



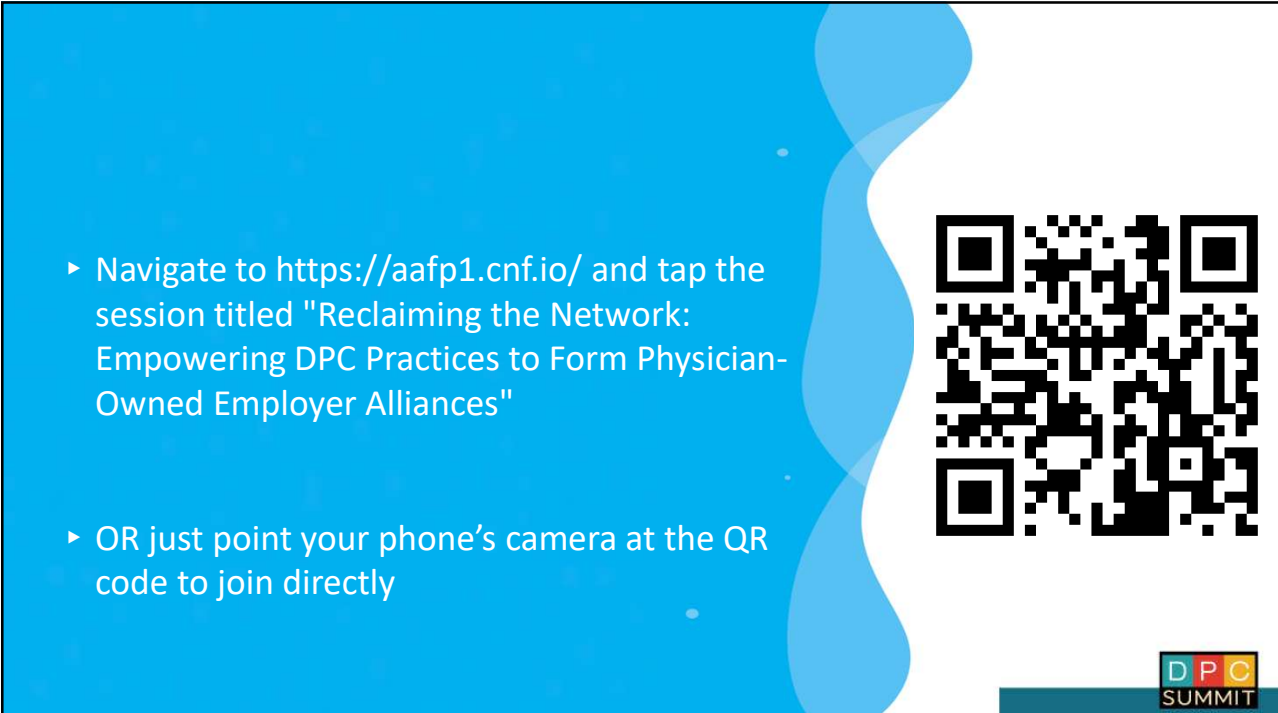
**D P C**  
**SUMMIT**

# RECLAIMING THE NETWORK



EMPOWERING DPCS TO FORM PHYSICIAN-OWNED EMPLOYER ALLIANCES

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- ▶ Navigate to <https://aafp1.cnf.io/> and tap the session titled "Reclaiming the Network: Empowering DPC Practices to Form Physician-Owned Employer Alliances"
- ▶ OR just point your phone's camera at the QR code to join directly



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## Learning Objectives

1. Compare MSO-based networks and physician-owned Direct Primary Care (DPC) networks, including the benefits, limitations, and tradeoffs of each model.
2. Identify key legal and organizational considerations involved in forming a collaborative DPC entity capable of contracting with employers.
3. Develop an actionable approach for connecting with other DPC physicians within one's state to explore network formation aligned with DPC principles of independence and transparency.



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## WHAT ARE EMPLOYERS SEEKING?

- One (1) DPC invoice
- Large geographic coverage
- Consistent healthcare benefit offering
- Health plan costs mitigation



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## WHAT DO CURRENT NETWORKS OFFER?

- ✓ One (1) DPC invoice
- ✓ Large geographic coverage
- ✓ Decreased physician autonomy
- ✓ Increased administrative burden
- ✓ Increased services burden (cherry-picking)
- ✓ *DPCs as commodities*



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## WHAT IF DPCs DO NOTHING?

- Established DPCs maintain autonomy
- Startup DPCs become downstream providers OR
- APPs define DPC for large employers
- Brokers and administrators dictate terms
- Terms follow capital, not care



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## HOW CAN DPC DISRUPT THE MARKET?

