

## Case studies, custom networks and contract terms: Direct-to-Employer arrangements

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Physicians interested in Direct-to-Employer arrangements should consider the strategic implications and familiarize themselves with the unique terms and conditions of each arrangement.

To help you navigate these opportunities, AMA provides examples of what you can expect, including:

- Two case studies of Direct-to-Employer arrangements
- A discussion of custom network models
- An overview of important contract terms to consider when negotiating

### Case studies of Direct-to-Employer arrangements

The two case studies cited here illustrate how the Direct-to-Employer model improved professional satisfaction for one physician and in the case of a corporation, provided its employees with a value-based benefit plan option.

- **Sample retainer arrangement:** Dr. X entered into a contract with an employer to be one of a small group of retainer-model practices available to executives. Since then, Dr. X has entered into similar agreements with two other employers. Compared to five years ago, Dr. X has seen a small uptick in her practice's financial health. But for her, the most drastic change has been an increase in her professional satisfaction.
- **Risk-based and value-based arrangements: General Motors and Henry Ford Health System:** Beginning in 2019, General Motors (GM) began to offer a new health benefit option to its 24,000 non-union employees in Michigan: a Direct-to-Employer, risk-based arrangement with Henry Ford Health System.

### Custom networks discussion

Technically, custom provider networks are not a Direct-to-Employer arrangement as there is typically no direct contract between the providers and the employer. Instead, a third-party administrator

maintains, manages and pays the provider network on behalf of the employer.

## Contract terms

Direct-to-Employer arrangements come in such a wide variety of forms that there are few contract terms that are applicable to all, or even most, forms. Still, there are certain concepts that physicians should consider in almost every contract for Direct-to-Employer services, including:

- Disclaimers about insurance
- Limitation of liability
- Independent medical judgment
- Compensation–Shared savings
- Quality/performance metrics
- Data sharing and reporting obligations

Review the contract terms and sample contract language for each.

## More articles on Direct-to-Employer arrangements

The AMA has developed these additional materials to help physicians navigate available opportunities and negotiate terms that reflect the practices' goals and preferences.

- Snapshot: Physician-employer engagement: Direct-to-Employer arrangements
- Model checklist: Physician-employer engagement: Direct-to-Employer arrangements