcomes.

Virtual group: The virtual group is an evolution of what used to be referred to as a “group practice without walls.”

Assessing the performance of a physician-led integrated health system

There are several ways to evaluate the performance of a physician-led integrated health system. Below are samples of relevant questions to ask when considering whether or not to join.

1) Mission/strategic plan

A strategic plan outlines how the organization plans on achieving its mission and allows individuals within the organization to understand how they can play a role.

Questions to ask

- | Does the system have a mission statement and a strategic plan?
- | Do the system's mission and vision statements closely align with the personal beliefs and ethics of the physician considering joining or aligning with the system?

2) Governance and culture

The governance and culture of a health system can have a significant effect on day-to-day operations, clinical care, physician professional satisfaction and peer-to-peer relationships.

Questions to ask

- | How are physicians represented on the governing board, i.e., do they have a seat or elected representative?
- | Does the system have programs or opportunities for early career physicians who want to explore the possibility of assuming leadership responsibilities within the system?

3) Organizational structure

Physicians should ask to see formal documents that outline the governance structure and how physicians fit in. If there are no such documents or if the physician role is unclear, it is important to ask for clarity.

Questions to ask

- | Is there a seat on the governing board elected by the physicians or does the governing board appoint seats without input from physicians?
- | Is the structure of the physician-led integrated health system one of a vertical integration that includes primary care, all other specialties, hospital, home health, hospice, nursing home and pharmacy?

4) Commitment to quality and value

As more health care organizations continue to move to value-based payment systems, it is important to know about the system's commitment to quality and value and if any changes to that commitment

are planned.

Questions to ask

- | Does the physician-led integrated health system have a structured quality program? What is the physician role in the program?
- | How is the use of metrics (e.g., chronic disease registries) and benchmarks (e.g., specialty-specific quality targets) selected and implemented in the system?

5) Effective use of IT and evidence-based medicine

Depending on the size of the health system, the infrastructure needed for effective information technology may include a separate department of information technology that procures and updates hardware and software.

Questions to ask

- | What IT systems are in place? Is there a robust IT infrastructure?
- | How are patients and the community linked to the health care delivery system?

6) Financial health of the system

Regardless of tax-exempt status, health systems usually have to borrow capital, therefore ratings by credit agencies (e.g., Moody's, Standard & Poor's) play a role in assessing financial solvency. These ratings can provide information about whether the system is stable or at risk for financial insolvency.

Questions to ask

- | What kinds of contracts does the system have with insurers? With which insurers does it have contracts?
- | Are there risk contracts? If so, are they upside or downside? Are there plans to enter into these type of contracts?

7) Compensation models

By way of the move from fee-for-service to value-based payment, with bundling based on diagnosis or procedure, value metrics will provide additional variables to physician compensation structures.

Questions to ask

- | What is the compensation model? Is the salary guaranteed? Will the physician-led integrated health system provide a detailed example of how compensation is calculated?
- | What, if any, compensation bonuses are offered?

8) Metrics and measurement

Measurement of value, which includes patient satisfaction, access and patient clinical outcomes, is part of some physician compensation models. Quality and other metrics may also be linked to compensation.

Questions to ask

- | Is continued employment or other arrangements tied to physician performance? If so, what are the notification requirements and appeal rights to challenge reported metrics?
- | Through what systems are performance metrics measured? What feedback is provided to physicians and how is it provided?

9) Shared cost

Assignment of shared costs is another important concern for a physician considering joining a physician-led integrated health system.

Questions to ask

- | Are the infrastructure's costs clearly outlined?
- | Are contributions at the individual physician level, or at a department or system level?

10) Family support

Physicians with families will benefit from understanding what (if any) family support the physician-led integrated health system provides.

Questions to ask

- | Besides providing health insurance benefits, is there paid parental leave?
- | Are childcare services available in the system?

11) Clinical autonomy

A physician-led integrated health system may attempt to manage costs by reducing variation in process improvement principles. You'll want to know how physicians are involved in identifying process improvements, how adherence to protocols is measured, and how changes are implemented.

Questions to ask

- | Do physicians have the ability to advocate for the unique needs of a particular patient?
- | Talk with primary care physicians who are part of the system and ask about their experiences.

12) Expectations for system improvement activities

Commissioning various physician committees is part of how physician-led integrated health systems can achieve consensus and effect change.

Questions to ask

- | Is there an expectation of a certain amount of time to participate on committees?
- | If so, are physicians financially compensated for that time, separately from regular pay?

Alignment and other practice options

Alignment options for independent practices

Aligning with a health system as an independent practice may be a desirable option for some physicians. The guide outlines questions to ask and issues for consideration in that scenario.

Measuring key attributes of a physician-led integrated health system

The following is extracted from a high-level checklist for assessing key attributes of a system. The full checklist can be found on page 14 in the guide (PDF).

- | The mission and strategic plan of the physician-led integrated health system aligns with your professional goals and personal ethics.
- | The system provides additional benefits in addition to insurance (health, liability), PTO and

retirement.

| The system provides all care coordination of patients managed by individual physicians.

| There is evidence of stability in key leadership positions over the last five years.

| The physicians within the system are professionally satisfied.

Integrated Physician Practice Section

This resource is made available through the Integrated Physician Practice Section. Learn more and get involved.

Other practice options

The AMA supports physicians in all practice settings and specialties and is committed to providing resources that assist physicians in choosing and pursuing the model of care delivery that best suits them and their patients.