

# Collaborating for Success: How Independent Practices & Hospital Systems Thrive Through Collaboration

Spence M Taylor MD

CEO Integral Leaders In Health/ The Physicians Collaborative



# Why This Topic?



A Highly Integrated Delivery System Model.....

...that was unique....

....can be duplicated.....

.....and needs to be



## Current Landscape: How Many Are Seeing....

- Physician Burnout?
- Recruitment Struggles?
- Growing Subsidy for Employed Physician?
- Loss of Physician Engagement?
- Dedicated Independent Doctor—Hospital Partnerships?
- World Class Medical Care?\*

\* The patient's perception that the healthcare system is meeting their sense of wellbeing



# We Have a *Medical Care* Opportunity



- Medical Care: The way patients perceive the healthcare system’s ability to meet their needs—their sense of well-being



May 2023

Survey of More Than 2,500

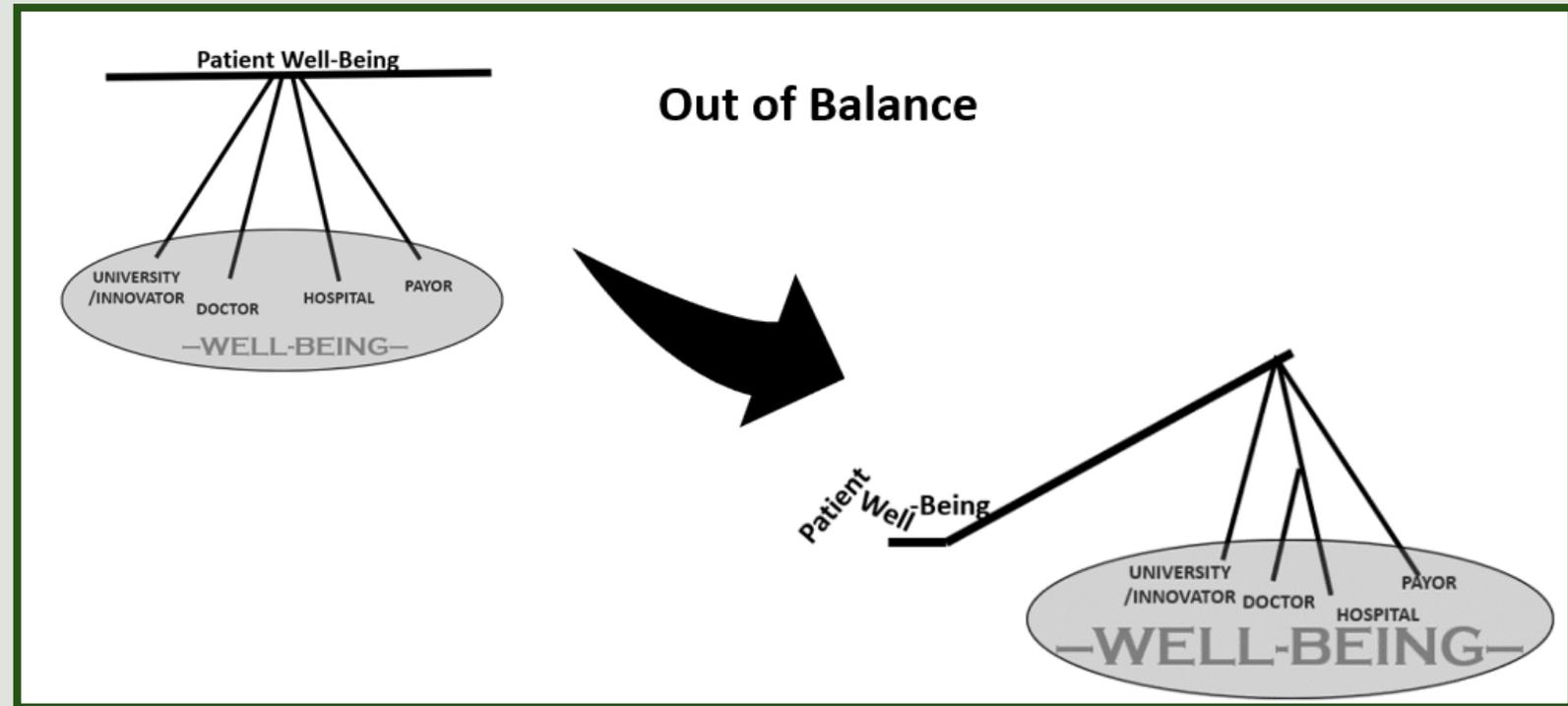
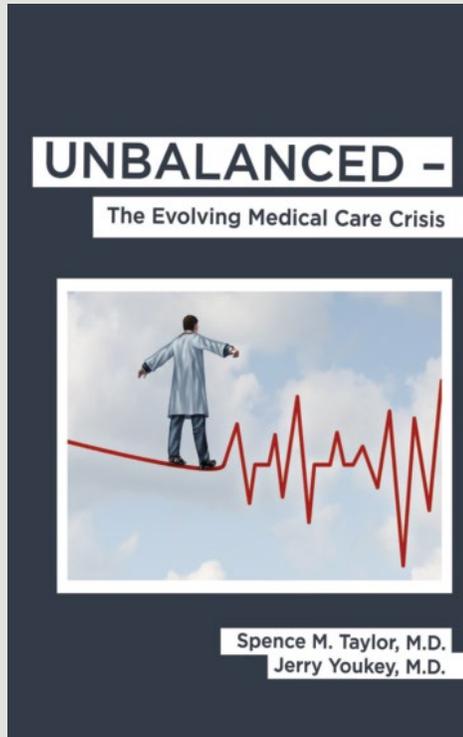
≡ **TIME**

HEALTH • HEALTH CARE

**Exclusive: More Than 70% of Americans Feel Failed by the Health Care System**

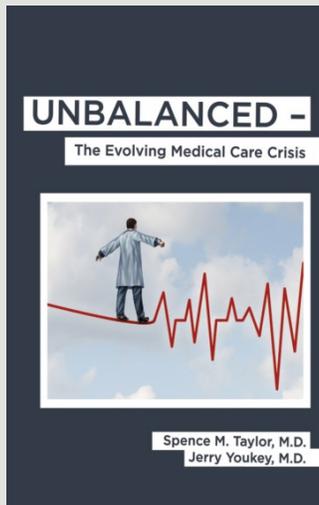


# We Have a *Medical Care* Opportunity



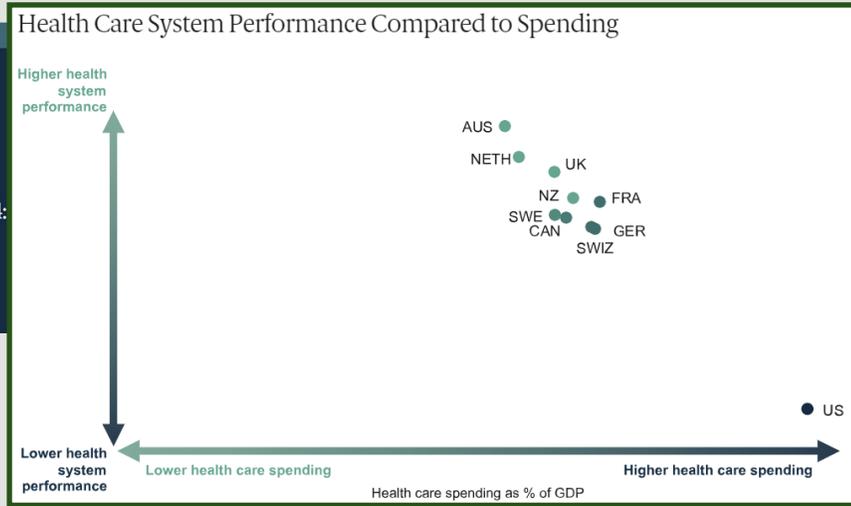
# The ABC's of Medical Care in America

- **A Availability Challenges**—Inability to easily access existing medical services
- **B Burnout**—Of both the doctor & patient
- **C Corporatization**—Placing the well-being of the system above those of the patient
- **D Depersonalization**—Where patients connect w/ the medical environment through machines
- **E Exploitation of non-clinicians**—Asking non-licensed administrators to make clinical decisions
- **F Failed Communication**—Total collapse of communication in a service profession where it should be the primary objective



