

*The Future of Employer  
Sponsored Health Care  
- The Physician Provider Perspective -*

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## *Texas Physician Distribution - 2015*

	Primary Care	Specialists	Total
<b>Texas</b>	27,859	30,322	58,181

**Source: Kaiser Family Foundation**

*The Traditional Physician  
Business Model*

The “Classic”  
*Fee for Service  
Model*

# **Today's Physician Business *Model***

- **Movement Away from FFS**
- **Towards “Value Based Payment  
System”**

# **What is a “Value Based” *Payment System***

- **Payment is on quality rather than volume**
- **Must measure and report quality**
- **Focus on Preventive Medicine**

# **Shifting to the “Value Based” *World***

**By 2016, 30 percent of all Medicare provider payments will be in alternative payment models. The goal is 50% by 2018.**

**-- HHS Secretary Burwell**

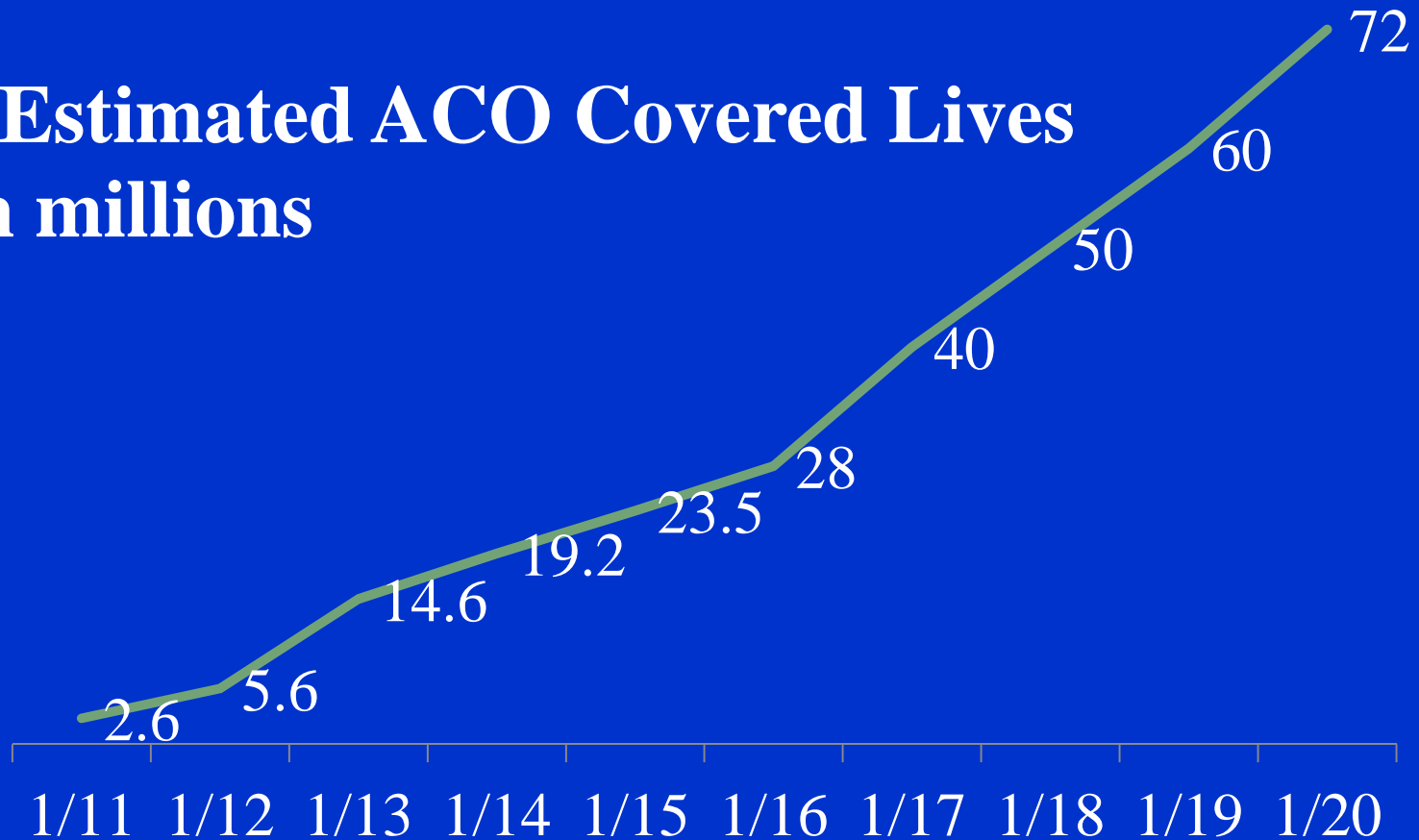
# *Accountable Care Organizations*

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- 1) **What is an ACO? – Depends on who you ask**
- 2) **Coined term in 2006**
- 3) **Started by CMS**
- 4) **Clinically Integrated Networks (CIN's)**
- 5) **Two basic types: federal and commercial**

