



Snapshot: Unwinding Existing Arrangements

Physicians who are considering whether to unwind existing relationships with Health Organizations, including hospitals, health systems or large group practices that are owned or controlled by health systems or payers, may encounter a variety of operational, strategic, and financial hurdles. The AMA has developed tools to help navigate this process, including a [Model Checklist](#) of key considerations and a [Contractual Guide](#) to better understand physicians' rights and obligations under the arrangement.

Overall, topline issues include:

- **Available Options.** Part of making a choice to unwind is assessing what alternative practice options exist and what next steps are available. For example, venture capital/private equity investment, accountable care organization (ACO)/clinically integrated network (CIN) participation, and employer models are potential off ramps to a relationship that is no longer working. View AMA payment model resources [here](#).
- **Costs.** Being able to estimate the financial impact, positive or negative, short and long-term, of a decision to unwind is critical to informed decision-making. Access to patients, new and established, may also depend on the ability of the physicians to enter into contracts with plans that may have preferred provider relationships with the Health Organization from which the physicians are separating. New costs for staff, infrastructure, and compliance may be created, while other costs—such as penalties under quality reporting programs—may be increased or decreased. The tolerance of the physicians (and their families) for the financial consequences of change should be well understood while decisions are being made as some members may have financial obligations or income expectations that make them risk-averse and perhaps less supportive of any change to the status quo.
- **Patient Portability.** Patients typically want to stay with their doctor, regardless of whether that physician is part of a health system-owned practice, a CIN or “supergroup,” or an independent practice. As much as this is true, patients often feel they have no option but to seek a new source of care if their current doctor is no longer included in the network established by their insurer. Issues such as data retention and communications to patients about the unwinding of a relationship can smooth over or interfere with the transition for the patients and the physicians, depending on how they are handled.
- **Contractual Considerations.** Contractual provisions, such as non-competes, that require physicians to leave a market if they are no longer employed or affiliated with a health system can be a deterrent to unwinding

an arrangement. States' laws differ in the degree to which non-compete clauses are enforceable. In some instances, physicians that are bound by a non-compete clause may still have some latitude to negotiate, if they wish to continue practice in the same market, particularly if the services provided are unique in the market. Similarly, understanding exclusivity provisions or the continuance of medical staff privileges can be important to unwinding an existing arrangement.

- **Timing.** As with any professional arrangement, the choice of when to leave can significantly impact compensation and other factors important to unwinding the transaction. Understanding contractual, financial, and external factors which may be driving pressure to unwind a relationship at a particular time can help a physician or practice strategically navigate the [unwinding process](#).