

**Subject: Physician run Provider Networks**

*March 4, 2015*

*Michael Mansour, MD, FACC (mmansour@cvdocs.com)*

Dear Colleagues

I need information on successful physician run provider networks. Our state hospital association has been advised to set up a provider network as a vehicle to contract for Medicaid patients in our state to potentially make up for the expected shortfall in Medicaid payments that will result from the Affordable Care Act in 2017 (especially in states that did not expand Medicaid). Our state medical association has been asked to underwrite this effort. I believe that if physicians do not control the governance that there will not be any cost savings and if there are savings they will come from limiting patient access rather than improved efficiency of utilization and administration. The state medical association is asking for physician

run models that we may pattern after as an alternative to a hospital association run plan.

Can you provide me information for successful physician run provider networks that deal with Medicare or Medicaid. Thank you in advance for any information.

Michael Mansour

*March 4, 2015*

*Jeffrey Williams, MD, FACC (lcaep@hotmail.com)*

Dr. Mansour:

We have a "blended" situation here with a Physician/Hospital Organization (PHO).

In PA, Medicaid is state-run with each physician/practice negotiating with some local payors (e.g., Gateway in our central PA region) that we negotiate with this joint PHO. This PHO cannot directly negotiate with a state-run Medicaid plan and interestingly, PA Blue Shield will not negotiate with PHO's. All board members of our PHO are physicians and we negotiate with all commercial (Aetna, Capital Blue Cross, Health America, etc) payors.

If you'd like more details, I can get you in touch with my practice administrator as she knows many more details of our particular PHO.

Best,  
Jeff