# Medical Care in America: Snapshots

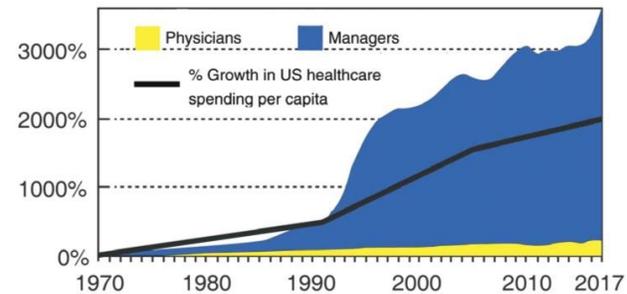
Mirror, Mirror 2024:  
A Portrait of the  
Failing U.S. Health  
System  
Comparing Performance in 10 Nations



Quick Analysis:  
Administrative Barriers Have Eroded the  
Doctor-Patient Relationship

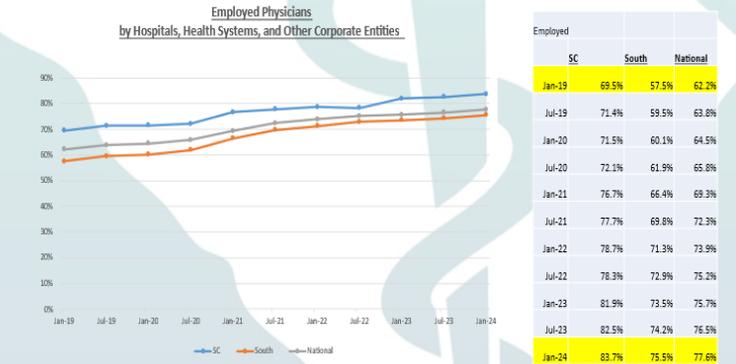
.....The evidence is anecdotal but  
difficult to refute....

## Growth of Physicians and Administrators



Source: Bureau of Labor Statistics; NCHS; and Himmelste In/Woolhandler analysis of CPS  
Note - Managers shown as moving average of current year and 2 previous years  
\* 2300% increase in U.S healthcare spending per capita between 1970-2017  
(Source: Health Care Costs: A Primer, The Henry J. Kaiser Family Foundation)

## STATE OF SC PHYSICIANS- EMPLOYMENT



**83.7% of Doctors are employed**

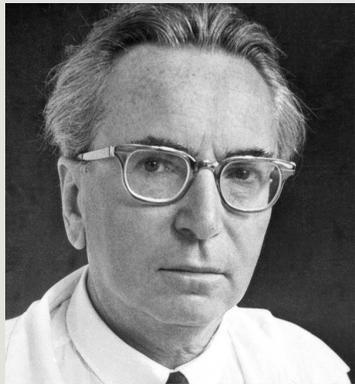
The number of physicians belonging to  
labor unions has nearly doubled since  
2014; over 70% of surveyed doctors  
(MDLynx Dec 2023) say they are interested  
in exploring unionization



# Medical Care in America

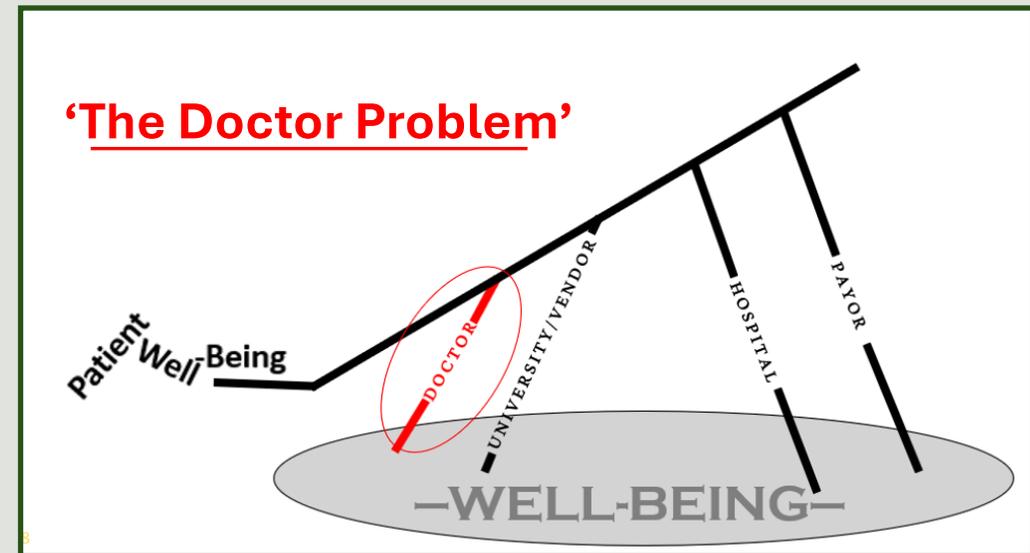
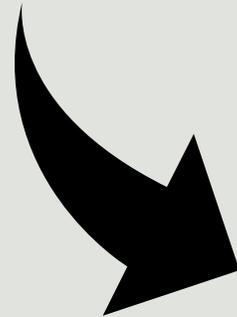
- 58% Clinical Burnout Rate (*An Occupational Phenomenon*—Emotional Exhaustion, Cynicism/Depersonalization, Reduced Efficiency, Physical & Psychological Sx.—Maslach Burnout Inventory); Chronic workplace stress (not work hours)
- 60% say *meaningless* bureaucratic tasks (coding & computerized records) are the cause
- To the newest generation of doctors, completing the Electronic Medical Record correctly (a *meaningless* task) is as important as patient well-being or seeing a new patient (*Compensation is often tied to it*)

— ***Thus, Burnout is part of being a doctor!***



Victor Frankl

- Logo-Therapy
- Loss of *meaning* results in attrition
- *Meaning* = ‘A sense or purpose’



# Medical Care in America

## CEO Article of the Week #27

### Medical Care and Three Numbers That Start with the Number “Three”: 30, 300, and 300,000

Medical care—the patient’s perception of the healthcare system’s ability to meet their sense of well-being—is in a slump. Despite being the most expensive healthcare system in the world, IPSOS reported in 2024 that only around 30% of Americans were very satisfied with their medical care.

