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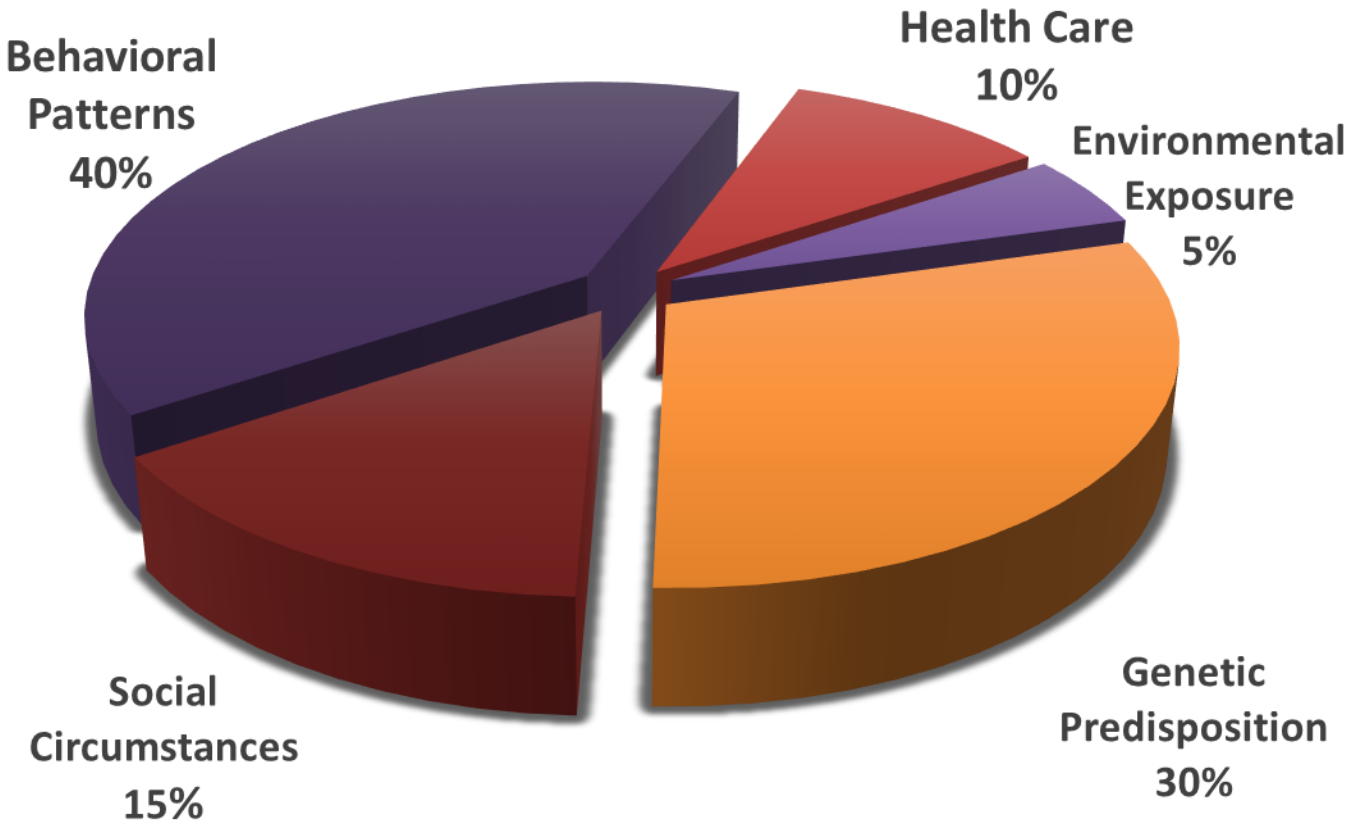
Why Value Based Payments Could Be the Best Thing That Ever Happened to Community Behavioral Health Providers… Or Not

The Triple Aim

What Impacts Health Outcomes?

