Is 2016 the Year for the Physician ACO?



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This year's Digital Health Innovation Summit included the panel "Is 2016 the Year of the Physician ACO?" during which founders at three emerging physician-forward companies – Iora Health, Privia Health, and VillageMD – presented their views. The panel was moderated by Brandon Hull, DHIS founding chairman and managing director of Cardinal Partners.

With so much complexity in the health care marketplace it is sometimes hard to understand who the customer is when in reality the customer is a committee – patient, payer, and physician.

As Hull explained, "The physician ... is the one who is trained to make health care decisions; they are the only ones legally allowed to place orders. The least conflicted model is one where the patients and the doctors are closely aligned."

VillageMD is a leading provider of management services for health care organizations moving toward a primary care-led, high-value clinical model, and they provide the tools, technology, operations, and staffing support needed to drive the highest quality clinical results across a population.

"We are creating a new type of incentive for primary care ... a model that incentivizes people for going into primary care, and this is the nature behind our model," said VillageMD CEO and co-founder Tim Barry.

VillageMD works with physician groups, independent practice associations, and health systems to improve quality, deliver a first-rate patient experience, and lower costs in the communities they serve.

Privia Health is a practice management and population health technology company that partners with leading doctors to keep people healthy, better manage disease, and to reward providers for delivering high value care. CEO and co-founder Jeff Butler explained what differentiates Privia.

"We've been purpose-built: Every decision – structures of the groups, workflows, and technologies – every single decision has been made through the lens to create better outcomes and take costs out of the system. It's a different lens than most fee-for service-organizations."

The doctor is the quarterback of care. Hull asked each of the panelists how they make doctors' lives easier.

"I have to be in a position to take work off the doctor's shoulders. The only way to do that is to be inside the doctor's workflow," said Butler. He added, "Interventions need to happen with the patient. The only way I can do that is to be in one system, and one workflow."

Rushika Fernandopulle, CEO of lora Health, agreed: "It's a travesty that we're using this in software, in 2016." He added, "We need a new operating system ... a tightly integrated IT platform with workflows. We call it a care collaboration platform. It's two pieces: engaging the physician, and changing patient behavior, getting them engaged."

As a bottom-up ACO that offers retail health plans, lora is a new model of primary care that's purely based on population health. There is no fee-for-service, so it's purely value based, and the company is moving into full-risk models. Another differentiator is it provides health coaches, which helps people execute on their plans, including mental health support.

Butler thinks the underlying problem is a purchaser-pricing disconnect. "Doctors need to be empowered to make decisions in the appropriate way. The fundamental problem is that the purchaser is disconnected from the pricing of health care services. Doctors need to know price disparities and an incentives to choose wisely on behalf of the consumer. It's that simple."

Barry thinks many doctors are motivated by something more than economics. "For those physicians that go into primary care, they demonstrate that they are not economically motivated. Not to suggest they aren't thinking about economics, but the core is that they like taking care of patients. The unfortunate reality is that we created a fragmented system that does not allow them to do what they want to do."

Held on Nov. 2 in Boston, the Digital Healthcare Innovation Summit, chaired by Robert Mittendorff, MD, MBA, of Norwest Venture Partners, and Bill Geary of Flare Capital, brought together leading innovators, investors, and industry executives to share their valuable insights on the future of healthcare.

Contributed by Robert Schultz

# Presentation Audio:

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# Participants:



### Brandon Hull

Brandon Hull was the founding Chairman of the DHIS, and chaired the program for its first two years.

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## Jeff Butler

Jeff Butler is the Founder & CEO of Privia Health – a national physician practice management and population health technology company that partners with leading doctors to keep people healthy, better manage disease, and to reward providers for delivering high value care.

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## Tim Barry

Tim is Chair of the Board and Chief Executive Officer for VillageMD.

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## Rushika Fernandopulle

Rushika Fernandopulle is a practicing physician and co-founder and CEO of Iora Health, a healthcare services firm based in Cambridge MA whose mission is to build a radically new model of primary care to improve quality and service and reduce overall expenditures.

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