



WEBINAR

TOP TAKEAWAYS

STATE OF THE PPM INDUSTRY: PERSPECTIVES FROM LEADERS OF TOP PHYSICIAN PRACTICE MANAGEMENT COMPANIES

In this panel discussion, CEOs from leading PPMs representing a wide range of specialties provided their vision and strategies. McDermott partner Jerry J. Sokol joined David Young, president and CEO of Physicians Endoscopy; Mark Cherney, CEO of U.S. Urology Partners; Kinga Huse, president of US Eye; and Jerry Rhodes, CEO of Dental Care Alliance, in this insightful discussion of important macro issues, including overall physician acceptance of the PPM model, movement towards risk-based contracting and other critical trends that may impact PPMs' future success and profitability.

1

Telemedicine is here to stay, but practices may wish to fine-tune their telehealth services post-pandemic to ensure maximum value and efficiency. “What we are seeing going forward is an inclusion of telehealth as a permanent part of the GI practice,” Young said. “What we’re making sure we work on is, how do you make it efficient and effective in the reimbursement scenarios you have today, and also where we think reimbursement is going to go.” This requires careful consideration of which patient visits should occur via telehealth, and which should take place in-person.

2

Unlike the PPM rollouts of the 1990s, which sparked physician resentment, today’s PPMs are widely accepted—and even preferred—among physicians. “The regulatory compliance and reporting requirements are much more complex than they used to be, and between the continued reimbursement pressure, changing payment models, labor force and recruiting challenges, I think the PPM value-add proposition is real,” Huse said. “COVID-19 highlighted how important it is to have a nimble and strong leadership team and access to the right resources, to quick decision-making and successful crisis management, and I think small practices and independent physicians have recognized that.”

3

In an environment of changing consumer expectations and expanding compliance demands, the benefits of scale are becoming ever more apparent. “It’s increasingly difficult for an individual practice or even a small group practice, whether it be medical or dental, to thrive in the complex environment that healthcare organizations are operating in,” Rhodes said. “The inclination for a dental graduate or medical graduate post-residency to go out and hang his shingle has significantly declined. There is more and more recognition of the advantages of scale and larger organizations, and I think that’s going to be a prevalent feature of healthcare going forward.”

4

A strong focus on post-close physician incentive alignment and engagement remains a key factor in the success of the PPM model, Huse noted. In addition to incentive alignment, “from a non-economic standpoint, the provider and physicians’ micro environment and day-to-day life should only change for the better post-close,” she said. The value of a PPM is not just growth for growth’s sake: “You have to have a sound business model and vision that physicians can really get behind.”

5

Risk-based contracting and value-based reimbursement are gaining real momentum. “Risk sharing, capitation, case rate management have all been spoken about for many years, if not multiple decades, but I’m convinced that it’s within earshot of becoming real,” Cherney said. “I think no matter what specialty you have responsibility for, especially those that have high-base surgery in an ambulatory or outpatient setting, I would expect to see more and more of this in the years to come”.

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