**30% Favorability Rate**

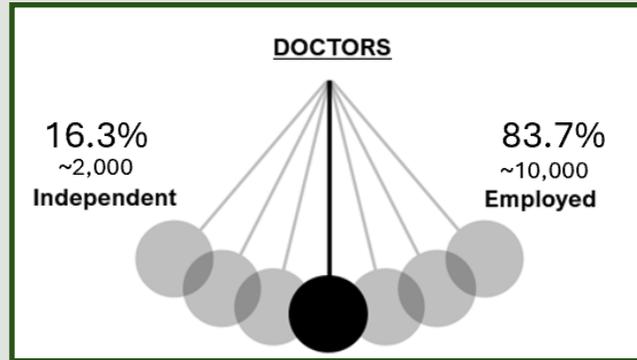
**30% Reduction in FFS Reimbursement**

**300% Increase in Health Benefit Costs**

**\$300,000—The Average Subsidy/Doctor**



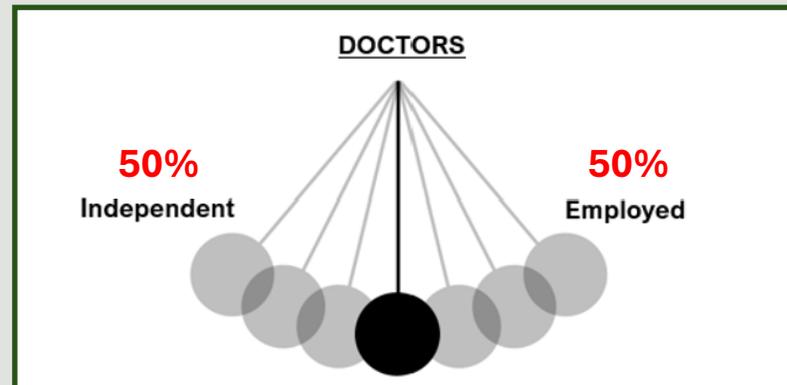
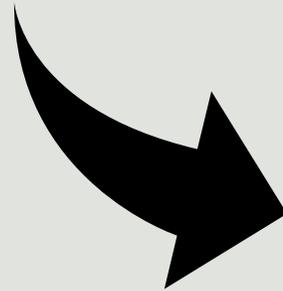
# Medical Care in America: Reframing the Question



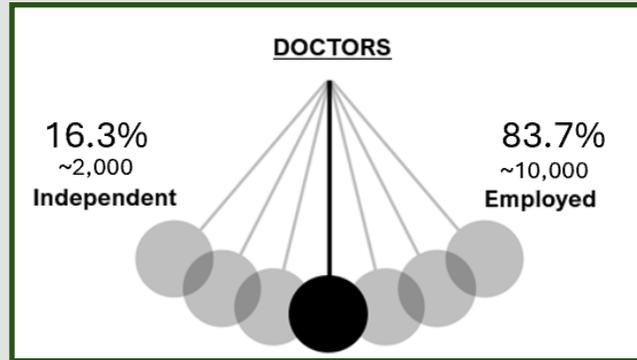
**IILH** INTEGRAL  
LEADERS  
IN HEALTH



**ACC** PHYSICIANS  
COLLABORATIVE



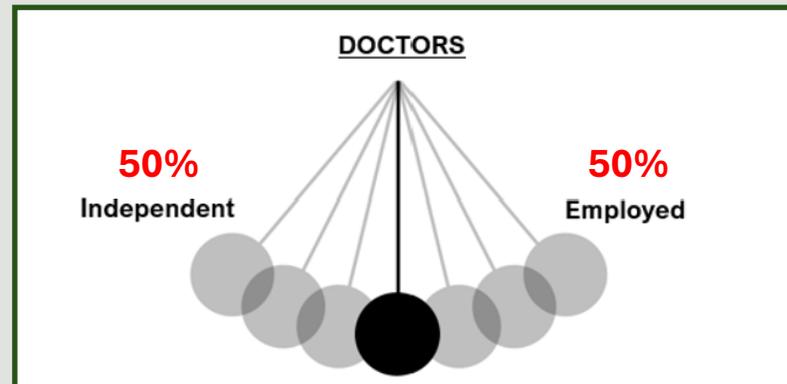
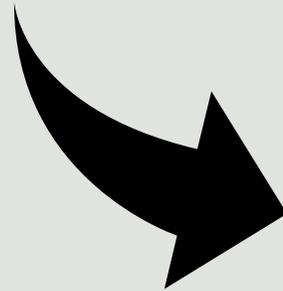
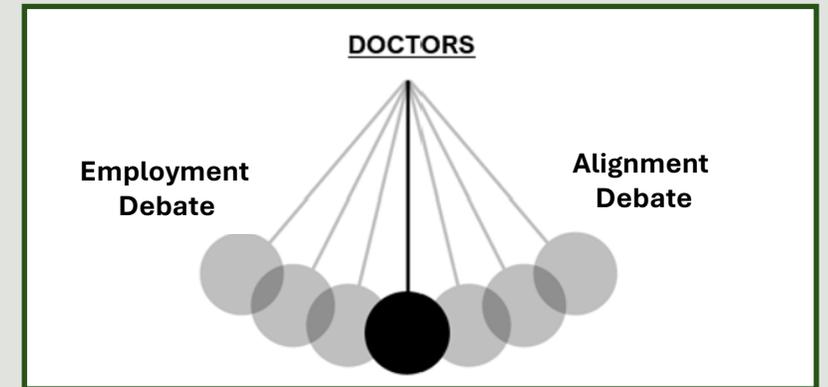
# Medical Care in America: Reframing the Question



**IILH** INTEGRAL  
LEADERS  
IN HEALTH



**PHYSICIANS**  
COLLABORATIVE



# What Are We Trying To Build

## Engagement



## Sustainability

## Access



## Alignment





## Case Study: Partner In Health (PIH)/University Medical Group (UMG)





# Case Study: Partner In Health (PIH)/University Medical Group (UMG)

“.....Our goal is to put together a team of superstar doctors that work with the hospital to make a lasting benefit in South Carolina and beyond. Come join us!.....”

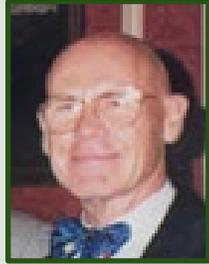
William Bates MD



William Bates MD



JD Ashmore MD



Joseph McAlhany MD

**90% Independent/  
10% Hospital  
employed**



Wilford Hall USAF Medical Center



**Spence M Taylor MD  
GHS Doctor #23  
1992**





# Case Study: Partner In Health (PIH)/University Medical Group (UMG)



Frank C Pinckney



“....The only doctors that work for hospitals, are ones that can't make it in independent practice....who needs them!....”

F.C. Pinckney



**PIH**  
**1994**



Pat Marshall MD



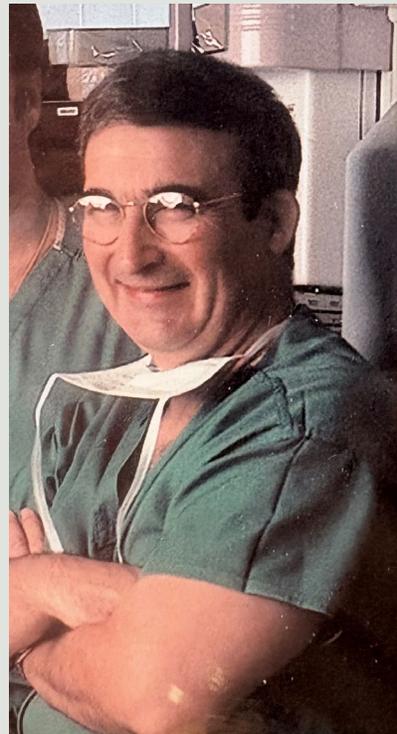


# Case Study: Partner In Health (PIH)/University Medical Group (UMG)

## The Turning Point



- “Separate company”
  - Net Income model (revenues-expenses)
  - Physician RCM
  - UMG staff HR pay schedule
  - Single signature contracting
  - Delegated Third party credentials
  - Chairperson unification (academic, clinical & medical staff affairs)
- “Transnationality”



