

FREQUENTLY ASKED QUESTIONS

IPA and Value-Based Contracts

Independent Physician Associations (IPA) help providers increase practice revenue by obtaining favorable fee-for-service rates and value-based contracts with private payers for participating physicians, including those who are already part of a Medicare Shared Savings Plan (MSSP) or Next Generation Accountable Care Organization (ACO).

Collaborative Health Systems (CHS) supports independent physicians by helping them form, improve or expand upon existing IPAs, and by providing best-in-breed population health tools, technology, services and the know-how to thrive under value-based healthcare contracts.

What is an Independent Physician Association (IPA)?

An IPA is a business entity representing a network of independent physician practices whose mission historically has been to negotiate favorable group fee-for-service rates on behalf of the physicians. Today, that mission is expanded to include pursuing new value-based contracts with third-party payers.

I am a small practice. Why should I join an IPA?

IPAs are perfect for small independent practices that would like to enjoy the benefits of belonging to an organization. Joining an IPA gives you “strength in numbers,” the ability to secure higher fee-for-service rates from commercial payers as well as favorable gain-sharing opportunities in value-based programs.

Can I keep my TIN if I join an IPA?

Yes.

My practice is mostly fee-for-service. Why should I join an IPA?

Fee-for-service reimbursement is being phased out by CMS and private payers. It is being replaced with value-based payments. Joining an IPA, particularly one that offers robust population health expertise, capabilities and tools, will enable you to deliver, and be appropriately paid for, accountable care.

If I join an IPA, am I obligated to accept fee-for-service and/or fee-for-value contracts with various payers?

No. As an IPA member you are free to choose to stay with your current contract if it offers better terms or go with the contract negotiated by the IPA.



How are IPAs funded?

IPAs are funded in many different ways such as membership fees, payments from payers, and/or partner investments.

What does it cost to join an IPA?

The cost of IPA membership varies depending on the goals and funding of the IPA and the services it provides. Decisions are typically made by the IPA leadership with input from the members.

Who owns the IPA?

IPAs are generally owned by the physician members and any other partner investors they may have who are aligned with the organizational mission, such as a management services organization (MSO) like CHS.

What is the difference between an IPA and a commercial ACO?

An IPA represents a network of physicians organized to seek improved fee-for-service rate contracting with private payers. Participating physicians are equipped and rewarded for performance in value-based healthcare programs. A commercial ACO is a type of contract in which providers are eligible for bonuses based on outcomes and savings.

What is the minimum number of physicians necessary to form an IPA? What about a commercial ACO?

There are no restrictions on the number of physicians needed to form an IPA or commercial ACO. However, generally, for a commercial ACO, a patient population count of upwards of 10,000 would be needed. Each payer may require a different minimum.

ABOUT COLLABORATIVE HEALTH SYSTEMS

Collaborative Health Systems (CHS), a Universal American company (NYSE: UAM), is a management services organization that partners with primary care physicians as they move to value-based payment systems. Our core belief is that primary care physicians are in the best position to influence the quality and cost of healthcare. CHS provides comprehensive support for its physician partners by providing actionable data to help coordinate care and helping practices change behavior to meet the new quality requirements of the value-based payment system. CHS currently manages one Next Generation ACO Model, and 22 MSSP ACOs, with approximately 5,000 providers, mostly primary care physicians, covering 239,000 Medicare beneficiaries. For more information, visit <http://www.CollaborativeHealthSystems.com>.

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