



One Firm WorldwideSM

FTC Guidance on Clinical Integration: Comparison of Recent Advisory Opinions

Toby G. Singer

“Clinical Integration in Health Care: A Check-Up”

Wrap-Up Session

May 29, 2008

MedSouth

Features:

- 2002: IPA with 415 Member Physicians
 - 315 Specialists, 100 Primary Care Physicians
- 2007: 280 Member Physicians
 - 205 Specialists, 75 Primary Care Physicians
- Geographic area: South Denver and Arapahoe County
- Non-exclusive
- Previously entered into risk contracts

MedSouth

Program Design:

- Covers 80-90% of the diagnoses that are prevalent in the physicians' practices
- Clinical Protocols - in place for 60 major diseases (as of June 2007)
- Utilization and Quality Measured Against Protocols
- Web-based Clinical Data Record System – updated with a new software system
-

Suburban Health Organization (“SHO”)

Features:

- PHO’s with 192 Primary Care Physicians in 8 Hospitals
- Geographic area: Indianapolis and surrounding counties
- Exclusive
- Previously utilized non-risk contracts between payors and physicians using “messenger model”
- Very little overlap between SHO member community hospitals’ employed physicians
- Partial integration program

Greater Rochester IPA, Inc. (“GRIPA”)

Features:

- IPA with 575 Physicians in 41 Medical Specialties
 - Approximately 345 Specialists and 230 Primary Care Physicians
 - Also includes 81 Contract Physicians providing medical specialty services and geographic coverage
- Geographic area: Rochester, NY
- Non-exclusive
- Previously entered into risk contracts

Greater Rochester IPA, Inc.

Program Design:

- Covers 90% of eligible primary care physicians and 75% of eligible specialists and sub-specialists
-

Concerns

MedSouth

SHO

- Potential members together might be able to exercise market power
 - Mitigated by the overall decrease in number of participating physicians in 2007 from 2002
 - Some concern remains in medical specialty areas
- Potential misuse of sensitive price information collected by network
- Loss of some physician specialists potentially could adversely affect ability to monitor and coordinate patients' care

**Commissioner Rosch's Remarks:
"Clinical Integration in Antitrust: Prospects for the Future"
September 17, 2007**

Practical Advice

- Critical to demonstrate connection between contracting and achieving efficiencies
 - example: ability to maintain in-network referrals
- Importance of consequences for failure to comply with program protocols and guidelines
 - demonstrate legitimacy of program
 - motivate physicians
- Ability to accomplish clinical integration may be enhanced by previous participation in risk contracting
- Bottom line: will program be viable in the marketplace without threat of collective refusal to deal with purchasers?