**Jerry Youkey MD**  
**1994**



**Pat Marshall MD**  
**Primary Care**



**Bill Schmidt MD**  
**Children’s**



**Spence Taylor MD**  
**Surgery**



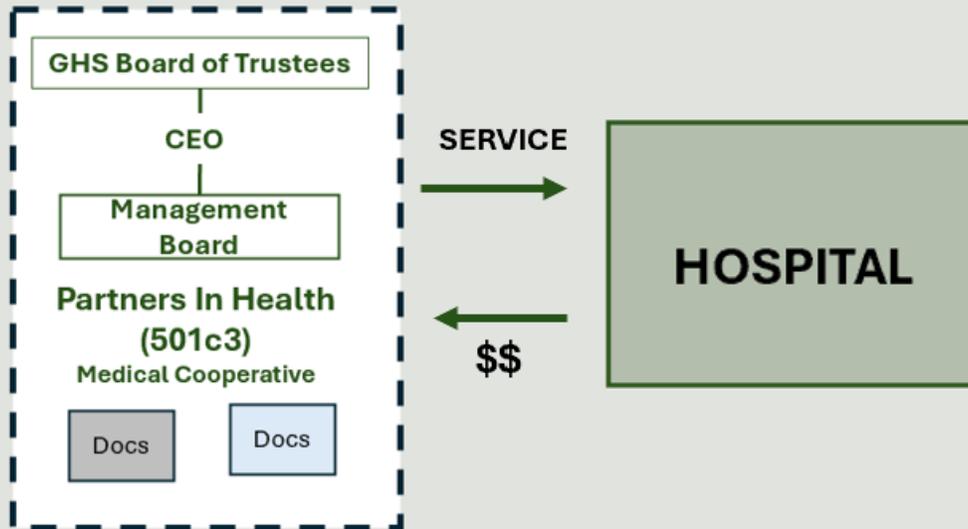


# Case Study: Partner In Health (PIH)/University Medical Group (UMG)

## TRANSACTIONALITY



Jerry Youkey MD



Michael Riordan

“A Love Affair”



Greg Rusnak





## Case Study: Partner In Health (PIH)/University Medical Group (UMG)

### **Shared Mission:**

**Set the standard of care**

**Make sure everyone has care**

**Create the future workforce**

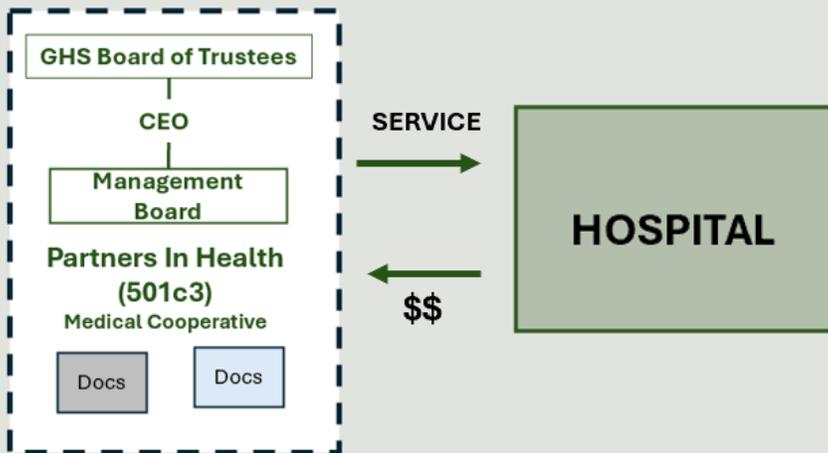
**Make the dollars work**





# Case Study: Partner In Health (PIH)/University Medical Group (UMG)

## Accomplishments Through Collaboration 1998-2018



- Tripled in size (annual operating revenue)
- Creation of the 136<sup>th</sup> Medical School (UofSC SOM Greenville)
- School of Nursing (Clemson Nursing)
- 100<sup>th</sup> Academic Health Center (AAHC)
- Doubled its GME Platform
- From < 100 to more than 2,200 providers (15<sup>th</sup> largest in US)
- Major workforce pipeline (Med Ex Academy)
- TNTC Children's Hospital Accomplishments (Schmidt)
- Largest Employer in Upstate
- Downtown Presence
- Institute for Advancement of Health Care
- Value-based Care (My Health First Network /CCI—Sinopoli)
- Swamp Rabbit trail & other community projects
- First Physician President of GHS
- \$8B in economic impact (2019)
- Initiant Hospital Collaborative
- Formation of Prisma Health





# Case Study: Partner In Health (PIH)/University Medical Group (UMG)

**We Ran the System/ Our Decisions Mattered/ We Won Together/ We Were Owners**





# Case Study: Partner In Health (PIH)/University Medical Group (UMG)

Physician Decisions

Practice Operations (Controllable)

Transparent Profit/Loss

Group Gain/ Reinvestment

Engagement & Accountability





# Case Study: Partner In Health (PIH)/University Medical Group (UMG)



Physician Decisions

Practitioner (Accountable)

BURNOUT PROOF

Engagement & Accountability



Practitioner (Accountable)

Practitioner (Accountable)





Case Study: Partner In Health (PIH)/University Medical Group (UMG)

## The Ownership Equation

**Ownership = Line of Sight + Control + Shared Outcome**





Case Study: Partner In Health (PIH)/University Medical Group (UMG)