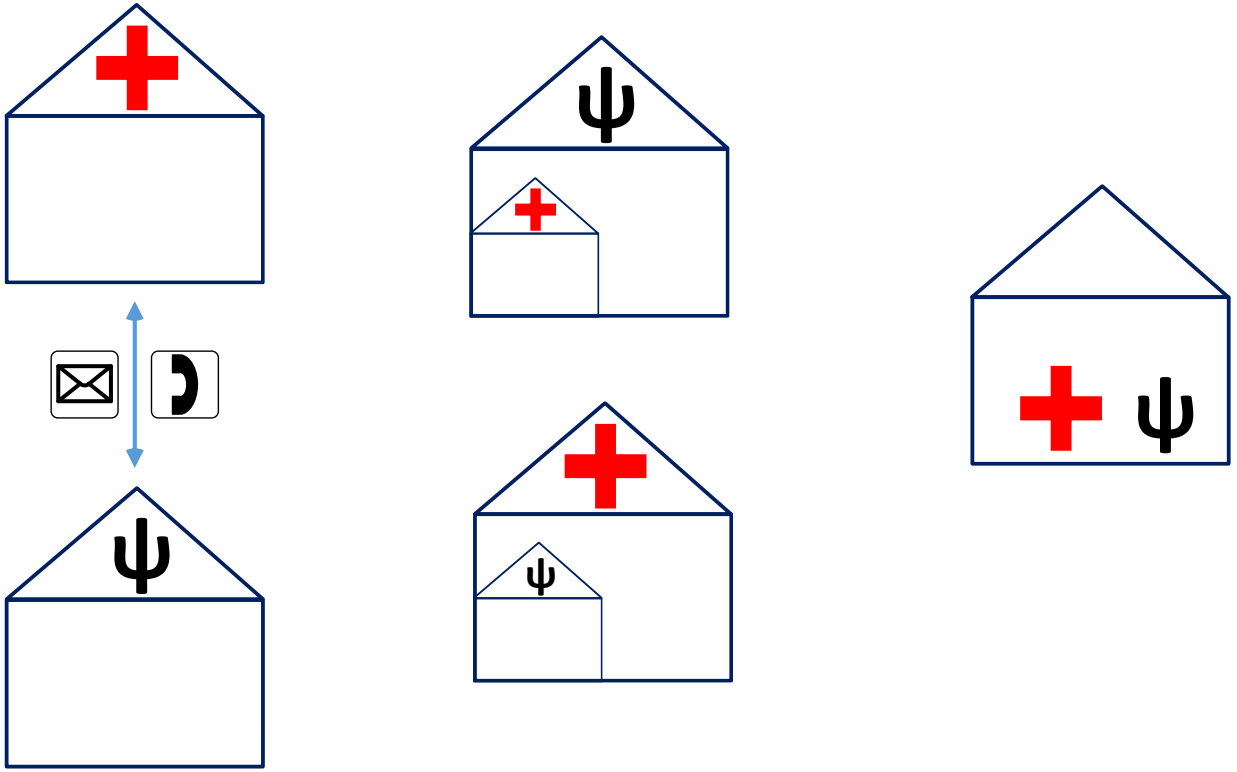
Source: Schroeder, Steven A. We Can Do Better – Improving the Health of the American People. N Engl J Med 2007;357:1221-8



