Three Common Challenges IPAs Face—

and How You Can Mitigate Them

As a physician, you want to spend your time caring for patients—not grappling with how best to manage risk. That's why physicians like you have formed Independent Practice Associations (IPAs) to maintain compliance, handle contracts, and manage overhead issues. As IPAs master the ins and outs of taking on risk, there are some common issues that every IPA ought to watch out for—and work to mitigate. They can come up whether you're just starting your IPA, managing it day-to-day, or planning for the future. Handle them well, and you'll be able to devote more time to doing what you do best.

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RISK #1

Be sure to understand the full implications of contract terms.

As you negotiate with health plans, it's important to keep an eye out for terms that could prove challenging or costly over time. For example, it's not unusual for a health plan to give an IPA a 90-day window of retroactivity on capitation payments while specifying a considerably longer window of retroactivity on the health plan side for reconciliation of Member Assignment & Payment.

If you encounter such a scenario, you may be able to renegotiate the contract to obtain more equitable terms. But if that's not an option, you could find your IPA repeatedly missing revenue windows and ultimately paying a price.

Our recommendation is to choose a risk management solution that can help you quickly identify and remedy errors. If your solution is intelligent enough to spot problems as soon as they occur, you will have ample time to address the issues—even within narrow term windows.

RISK #2

When negotiating with providers, avoid the urge to individualize every contract.

The devil's in the details, right? Maybe not. At first, it may seem smart to individualize every contract with a provider to ensure you're adequately compensated. With a robust risk management solution, that is certainly possible to do. However, that might not always be the best approach.

For one thing, the more individualized your contracts, the more manual interventions may be required to implement, maintain, and protect your interests as you manage the agreements. That may be feasible with your first 20 contracts, but what about when you have 2,000? That's especially true if each provider isn't as technologically sophisticated as your IPA. If they interact with you exclusively via fax or postal mail, they could keep you mired in paperwork and manual processes, adding up to more time, effort, and expense.

We recommend two possible courses of action. First, only individualize a contract if the provider can interact with you electronically, thereby keeping costs down. The second alternative is to base all your fee schedules on Medicare and pay every provider a bit more on the front end. This can help you achieve economies of scale and minimize the number of unique carve-outs to provider agreements. That will mean less work for your staff, greater operational efficiency, and increased accuracy and provider satisfaction.

RISK #3

When planning for the future, be prepared for continual change.

The value-based healthcare landscape continues to evolve as we accrue data and experience. For example, in just a few short years, capitation has changed from a very simple male/female basis to a more risk-based model. The key takeaway is this: what works well today might be less than ideal for tomorrow's needs.

Over time, we've seen CMS, individual states, and health plans add new requirements for recording, reporting, and payment methodologies. For example, in just the past 12 months, state and federal regulators have mandated increased visibility into your organization with respect to auditing and reporting. This includes the delivery of care in your organization and reported data sets via methodologies such as Organization Determinations, Appeals, and Grievances (ODAG). Similarly, health plans in some states have begun requiring C-level executives to participate in audits in order to ensure proper oversight.

So, how best to deal with this ever-shifting landscape? Our recommendation is to ensure your technology solution provider is both responsive and adaptable to change. Ask all prospective solution providers for proof that they have kept abreast of changing requirements and have moved quickly to support the ever-changing regulatory landscape. How great a lag time is there between the change and its implementation? How easy or difficult is it to support new requirements? Who is responsible for implementing the changes? Their answers to these questions will go a long way toward determining if your IPA will have the agility and unfettered visibility it needs to succeed in the ever-changing healthcare ecosystem. This will help ensure that your organization is empowered to be nimble on its own terms—not your vendor's.

Your risk management partner

IPAs like yours play an increasingly vital role in the healthcare delivery system. As major healthcare payers consolidate and increase their leverage, it's essential for IPAs to understand the challenges and opportunities before them—and to have a partner they can rely on to help manage financial risk, including capitation, variations, shared risk arrangements, and more.

Citra is that partner, offering EZ-Suite, a comprehensive, integrated platform backed by deep industry knowledge and technical expertise. We can help you navigate the complexities of taking on and managing risk, providing the information and support you need to do what you do best: care for patients.

To learn more, visit www.citrahealth.com/serving/ipas or schedule a demo.