## The Ownership Equation

**Ownership = Line of Sight ~~Control~~ + Shared Outcome**

*No Control  
No Meaning  
No agency*



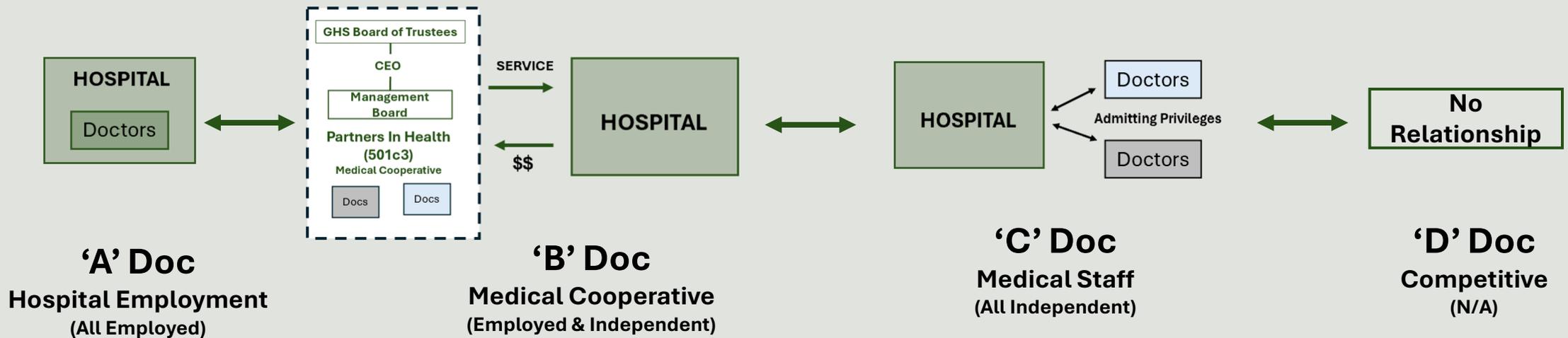


# Case Study: Partner In Health (PIH)/University Medical Group (UMG)

Youkey/Taylor

## HOSPITAL-DOCTOR AFFILIATION MODELS

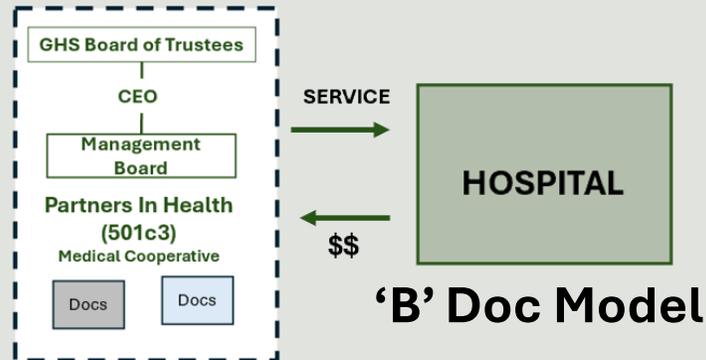
'A' Doc 'B' Doc 'C' Doc 'D' Doc



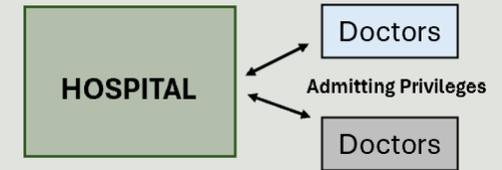
# Lessons Learned—Advantages of the GHS ‘B Doc’ Model



**‘A’ Doc Model**



**‘B’ Doc Model**



**‘C’ Doc Model**

1. The most common physician employment model
2. Management-Labor relationship
3. Hospital hires, fires & manages physician’s performance (including the physician’s P& L)
4. Enhanced \$\$/wRVU model of compensation
5. Hospital goes at financial risk for the physician performance
6. Control centralized and run by the hospital
7. Incentives are those of the hospital
8. \$300,000 subsidy/doc; 60% burnout

1. Atypical physician employment model
2. Transactional partnership (UMG Board Management)
3. Doctors/medical group hires, fires and manages themselves (including their P&L)
4. Practice revenue + purchased services – expenses model
5. Doctor goes at financial risk for their own performance
6. Control is shared between the hospital and the medical group
7. Shared incentives
8. Co-management & clinical purchased services

1. Medical staff model
2. Variable/No Partnership
3. Independent businesses
4. Practice revenue + purchased services – expenses model
5. Doctor goes at financial risk for their own performance/ no reason to work with the hospital
6. Conflicted control
7. Incentives are those of the doctor
8. Competition



# Three Models of Physician Practice

Color scale:  
● strong | ● moderate | ● weak

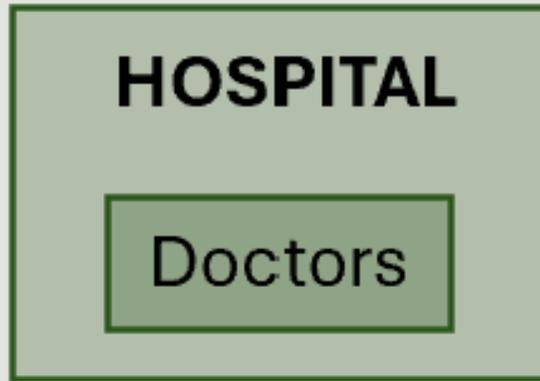
	<b>'B' Doc Model</b>	<b>'A' Doc Model</b>	<b>'C' Doc Model</b>
<b>Element</b>	<b>PIH-style aligned group</b>	<b>Integrated employment</b>	<b>Independent practice</b>
Line of sight to performance	<span style="color: green;">●</span>	<span style="color: red;">●</span>	<span style="color: green;">●</span>
Local operational control	<span style="color: green;">●</span>	<span style="color: red;">●</span>	<span style="color: green;">●</span>
Income stability	<span style="color: orange;">●</span>	<span style="color: green;">●</span>	<span style="color: red;">●</span>
Access to capital	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: red;">●</span>
Entrepreneurial energy	<span style="color: green;">●</span>	<span style="color: red;">●</span>	<span style="color: green;">●</span>
Recruitment strength	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: red;">●</span>
System alignment	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: red;">●</span>
Physician engagement	<span style="color: green;">●</span>	<span style="color: orange;">●</span>	<span style="color: green;">●</span>

**The PIH ('B' Doc) Model: Combines enterprises to achieve the best of both worlds**



## The Reality

**83 %**



## The Hospital Perspective

- Capital Needs
- Network Adequacy
- Payor Leverage
- Enterprise Margin

**Hospital + Clinics → Single Margin**

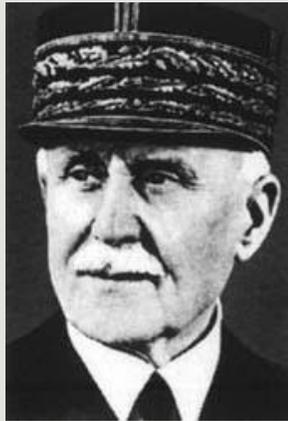
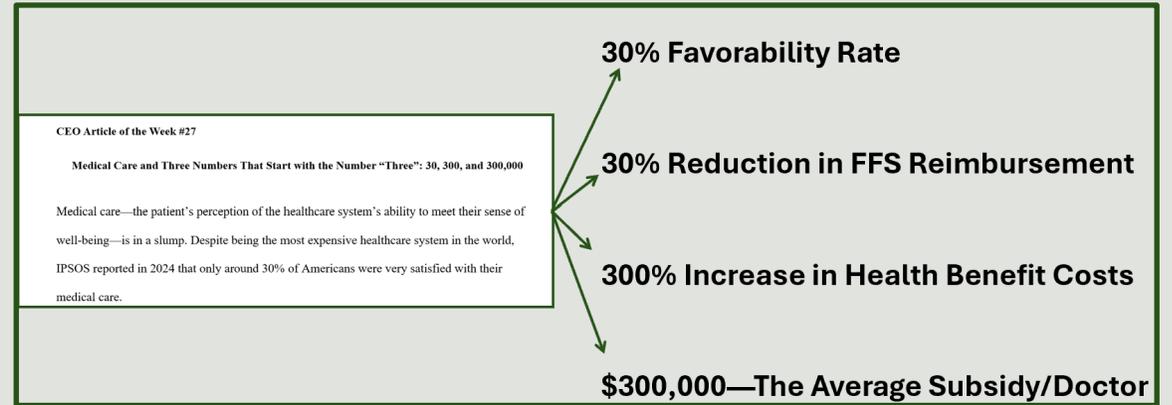
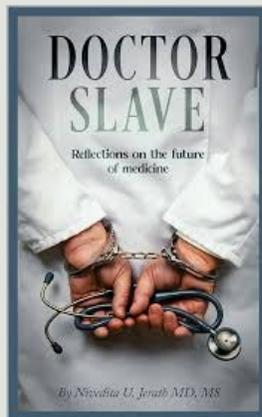


# Sad The $\wedge$ Reality

83 %

HOSPITAL

Doctors



Pétain—Vichy France



# The Six Core Competencies

Patient Care	Medical Knowledge
Practice-based Learning and Improvement	Interpersonal and Communication Skills
Professionalism	Systems-based Practice