# *Accountable Care Organizations*

**# Estimated ACO Covered Lives  
In millions**





# *Who Can form an ACO?*

**Federal Govt**

**Hospitals and Hospital Systems**

**Business Entrepreneurs**

**Doctors**

# *Concept of Shared Savings*

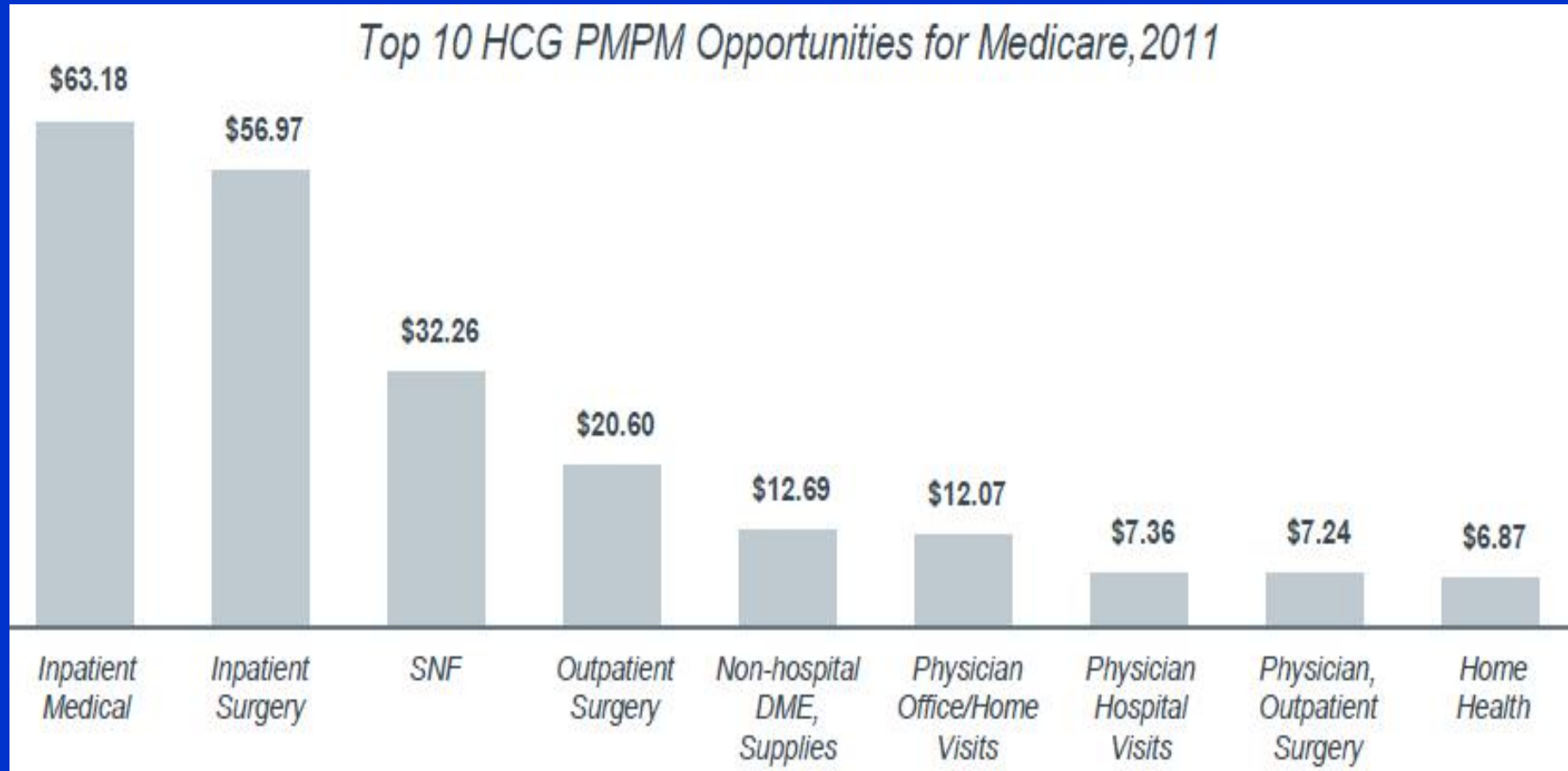
**Who shares what and why?**

**Can Employers share in these Savings?**

**FOOTNOTE: About 70% of MSSP's generating shared savings were physician-led.**

# *Where can We Find Savings*

Top 10 HCG PMPM Opportunities for Medicare, 2011



Source: Millman / Advisory Board



## *A Case Study*

- *Established 2015*
- *Built by Independent Physicians*
- **Wholly Owned / Managed by IP's**

# *Texas Medical Association & Practice Edge*

- **Bring Physicians together in CIN's**
- **Offer Added Value Services/Products**