Start with your Minimum Viable Product:

A DPC-physician-owned network for

- Single-state or regional employers and
- Independent DPC practices

To coordinate:

- Enrollment and
- Payment



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## KEY MISSING FEATURES

No sales team

No proprietary tech stack

No investors

No utilization manager

No franchise rules

No gatekeepers

No conflicts of interest



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## MINIMUM VIABLE NETWORK COMPONENTS

### LEGAL

- Entity
- Contracts
- Compliance
- Exit Strategy

### FINANCIAL

- Money movement
- Financial model
- Payment & reporting

### OPERATIONS

- Network Ops
- DPC Ops
- Governance
- Tech stack



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## LEGAL

### Network Goals

- Avoid CPOM violations
- Avoid fee-splitting issues
- Preserve physician independence
- Keep participation voluntary
- Avoid recharacterization as an employer or payor



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## LEGAL

### Entity Structure Options

#### Option 1: Manager-managed LLC

- ❖ Most common
- ❖ Flexible governance
- ❖ Clean contracting

#### Option 2: Nonprofit

- ❖ Mission-driven optics
- ❖ More compliance overhead

#### Option 3: Hybrid (LLC w/ advisory board)

- ❖ Less compliance but more headache

**Key point:** Ownership ≠ participation



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## LEGAL

### Contract Stack (minimum req'd + *options*)

1. Operating Agreement (or bylaws)
2. Master Services Agreement (Employer ↔ Network)
3. Participant Agreement (Network ↔ DPC)
4. *Addendum (Employee ↔ DPC)*
5. *Management Services Agreement (Network ↔ manager)*



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## LEGAL

### Operating Agreement (entity governance)

- Management structure
- Ownership percentages
- Capital contribution structure
- Reserve policy
- Major Decision matrix
- Manager authority block
- Removal of Manager w/o cause
- Admitting new owners
- Buy-in / Buy-out formula
- Dissolution provisions
- Indemnification
- Limitation of liability
- Valuation clause
- Annual price review mechanism
- Administrative fee
- Dispute resolution clause
- Transferability restrictions



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## LEGAL

### MSA (Employer ↔ Network)

- Scope of services
- Pricing structure
- Payment terms
- Enrollment procedures
- Data-sharing terms (HIPAA-compliant)
- Term & renewal
- Late payment provisions
- Indemnification
- Limitation of liability
- Termination provisions



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## LEGAL

### Participant Agreement (Network ↔ DPC)

- Service scope requirements and limitations
- Fee structure/payment terms
- DPC autonomy clause
- Network responsibilities
- Participant rights and obligations
- Disclaimers & non-insurance language
- Transparency and marketing
- Legal/regulatory compliance
- Complaint & cure procedure
- Termination & withdrawal
- Dispute resolution
- Confidentiality
- No voting rights acknowledgment



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## LEGAL

### CPoM & Fee-Splitting safeguards

Network does NOT:

- Employ physicians
- Set clinical protocols
- Control patient care

Payments are:

- Pre-set
- Administrative, not per-service



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## LEGAL

### Exit & Failure Planning

Must have(s):

- ✓ DPC exit rights (no penalty exits for good-faith participants)
- ✓ Employer termination provisions
- ✓ Network dissolution rules
- ✓ Data portability guarantees



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## FINANCIAL

### Network Revenue Options

- Flat PMPM admin fee
- ~~Percentage of total collected~~
- ~~Hybrid (cap + %)~~

**Rule:** Enough to sustain operations, *not extract value*



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## FINANCIAL

### What the Network Does NOT Do

- No risk pooling
- No claims adjudication
- No utilization penalties
- No withholds



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## FINANCIAL

### Requirements (for minimum viable product)

1. Payment processor
2. Enrollment-based allocation logic
3. Monthly reconciliation (can be manual to launch)
4. Transparent reporting

\* **Accuracy > Automation**



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## OPERATIONS

### DPCs Control

- ✓ Clinical care
- ✓ Pricing
- ✓ Capacity limits
- ✓ Practice operations

### Network Controls

- ✓ Employer billing
- ✓ DPC directory
- ✓ Enrollment tracking
- ✓ Payment distribution
- ✓ Basic reporting (to the DPCs)



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## OPERATIONS

### Governance and Operations Team

#### Governance w/o gridlock

- ❖ Small physician advisory group
- ❖ Advisory is not operational control (doesn't require dr. hrs.)
- ❖ Clear decision domains
- ❖ Operator-led day-to-day management

#### Minimum viable operations team

- ❖ Part-time administrator (accountable operator)
- ❖ Legal counsel (as needed)
- ❖ Accounting support
- ❖ Tech contractor (optional)



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## OPERATIONS

### MVP Tech Philosophy

- Simple > sophisticated
- Replaceable > locked-in
- Admin efficiency > analytics



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## OPERATIONS

### Minimum Necessary Tech Stack

▪ Forms (enrollment)	<u>Examples</u>	<b>What you DON'T need</b>
▪ CRM or shared database	<i>Airtable/Notion</i>	Custom software
▪ Payment processor (ACH capable)	<i>Stripe/ACH provider</i>	Mobile apps
▪ Secure document storage	<i>Google Workspace + HIPAA-compliant add-ons</i>	Employer portal
▪ Email + basic reporting		Advanced analytics
		Broker integrations
		At anything



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*Live Content Slide*

*When playing as a slideshow, this slide will display live content*

**Social Q&A for Reclaiming the Network:  
Empowering DPC Practices to Form Physician-  
Owned Employer Alliances**



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# QUESTIONS?

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