Some things to consider when setting up a Provider Sponsored healthplan?
Why are Health Systems looking at Provider Sponsored Health Plans?

* Leverage the collective expertise and capabilities to support the successful transition to new models for patient care, development of risk bearing arrangements and of the delivery of health services

* Aggregate and drive volume to its owned assets

* Mitigate hospital earnings erosion

* Explore how the enterprise relationship can be used as a “laboratory” for the development of innovative payment and risk sharing opportunities

* Drive value to the local market and regulatory bodies through increased enterprise level coordination and cost optimization
The importance of articulating what you are trying to accomplish. This will help set the course for the resources and infrastructure necessary to achieve your goals:

- Drive volume to parent facilities.
- Drive volume and improve quality through greater cooperation and cost optimization.
- Use the partnership as a testing ground/laboratory for creative risk models and patient care advancements.
- Drive overall Enterprise Earnings through contributions from healthplan ownership.

Decide what you want the Healthplan to be:
Two things that must be clearly understood:

- **Products offered**
  - Medicare Advantage
  - Medicaid
  - Exchange
  - Employer Direct (Self funding)

- **Markets where you want to compete.**
  - Geographic Territory
  - Competitive Market
Key things to consider:

* Regulatory Environment
* Reporting Requirements
* Finance issues
  * Statutory Capital
  * Reserve Requirements
  * Underwriting/Actuarial support
* Marketing
  * Advertising
  * Distribution
  * Sales
* Network Management
  * Narrow Network
  * Competitor Participation
  * Credentialing
Key things to consider:

* Medical Management
  * Utilization Management
  * Case Management
  * Controlling Costs
  * Managing Member Health

* Systems
  * Claims
  * Eligibility
  * Disease Management
  * UM/MM/QM/PA
  * Population Management

* Level of Sophistication, regarding filings/reports and the necessary expertise for submitting and participating in Government programs, i.e. Exchange and Medicare Advantage and Medicaid
If you are starting or continuing to manage a Provider Sponsored Healthplan it is helpful to bring experienced talent to your team. Provider Sponsored Healthplans require a different thought process and motivations than Hospital Operations and Finance, and also a different approach from pure insurance company management...