

Network gives doctors clout

Group helps negotiate health-care contracts

By Susan Jenks

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MELBOURNE – In the past year, Brevard Professional Network has jumped from 100 physician members to more than 200, making it the largest independent physicians' group in the county.

The organization, which gives doctors the negotiating clout of a large medical practice while letting them preserve their independence, was formed in response to problems doctors face as they try to compete in a world of increasingly restrictive managed care contracts.

It also offers an advantage to the managed care companies. Working with BPN lets them negotiate with a single entity to cover their members' medical needs.

The managed-care companies "love it," said BPN member Osler Medical practice administrator Brenda Merchberger.

Brevard Professional Network was founded by Dr. Ray Armstrong, a general surgeon, a handful of other physicians and Bob Rogers of Atlantic Orthopaedic Group. The current president and chairman is surgeon Dr. Paul Keller.

"No one should be able to manage health care better than physicians," said Chief Executive Officer Larry Jones, who has two decades of experience in the industry.

While the Brevard Professional Network's growth has been steady since it was founded in 1995, Jones readily grants that it owes its greatest spurt to a single contract that brought 3,000 employees into the network.

The contract, with the Brevard County Board of County Commissioners and the School Board of Brevard County came in January and "definitely raised our profile and positioning in the county," he said.

A former contract restricted employees to only some local hospitals, Jones explained. Brevard Professional Network was able to put together the Brevard Partnership Plan, offering the services of 600 participating physicians, and preferred provider and exclusive provider options.

The preferred provider option is more expensive, Jones said, but allows individuals who go outside of the network for their medical care to get nearly full coverage. In the exclusive provider option individuals choose a primary care physician within the network who acts as a gatekeeper to other doctors for any specialty-care needs.

BPN put in nine months of work stitching the plan together, but it was rewarding: About a third of the county and School Board employees chose it for their health coverage.

Unlike local physician groups such as Omni Healthcare or Melbourne Internal Medicine Association (MIMA), Brevard Professional Network is a nonprofit organization.

That means, unlike doctors who belong to the other groups, those who join BPN have no equity ownership in the organization and can still run their own practices independently.

BPN makes its money from the fees physicians pay to have their network represent them in negotiations with managed-care contractors, Jones said. The fees range from \$300 to \$500 per year.

In addition, the network generates revenues through administrative fees related to managing the managed-care contracts. These include so-called “risk contracts” through Medicaid or commercial insurers.

Risk contracts are those in which BPN assumes the risk of accepting a limited amount of money for the care of patients, based on a per-patient amount.

“If the pool of money runs out” before the contract period does, care must continue, Jones said. “That’s the (financial) risk to the doctor.” The network has four such contracts, with about 15,000 people covered, Jones said.

Any excess money from these contracts stays in a claims escrow account, from which physicians are paid based on services rendered, he said.

In addition to its contracts with Brevard County and the School Board, BPN also has 23 managed-care contracts. Most of these are “fee-for-service” plans in which the insurers pay physicians directly on a discount basis – usually a percentage of a Medicare-allowable fee.

This type of arrangement is less of a risk than the per-patient plan, Merchberger said. In the per-patient, or “capitated” plan, a doctor gets a certain amount of money to cover each patient, no matter how sick the patient may be or how often he or she returns for medical care.

BPN also does medical reviews based on a physician’s training, history of malpractice claims and overall history of standard care to help doctors qualify to participate in various insurance plans. And, the group provides billing on risk contracts and utilization review, which refers to the medical management of patients.

BPN gathers data regarding patient care to determine whether medical care is appropriate and meets two national standards of care, Jones said. If care is deemed inappropriate, then payment is denied.

“It’s getting increasingly difficult for doctors to have a say-so in managed care,” said Patricia Levison, the network’s director of operations.

“An independent practice association such as ours allows them to continue autonomously, but to feel that they are part of a larger group,” said Dr. Mahesh Soni, a pediatrician with Medical Associates of Brevard. A member of BPN since its inception, Soni said the association has saved him valuable time by contracting on his behalf with a number of different insurance companies.

As for disadvantages of membership, so far he sees none. “I think they are very good managers,” he said.