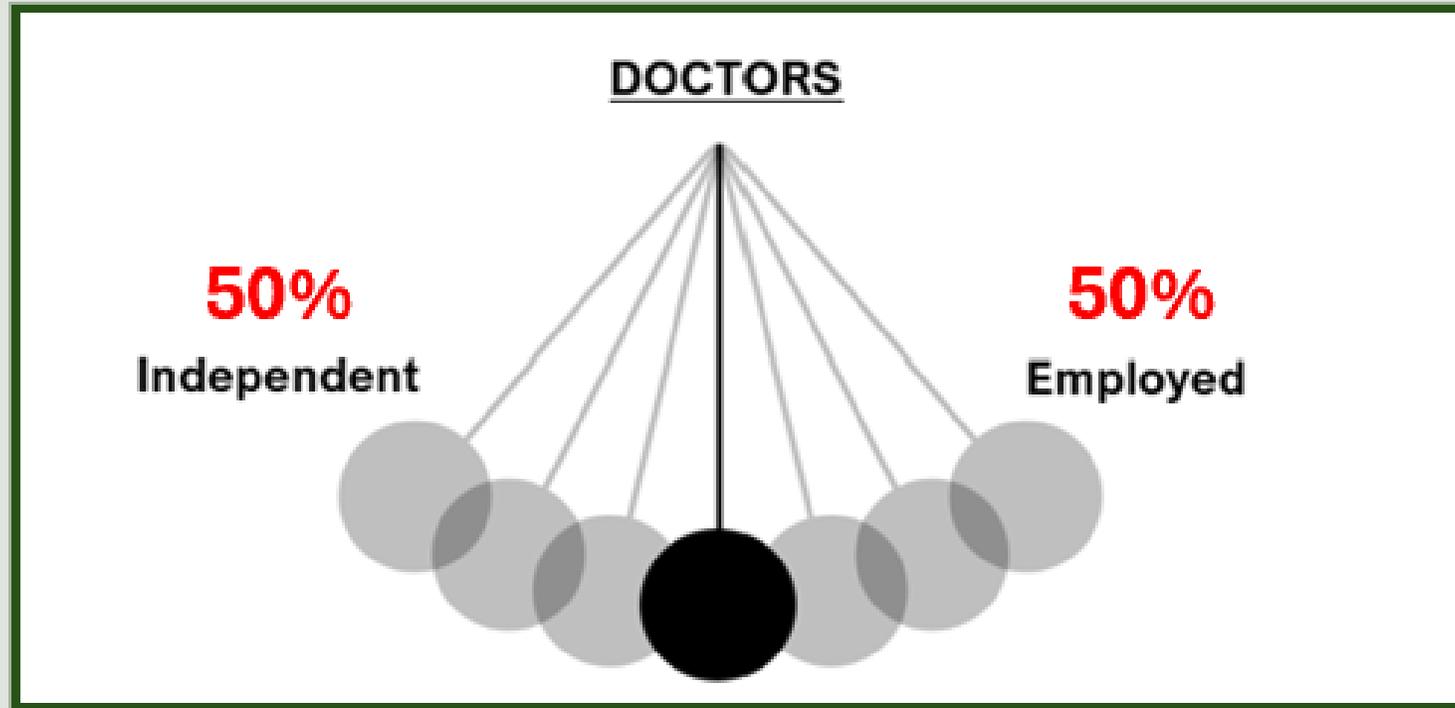
## Where Is the Doctor?

Systems-based Practice

Systems-Based Practice requires residents/fellows to demonstrate an awareness of and responsiveness to the larger context and system of health care, as well as the ability to call effectively on other resources in the system to provide optimal health care.



# Next Steps....



## Next Steps....

"You can't make it in independent practice.....so, I work for the hospital....."



Really?



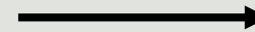
# Solving to a Constant: Physician Subsidy/Year (Hospital Employed)



**Pay 60% MGMA**  
(~ 150% Medicare)

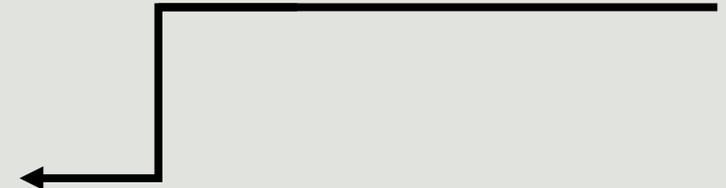


**Negotiated Commercial Rate**  
(~ 130% Medicare)



**Collection Rate 70%**  
(~ 100% Medicare)

— **Expenses 200% MGMA**



**\$315,000**

(rising 5%/year)



# Solving to a Constant: Physician Salary/Year (Hospital Employed)



Pay 60% MGMA  
(~ 150% Medicare)



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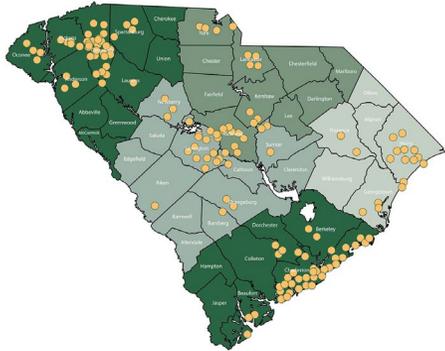
(rising 5%/year)

**NOT SUSTAINABLE**



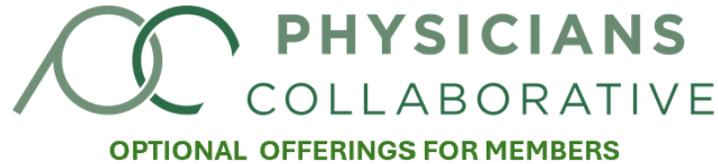
# Can We Create an MSO That Catalyzes Physician Autonomy?

600 Doctors/ 200 Practices



**Integral Leaders in Health**

*A public benefit corporation that brokers relationships to improve medical care*



**The TPC Medical Cooperative(s)  
(Physician Alignment Strategies)**

**The TPC Exchange  
(Products & Services)**

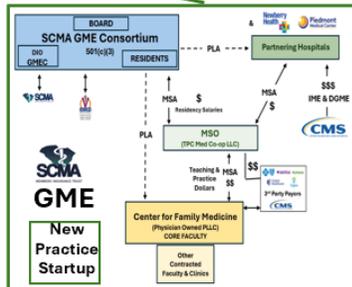
**Value Based Care**

Single TIN  
CIN  
ACO

**TPC Direct Care**

Employer Sponsored  
**Direct Primary Care**  
For Employers Only

Capitated Cash-Pay Primary Care



**Group Purchasing,  
Administrative &  
Technology Services**

**Clinical Ancillary  
Services**

Chronic Care Mgt  
Cardiac Diagnostics  
Diabetic Neuropathy Rx  
Vaccines  
GLP1  
Wound Care

**TPC Wellness**



# Primary Care—Solving to \$315,000

While it is true that Medicare have cut FFS reimbursement 33%.....

