

Example of a Clinically Integrated Network's Revenue Distribution Model

CIN Revenues

Shared Savings		\$1,000,000
Payment-for-performance		\$1,000,000
Decreased employee claims expense		\$1,000,000
Total Revenues		\$3,000,000

CIN Expenses

CIN Overhead	15%	\$450,000
Net Revenue for Distribution		\$2,550,000

Hospital - Physician Split

Hospital Share	40%	\$1,020,000
Physician Share	60%	\$1,530,000
Pool for Physician Distribution		\$1,530,000

Citizenship Distribution

Distribution for Physicians meeting Citizenship requirements	\$2,000 x 250	\$500,000
Pool for Physician Performance		\$1,030,000

Performance Distribution by Specialty

Family Medicine Pool	37%	\$381,100
Internal Medicine Pool	28%	\$288,400
Pediatrics Pool	14%	\$144,200
Cardiology Pool	14%	\$144,200
Surgery Pool	7%	\$72,100

Source: Daniel J. Marino and William K. Faber, "Second Generation Physician Engagement Techniques," (HFMA Annual National Institute Preconference Workshop, Las Vegas, Nev., June 22, 2014)