

## Independent Integrated Networks: What You Need to Know

[Pearl](#) [1] | July 01, 2015 | [Practice Models](#) [2], [Payers](#) [3], [Pearls](#) [4], [Performance](#) [5], [Physician Compensation](#) [6]

By [Susanne Madden](#) [7]

Independent integrated networks are being driven by independent physician organizations, coalitions, and alliances between physicians themselves.

**Source:** Physicians Practice

Many physicians are by now familiar with such terms as "clinically integrated networks" (also known as CINs), but a slightly different model is beginning to emerge as independent practices resist being swallowed up by hospital systems, and physician organizations become more savvy. You can think of this model as a hybrid between the "super group" (or clinically integrated practice) model and the more familiar hospital-based offering whereby care coordination and data is managed centrally there. Rather, these independent integrated networks (IINs) are being driven by independent physician organizations, coalitions, and alliances between physicians themselves.

### What is "clinical integration" anyway?

The Department of Justice and the FTC define clinical integration as an active and ongoing program to evaluate and modify practice patterns by the CIN's physician participants and create a high degree of interdependence and cooperation among the physicians to control costs and ensure quality. Generally, the FTC considers a program to be clinically integrated if it performs the following:

1. Establishes mechanisms to monitor and control utilization of healthcare services that are designed to control costs and ensure quality of care;
2. Selectively chooses CIN physicians who are likely to further these efficiency objectives; and
3. Utilizes investment of significant capital, both monetary and human, in the necessary infrastructure and capability to realize the claimed efficiencies.

To legally create a clinically integrated network, CINs are typically formed under the following:

- **As physician-hospital organizations:** Typically a joint venture between a health system and its medical staffs, these seem to be most prevalent in the market right now.
- **As a subsidiary of the health system:** This is along the lines of an accountable care organization (ACO), where the health system is the sole corporate member of the subsidiary entity and member physicians sign separate legal agreements to participate.
- **As independent practice associations (IPAs):** Owned and operated by only physician partners, this is the basis for the model to which I refer.

"Independently integrated" practice networks are therefore IPAs that have figured out how to build consensus across membership to work together to improve care, control costs, share data, and invest in care coordination and health information technology to ensure that population data can be tracked and utilized and care metrics set and met.

### What's driving IPA interest?

Many smaller practices that want to remain independently owned are running into significant hurdles meeting new market and contracting demands, as well as having little leverage in the market to secure good contract terms with both insurers and hospitals that are building ACOs and limiting employee benefits to narrow networks. However, as part of a larger network of physicians, leverage improves, costs can be shared, and data managed centrally. Also, the technology to manage to metric-driven contracts is improving and the cost of implementing data mining across EHRs from multiple vendors is coming down substantially. Data solutions that can work across multiple EHRs does away with the need to build costly data exchanges or attempt to migrate independent practices to a single platform (like our firm does for super groups).

In addition, IPAs that move toward being IINs often expand their centralized services to become similar to managed services organizations (MSOs). This provides much needed infrastructure for smaller practices that otherwise cannot achieve such cost efficiencies in the areas of securing best pricing for supplies, having in-house counsel available to members, and of course, IPAs help to secure the best terms and financial incentives for payer contracts.

### What's required to build an IIN?

Building an IIN at the IPA level requires a competent team of physicians who fully understand how integration works, and can set up an in-house care coordination team to actively assist members with managing patient care in the form of recalls, follow up, and reminders. These teams are typically financed by "per member, per month" stipends paid out by insurers. As many payer contracts are now "value based," meaning that increases to rates are "earned" by achieving appropriate patient outcomes and sharing savings achieved through cost control and higher quality care, IPAs must manage to certain cost control and outcome targets.

Critical to successfully implementing an IIN is securing technology that allows for transparency, accountability, and data management. If you don't understand how members are performing then you cannot effectively manage targets set to achieve value-based payments. And having member buy-in to the concepts and agreements is essential to achieving the clinical and financial goals inherent in such payer agreements.

Additionally, the best run IPAs have stringent membership requirements that ensure quality is built from the ground up. Criteria such as requiring all members to become recognized as NCQA Patient-Centered Medical Homes or specialty practices, requiring that certain evidenced-based guidelines be adhered to for providing care within different specialties, and managing specific conditions work really well in building a robust network. And fully utilizing members by way of committees to foster transparency and allow for creative input ensures ongoing improvement and organizational stability.

So if you are an independent physician, you may want to see what the IPAs in your area are up to, or consider forming a new IPA that is designed as an IIN from the beginning. Now is the time.

**Source URL:**

<http://www.physicianspractice.com/practice-models/independent-integrated-networks-what-you-need-know>

**Links:**

- [1] <http://www.physicianspractice.com/pearl>
- [2] <http://www.physicianspractice.com/practice-models>
- [3] <http://www.physicianspractice.com/payers>
- [4] <http://www.physicianspractice.com/pearls>
- [5] <http://www.physicianspractice.com/performance>
- [6] <http://www.physicianspractice.com/physician-compensation>
- [7] <http://www.physicianspractice.com/authors/susanne-madden>