## Fee For Service (FFS)

- Medicare visit (99213, 99214, 99215 blend) \$128/visit
- Commercial (148% Medicare) \$200/visit

## Other Incentives

- Transition Care Management (TMC) \$12-\$25/pt/year
- Annual Wellness Visit (AWV) \$6-\$12/pt/year
- Behavioral Health Integration (BHI) \$3-\$10/pt/year
- Chronic Care Management (CCM) \$50-\$100/pt/year
- Advanced Primary Care Management (APCM) \$50-\$100/pt/year



# Primary Care—Solving to \$315,000

## Value-based Care (Medicare Shared Savings Program)

### 2024 ACO Results

ACO Name	Attributed Patient	Generated Saving	Total ACO Earned Saving	Earned per patient	Savings Rat	Quality Score
EPC ACO, LLC	16,361	\$110,382,157	\$81,130,886	\$4,958.80	16.69%	77%
PQN - Central Texas, LLC	9,942	\$14,448,083	\$7,079,561	\$712.09	11.37%	86%
Privia Quality Network, LLC	61,313	\$77,379,991	\$56,874,293	\$927.61	10.95%	90%
PQN - Georgia, LLC	32,466	\$39,725,974	\$29,198,591	\$899.36	10.45%	92%
PQN - Gulf Coast II, LLC	20,860	\$27,243,267	\$20,023,801	\$959.91	10.36%	89%
ACMG Health Systems, Inc.	6,572	\$9,853,666	\$3,862,637	\$587.74	9.57%	85%
Select Physicians Associates	10,866	\$15,619,990	\$11,480,692	\$1,056.57	9.54%	84%
Aledade Accountable Care 34	22,137	\$23,930,369	\$17,588,821	\$794.54	9.20%	84%
Avant MSO LLC	11,510	\$12,512,149	\$6,130,953	\$532.66	9.17%	89%
PQN - Central Florida, LLC	19,799	\$25,640,461	\$12,563,826	\$634.57	9.11%	87%
Emergent ACO, LLC	26,373	\$25,488,398	\$12,489,315	\$473.56	8.26%	97%
PQN - Maryland LLC	25,243	\$27,123,881	\$19,936,053	\$789.77	7.87%	98%
Aledade Accountable Care 90	28,134	\$19,241,048	\$14,142,170	\$502.67	5.42%	86%
Advanced Doctors ACO, LLC	12,137	\$7,903,822	\$5,809,309	\$478.64	4.98%	79%
Freedom Healthcare Alliance	6,084	\$3,403,925	\$2,501,885	\$411.22	4.90%	91%
Aledade AAC 153 SC MSSP Enhanced	16,551	\$9,222,086	\$6,778,234	\$409.54	4.75%	86%
Aledade Accountable Care 37	12,719	\$5,877,516	\$4,319,974	\$339.65	4.07%	92%
Carolinas HealthCare System	47,973	\$18,497,203	\$7,250,904	\$151.15	3.22%	82%
Southeastern Health Partners	46,938	\$16,287,862	\$6,384,842	\$136.03	2.74%	89%
McLeod Healthcare Network	26,255	\$0	\$0	\$0.00	-1.12%	82%

### ACOs Matter

- \$0-\$900+/pt (primary Care)
- Privia Quality Network-\$900/pt
- Aledade SC- \$409/pt
- Freedom Health Alliance-\$411/pt

Privia Quality Network Participants earned ~\$500/pt in 2024

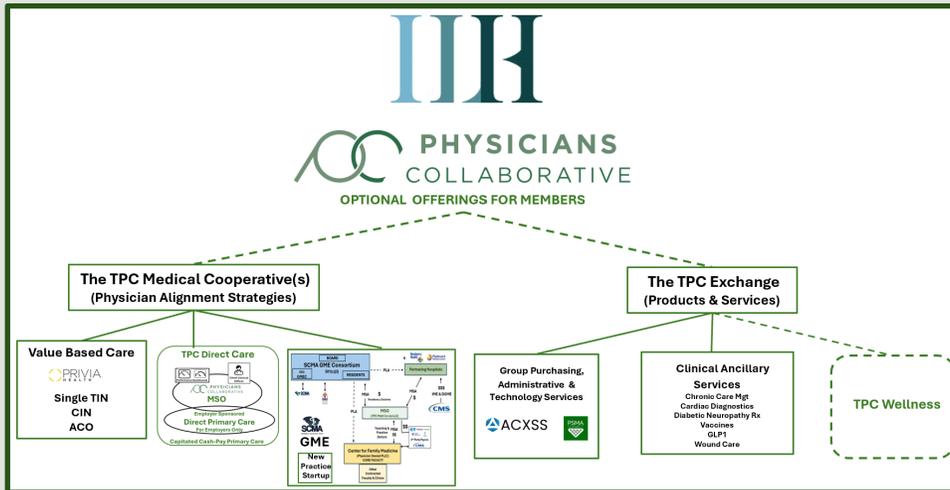


# Primary Care—Solving to \$315,000

## Ancillary Revenues & Expense Reduction

### The Physicians Collaborative

### TPC Connect



- Product participation \$50k- \$100k/year

### TPC Exchange

- GPO Savings 10%/year

**Net effect per doctor can routinely exceed \$100,000-\$150,000/ year**



# Primary Care in 2026: Back of the Napkin

## Annual Income—2000 patient panel (50% Medicare)

### Revenues

Assumptions—3 visits/year for Medicare/ 1 visit/year for commercial

#### FFS

- Medicare (3000 x \$128) \$384,000
- Commercial (1000 x \$200) \$200,000

#### Incentives

- CCM/APCM (70% eligibility/ \$75/pt/month) \$630,000
  - MSSP (PQN) \$500,000
  - Ancillary \$75,000
- 
- \$1,789,000

### Overhead

- GPO reduction (10%)=50% \$894,500

**Total Compensation: \$894,500 !**



# Specialty Care—Solving to \$315,000

Medicare cuts in FFS reimbursement of 33% are real.....



## Hospitals Must Be Your Friend

- Co-Management Agreements
  - Base Pay + Incentives (i.e., tied to real dollars) \$75,000 - \$200,000
- Call pay
  - Per Diem = \$1,500- \$3,000 \$180,000

