**Provider Organization Roles under PHM**

Within a population health management (PHM) environment, all new arrangements between hospitals, payers, physicians and other health care entities in California will need to focus on Triple Aim goals, emphasizing quality improvement and patient experience in addition to financial efficiencies for specific population segments. As the ability to continue to reduce utilization narrows, systems will compete based on the efficient provision of high quality, accessible care for defined populations.

Different provider roles have emerged and likely will continue to emerge, with variations in capabilities and functions in a PHM network. The different provider roles that have emerged reflect an organization’s ability to incur risk in managing a specific segment of the population’s health — extending from no risk, as is common in a fee-for-service system, to the ability to assume full prepaid payments and/or capitated provider and/or plan risk.

A limited number of sophisticated health systems likely will function as “population health managers” to provide a full continuum of services across acuity levels at competitive prices for regional population segments, either directly or through contracted relationships, and assume full provider risk for doing so. Some population health managers also will have a health plan and be able to strengthen their strategic and financial performance by integrating health care financing and delivery, and assuming plan risk.

A larger number of health systems — perhaps called “population health co-managers” for comparative purposes — will provide a clinically integrated delivery network of defined scope. They will assume provider risk for the population segment covered by a network owned by another entity that is receiving and administering the premium revenue. These organizations will manage the cost of defined care and health of a population, but have more limited exposure to the financing and product development/distribution risks of a health plan.

“Single product participant” and “multiproduct participant” roles in between will be assumed by community hospitals and health systems that will work within a network managed by a population health manager or co-manager to efficiently provide a single service or a portfolio of services to a select or broad group of patients.

Some providers, such as post-acute facilities and critical access hospitals, will be “contracted participants” that offer specified services to target population segments under contracts, working within networks that are managed by larger entities.
Figure 1 summarizes the requirements of each provider role.

**FIGURE 1. Summary of Provider Roles and Key Characteristics**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Contracted Participant</th>
<th>Single Product Participant</th>
<th>Multiproduct Participant</th>
<th>Population Comanager</th>
<th>Population Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk/Payment</td>
<td>None, FFS payment</td>
<td>Blend/episodic</td>
<td>Blend/episodic</td>
<td>Full or partial provider risk; unlikely to assume health plan risk</td>
<td>Full provider risk; may take health plan risk</td>
</tr>
<tr>
<td>Clinical Integration</td>
<td>No</td>
<td>Maybe</td>
<td>Likely</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Network Adequacy/Market Essentiality</td>
<td>Low</td>
<td>Low</td>
<td>Low to moderate</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Insurance License Ownership</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Limited or no license</td>
<td>Maybe, but not required</td>
</tr>
<tr>
<td>Membership Ownership</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Maybe, but unlikely</td>
<td>Yes</td>
</tr>
<tr>
<td>Examples</td>
<td>Critical access hospitals</td>
<td>Safety net hospitals</td>
<td>Community hospitals</td>
<td>Academic medical centers</td>
<td>Children’s hospitals</td>
</tr>
</tbody>
</table>

Source: Kaufman, Hall & Associates, LLC

An organization’s desired PHM role must be firmly grounded in its strategic-financial condition, its organizational competencies, the readiness for PHM in its community, and the current and emerging PHM environment. A key challenge for organizations will be aligning their service delivery model with the insurance plan/product landscape to ensure access to current and future populations/members.

Snapshots 1.7-1.12 will describe the seven-level framework required to develop a financially sustainable role in PHM through critical interrelated analyses and decisions.

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**About CHA’s Population Health Management Program**

The information provided here was taken from CHA’s Population Health Management: A comprehensive, five-part program for hospital leaders, which includes five webinar recordings and accompanying 20-40 page Issue Briefs. For more information on the weekly Snapshots podcasts and publications, visit www.calhospital.org/phm.