

**Exhibit 8–10: A Partnership Model Scorecard**

Model	Financial Performance	Strategic/Market Performance	Physician Satisfaction
<b>Employed medical group</b>	<ul style="list-style-type: none"> <li>• Health system suffers huge operating losses</li> <li>• Physician income is greater than production</li> </ul>	Market share does not increase substantially	Health system control mentality is contrary to physician mindset
<b>Managed care organization/ Physician-hospital organization</b>	<ul style="list-style-type: none"> <li>• Added market leverage is questionable</li> <li>• Capitation has proven difficult to manage</li> </ul>	Number of covered/served lives can increase	Physicians often have multiple contracting vehicles and may question the value of this model
<b>Management services organization</b>	<ul style="list-style-type: none"> <li>• Infrastructure can be expensive</li> <li>• Organization will break even at best</li> </ul>	Model typically has no impact	Physicians are typically unhappy with level of service
<b>Shared ownership</b>	<ul style="list-style-type: none"> <li>• Physicians are reluctant to provide capital</li> <li>• Good investments can result in attractive returns</li> </ul>	Model has potential to increase market share	Physician satisfaction is enhanced as physicians feel ownership in the organization
<b>Physician incentives to manage components of care delivery</b>	Health system must be willing to share dollars	Model is primarily a cost reduction strategy	Physicians receive financial rewards for improving quality and reducing cost
<b>Link with major health plan</b>	Organizations must carefully develop appropriate financial incentives	Model can secure a market leader position	Physicians must take on the additional responsibility of controlling the delivery process

*Source:* "The New Playbook: Transforming Health System-Physician Relationships," © 1999 VHA/Tiber Group.