

How this private rural family practice finds success with ACO

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Family physician Karen L. Smith, MD, confesses that she was perhaps a bit naive when she first opened her private practice decades ago in rural Raeford, North Carolina.

“I thought you just hung up your shingles and people came to you,” she said, “but hanging your shingles as a physician also means that you’re the one that’s responsible for doing your contract negotiations, reaching out to those patient populations who you really wanted to take care of and negotiating those payments that you felt necessary—not only to take care of the patient but also to make sure that they were getting the good quality [of care] and that that cost didn’t exceed what patients could actually pay.”

Navigating payor contracts has only grown more challenging over time. Dr. Smith, an AMA member, recently has found success by joining an accountable care organization (ACO). She recounted her experience and how her ACO helped during the COVID-19 pandemic in a recent episode of “AMA Moving Medicine.”

Learn more from subject-matter experts in the AMA’s free, two-hour webinar series that guides private practice physicians through the complexities of the health-plan payment landscape. “Payor Contracting 101” and “Payor Contracting 201” cover basic contract provisions, basic legal rules governing contracts, commonly negotiated provisions, common disputes, and innovative and nontraditional opportunities.

The AMA also has developed a great new private practice toolkit on payor contracting that covers these elements:

- Payor Contracting 101 (PDF).
- Payor Contract Review Checklist (PDF).
- Payor Contract–Sample Contract Language (PDF).
- Examples of Significant Payor Unilateral Policy Changes (PDF).

Staying independent, delivering quality

Dr. Smith ran her physician practice on a fee-for-service basis but found with time that was unsustainable. She considered collaborating or joining a larger practice or hospital system, but feared losing the autonomy that comes with having your own practice.

She turned to her mentors in the profession, including other doctors who opened their own private practices. That's when she discovered the benefits of an ACO, a voluntary network of physicians and other health professionals. The ACO can then contract with insurers on behalf of the physicians and create a value-based business model.

"We brought together the largest number of lives that we could care for within our region, and my colleague over in the next county [did] the same thing, and the county over [did] the same thing," Dr. Smith said. "Now we are applying efficiency and we're scaling out all of those strategies that we knew worked well.

"I could maintain my independence, provide the services that I always hoped to provide our patients but maintain that good quality."

It takes astute clinical judgement as well as a commitment to collaboration and solving challenging problems to succeed in independent settings that are often fluid, and the AMA offers the resources and support physicians need to both start and sustain success in private practice. Find out more about the AMA Private Practice Physicians Section, which seeks to preserve the freedom, independence and integrity of private practice.

3 C's are key during pandemic

When the pandemic hit in 2020, 97% of physician practices saw financial setbacks related to COVID-19 within the first two months as patients were urged to shelter in place. Patients grew disconnected from their physicians and their practices.

Dr. Smith said there were "three C's" that helped her and her practice push forward through the pandemic.

“Connection, communication and collaboration,” Dr. Smith said. “That’s what the ACO allowed us to achieve.”

She maintained a consistent connection with her ACO to get the data and training needed to incorporate telehealth into her practice. She communicated with her ACO to get personal protective equipment (PPE), and she collaborated to help find solutions for the problems facing her and her colleagues’ practices.

Find out more with the AMA’s guide to keeping your physician practice open during COVID-19.

“AMA Moving Medicine” highlights innovation and the emerging issues that impact physicians and public health today. You can catch every episode by subscribing to the AMA’s YouTube channel or the audio-only podcast version, which also features educational presentations and in-depth discussions.