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Primary care doctors form own network

Group to negotiate with insurers, HMOs

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Yet another health care network is popping up in Massachusetts.

Responding to the consolidation wave in health care, about 150 primary care doctors in Greater Boston said yesterday they are forming a network called Primary Care that will serve more than 250,000 patients in 60 communities. Doctors in the new group will negotiate jointly with insurers and health maintenance organizations.

Primary Care bills itself as the state's first large doctors' network focusing on primary care that is independent of hospitals. In the past, other physicians' networks have been smaller or been associated with hospitals or concentrated on specialized medical services.

Primary Care is being formed amid a wave of consolidation in health care locally and nationally. Hospitals have been swept by merger mania. Managed care organizations are combining. Hospitals are buying up doctors' practices. And doctors themselves are joining forces.

"What we're offering is a new model for the region. This is a grassroots effort of physicians joining this organization," said Guy A. Spinelli, a Quincy internist who is a leader in the new Primary Care network.

"This is an indication of the ongoing evolution of physicians into more organized and formal economic units. There's power in numbers," said Ann Thornburgh, a partner in Coopers & Lybrand's health care group. By joining forces, the 150 Primary Care doctors would gain "more market power" in negotiating with insurers, she added.

Primary Care's doctors - who practice in Boston and communities southwest and south of the city - will provide care in internal

DOCTORS, Page 37

150 doctors form own health care network

■ DOCTORS
Continued from Page 33

medicine, family medicine and pediatric. The 150 physicians will continue to practice in their own offices and will not formally merge their practices or their assets, according to Spinelli. But they will negotiate jointly with insurers as well as share computer systems and managerial and administrative operations.

The new network said it has letters of intent to negotiate contracts with Blue Cross and Blue Shield of Massachusetts and with Tufts Health Plan.

However, Spinelli said that increasing negotiating clout with insurers is not the main reason the doctors are joining forces.

The chief reason, he asserted, is that the doctors hope to gain greater autonomy in providing patient care. In recent years, cost-conscious managed care organizations and large, for-profit health care companies - rather than doctors themselves - increasingly have called the shots in the delivery of health services.

"Physicians have been kind of passive participants. Some of the terms have been dictated by hospitals and insurers. We don't want to

see outside interests coming in and being in a position to tell physicians 'you have to do such and such,'" said Spinelli.

An independent, physician-controlled network like Primary Care, he asserted, would help ensure better patient care.

"We want to make sure that care is guided by the patient's interest, not being controlled by other interests," said Spinelli.

But some analysts were somewhat skeptical.

"Just forming a group is no panacea," said Thornburgh.

"Their next challenge will be to

put together a streamlined organization that can deliver results," added Jayne Oliva, a Burlington-based business consultant to doctors. "They'll have to integrate these physicians so they're not running 150 different businesses. It has to be a lot more than a title, a lot more than the word 'network.'" The group also faces a potential lack of capital, she said.

Spinelli said the new group will need to raise more than \$1 million in the next three years. It expects to hire a chief executive, a financial officer, and a medical director to lead a staff expected to number fewer than 10 people.