

MSO Co-Sourcing: Is This Model for You?

As the market continues its transition nationally towards value-based care, risk shifts from health plans to providers. A big part of this shift means providers own and operate functions and services traditionally handled by health plans, such as utilization and care management, credentialing, claims processing, network development, technology support and more.

Faced with the need to provide these services, providers often make one of two choices: Bring in a professional management services organization (MSO) to deliver the necessary administrative services, technology, infrastructure and support to succeed with population health management and total cost of care. Or make major investments to build and/or expand the required capabilities and competencies in-house.

A third option bridges the other two: MSO co-sourcing. With this approach, provider organizations contract with an MSO to quickly roll out all the critical services and support for risk-based models. Over time, the MSO transfers knowledge, training and expertise to the risk-bearing organization and the provider assumes more direct control as it scales resources, infrastructure and technology. The MSO ultimately bows out.

Key Benefits to MSO Co-Sourcing

For independent physician associations (IPAs), clinically integrated networks (CINs), and hospitals and health systems looking to partner with organizations for full clinical integration and capabilities, the MSO co-source approach serves two important purposes:

- Helps provider-based organizations prepare for and succeed in their current value-based contracts
- Offers tailored solutions to ensure success and enables providers to take more risk with more payer contracts.

In particular, the co-sourcing model helps these organizations evolve from just payment for performance to full global risk with better access to the premium dollar.

How it works

The MSO co-source structure consolidates and delivers a wide range of operational and patient- and provider-facing functions. It enables providers to centralize some services to build efficiencies while empowering practices to provide critical care management services at the point of care. This approach ensures a model that is scalable, cost-effective, and best for both patient and provider. With this model, small medical practices that may not have the resources to build comprehensive care management services can leverage consolidated services they may otherwise be unable to provide.

With co-sourcing arrangements, MSOs customize the capabilities and expertise for the risk-bearing organization's value-based contracts to meet quality and financial targets. The MSO co-source approach establishes sustainable and scalable best practices and standards to improve quality, control costs and support individual providers in this new risk and population health environment.



Allen Miller
Principal & CEO



Edina Vukic,
Principal & Senior
Vice President

“The MSO co-source approach establishes sustainable and scalable best practices and standards to improve quality, control costs and support individual providers in this new risk and population health environment.”

For provider organizations that are new to risk-bearing, an experienced co-source partner with demonstrated success prevents the tendency to reinvent the wheel. Services and support may include:

- Practice transformation that helps providers understand and take action to improve total cost of care, close gaps in quality and address opportunities in hierarchical condition categories scores (HCC). It involves supplying and leveraging useful data and building workflows that optimize total cost of care savings and quality to increase access to premium linked to risk stratification scores.
- Care management/care coordination that can be centralized or provided at the point of care, depending on a practice's ability to handle those services in-house. Evidence-based best practices and proven platforms are employed to drive down cost of care, improve quality and increase access to care. These are essential services to support providers on the front lines of managing populations with varied complexities.
- Physician alignment to payment models and funds flow drives high-quality care delivery and enhances the care while optimizing operational efficiencies and building long-term financial assets.
- Analytics that are fundamental to success in full-risk contracting. These data analytics capabilities enable the organizations to identify opportunities for improving network composition, quality, utilization patterns and clinical efficiency. Analytics tools that are purpose-built for risk and align with payer contract performance can provide actionable insights that drive performance in partial- and full-risk scenarios. The right analytics optimize every member-focused activity to drive quality and address avoidable costs ensuring that practice transformation and care management operations are efficient and effective.
- Financial pro forma and modeling that detail the return on investment of the infrastructure build and determine the best-practice staffing model. Financial planning and actuarial insights will assist in profit-and-loss projections while payer and provider contract analysis and optimization will also help align for revenue maximization.

Maximizing the MSO Co-Sourcing Model

The right co-source partner will increase efficiency, standardize services based on to best practices and create economies of scale on a per-member, per-month (PMPM) basis. Economies of scale position the risk-bearing organization to partner with willing payers to increase membership and reduce PMPM administration costs. Payers are more likely to delegate services to provider organizations that can demonstrate they have a well-managed, comprehensive network as well as a full suite of care management services.

Risk-bearing organizations should seek out an MSO co-source partner that uses analytics tools for optimizing networks, including the ability to craft a network referral strategy that identifies and strengthens relationships with high-performing specialists. Similarly, an MSO co-source partner also should bring expertise for developing and implementing a strong community-based organization (CBO) strategy to improve quality performance and address social determinants that prevent patients from getting needed care. In fact, the MSO co-source may already have a CBO network to support very complex patients and the providers who serve them.

“Risk-bearing organizations should seek out an MSO co-source partner that uses analytics tools for optimizing networks, including the ability to craft a network referral strategy that identifies and strengthens relationships with high-performing specialists. Similarly, an MSO co-source partner also should bring expertise for developing and implementing a strong community-based organization (CBO) strategy to improve quality performance and address social determinants that prevent patients from getting needed care.”

Working with COPE Health Solutions on MSO Co-Sourcing

COPE Health Solutions offers an MSO co-sourcing solution that de-risks the path to value-based payments. The model delivers improved performance, long-term ownership of the core business and financial upsides.

For each health care organization, COPE Health Solutions draws on proven products and processes to build a managed services organization that powers success in risk arrangements and workforce development:

- Design, implementation and co-management of key functions
- A 3-year payer contracting strategy that leverages current organizational strengths to build towards full risk
- A strategy for network recruiting and retention
- Full suite of population health services platforms and expertise to address quality and total cost of care while optimizing risk scoring opportunities

The approach helps organizations establish the right structure and risk management capabilities to successfully stand on their own and achieve the long-term upside available with value-based payment models. management, network readiness, contractual leverage, financial solvency and others:

Please contact us to learn more about our MSO co-sourcing model at info@copehealthsolutions.com.

COPE Health Solutions is a national leader in helping health care organizations succeed amid complexity and uncertainty.

If you have any questions, please contact us at info@copehealthsolutions.com or call (213) 259-0245.