

Blue Shield of California-backed Altai acquires physician group

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[Blue Shield](#) of California-backed venture Altai completed its [acquisition](#) of Brown & Toland Physicians, a 2,700-physician group in the San Francisco Bay Area, the organizations announced Wednesday.

Altai Clinical Services, which is a division of the healthcare services startup that offers clinical support and technology to physicians, aims to help Brown & Toland's doctors stay largely independent by supporting them with the predictive analytics, telehealth and other tools needed to alleviate administrative burden and succeed in value-based care. Brown & Toland physicians will continue to operate under its current brand without disruption to their existing patients. They plan work with all health plans.

"Our goal is to accelerate the capacity of physicians and the clinical community to maximize the health and well-being of their patients and set practices up for long-term success," Dr. Jeff Bailet, Altai CEO and former executive vice president of healthcare quality and affordability at Blue Shield, said in prepared remarks.

Brown & Toland CEO Kelly Robison, who will remain as the group's chief executive, said that the organization will serve as an innovator for independent physicians, under a model that will offer the support and tools needed in "this increasingly value-based world."

Part of the reason Blue Shield invested in Altai was to help doctors remain independent. The percentage of hospital-employed physicians across 41 highly concentrated California counties increased from about 25% in 2010 to more than 40% in 2016, a 2018 Health Affairs [study](#) found.

That often stems from burnout, fueled by more and more administrative work. More doctors have [opted to retire or sell their practice](#) as they struggle to afford to upgrade their technology or succeed in new payment models, Bailet said. The [COVID-19 pandemic](#) has exacerbated those [underlying issues](#), executives said.

"When these physicians go from independent practice into an integrated delivery system, the costs go up, and one of our objectives is to make healthcare more affordable," Bailet told [Modern Healthcare last year](#). "So keeping physicians independent but professionally gratified and technologically enabled is very, very important."

As California health systems have acquired more physicians, costs have gone up. There was a 12% increase in Affordable Care Act premiums, a 9% hike in specialist prices and 5% boost in primary care prices from 2013 to 2016, according to the aforementioned Health Affairs study.

More health insurers have been [acquiring doctors](#), in part to try to better manage care for complex patients and encourage referrals to lower-cost sites, but there is limited data analysis on that relatively recent trend.

Bailet [previously told Modern Healthcare](#) that Altais operates as a separate entity from Blue Shield, with firewalls to protect patient information. Blue Shield members would not be steered toward Brown & Toland physicians, he said, noting that they will continue to work with all health plans.

The partnership will allow the medical group to expand its footprint, which currently spans around 70 Bay Area cities, Robison said.

"It's challenging in terms of the level of technology, tools and infrastructure that physicians are really looking for in how you practice in today's world," she said. "Most physicians are starting to look toward wanting to be employed and wanting to have some of the infrastructure supporting their practices."