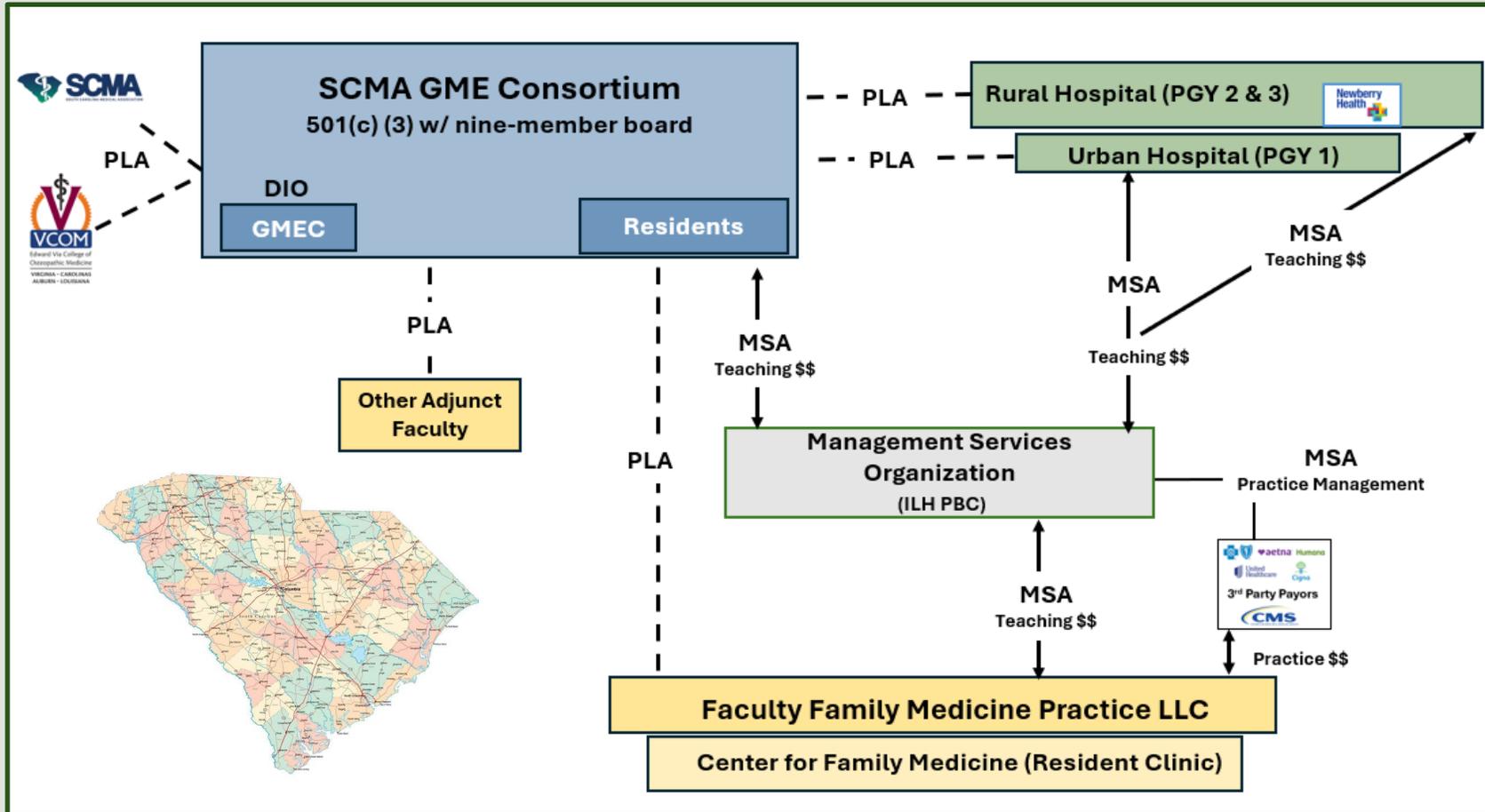
## JV (Hospital / Doctor) Ancillaries

- ASC & Diagnostic Ancillaries \$200,0000 - \$500,000/year
- Other ventures that derive real value

**Turn the \$315,000 from subsidy to real value**



# Lead with Academics—Easiest Way to Collaborate



**Rural SC needs doctors...and so do hospitals**



# KEY TAKEAWAYS



# Doctors & Hospital Must Mind the Mission Together

**Set the standard of care**

**Make sure everyone has care**



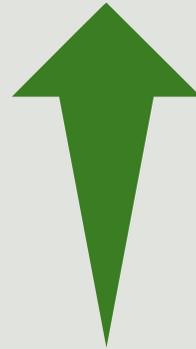
**Create the future workforce**

**Make the dollars work**



# PARTNERSHIP

(Value)



# LABOR-MANAGEMENT

(Subsidy)



# The Six Core Competencies

Patient Care	Medical Knowledge
Practice-based Learning and Improvement	Interpersonal and Communication Skills
Professionalism	Systems-based Practice

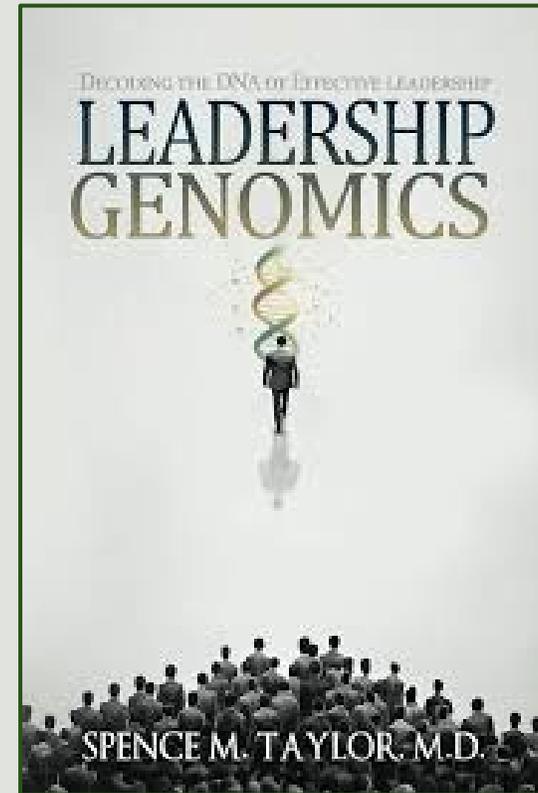


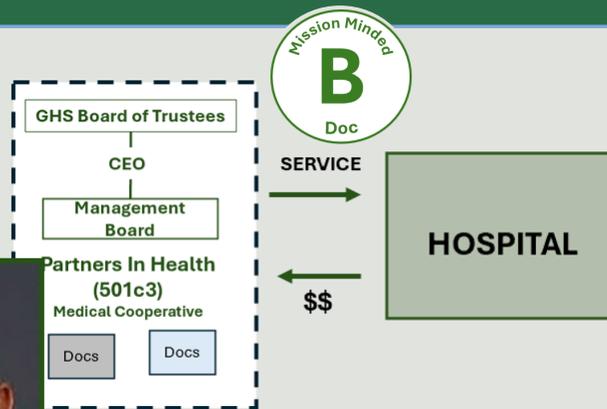
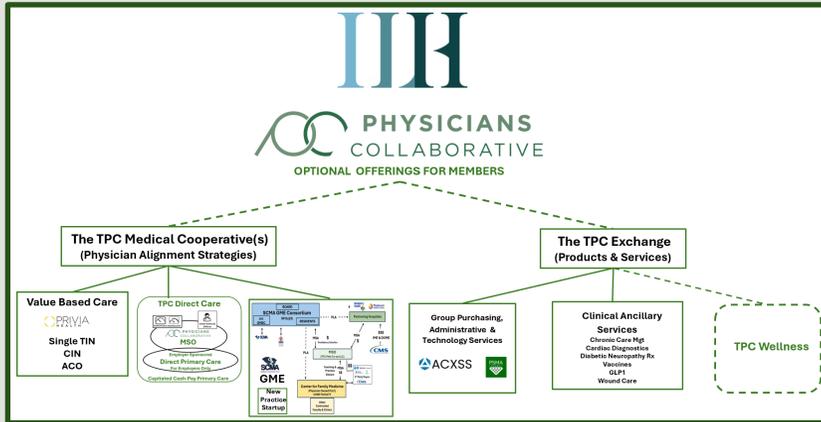
Systems-based Practice

**Doctors Must Lead**



**Doctors Must be Taught Leadership**  
(Leadership, not management)

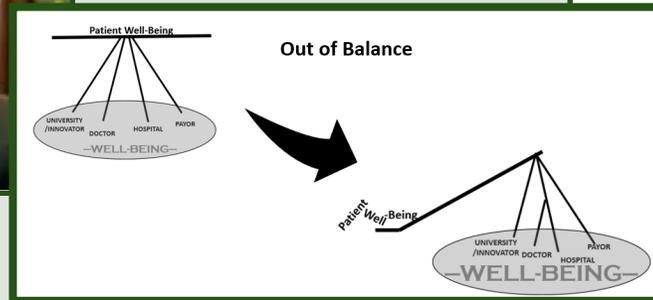
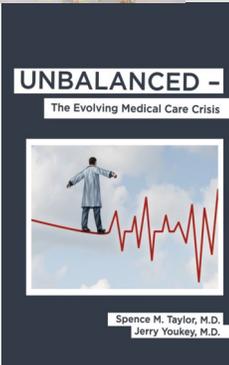




- Set the standard of care
- Make sure everyone has care
- Create the future workforce
- Make the dollars work

Systems-based Practice

# Collaborating for Success: How Independent Practices & Hospital Systems Thrive Through Collaboration



Color scale: ● strong | ● moderate | ● weak

Element	PIH-style aligned group	Integrated employment	Independent practice
Autonomy	●	●	●
Operational control	●	●	●
Flexibility	●	●	●
Capital	●	●	●
Operational energy	●	●	●
Operational strength	●	●	●
Operational engagement	●	●	●