Social Determinants of Health

Integration: SAMHSA's Six Level Framework

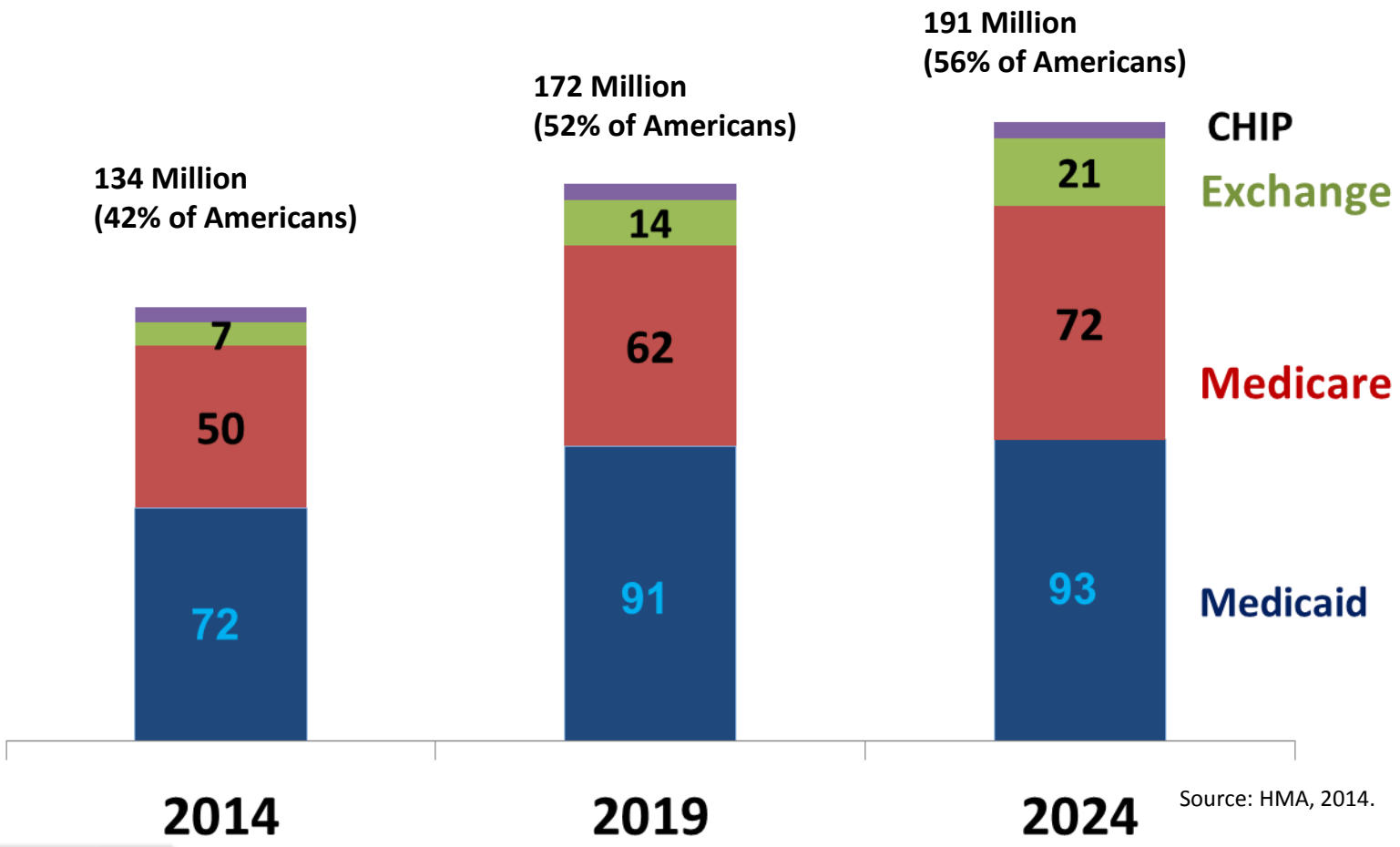
Coordinated		Co-Located		Integrated	
Level 1 Minimal Collaboration	Level 2 Basic Remote Collaboration	Level 3 Basic On-Site Collaboration	Level 4 Close On-Site Collaboration	Level 5 Approaching Integration	Level 6 Transformed Integrated Practice



The Biggest Challenges Facing the Medical System Today

- Behavior Change
- Care management
- Social determinants of health
- Patient-centered, culturally competent care
- Outreach to difficult to engage populations

Within Ten Years, Public Programs Will Cover 56% of All Americans



Source: HMA, 2014.

Some questions to start

- By a show of hands, how many of you…
  - Think your organizations are overpaid for the services you provide?
  - Think your organizations are fairly compensated for the services you provide?
  - Have ever spent money on a client's needs for which you knew you were not going to be reimbursed?
  - Provided services to a client for which you knew you were not going to be paid?
  - Think the way reimbursement for your services is currently structured is great?

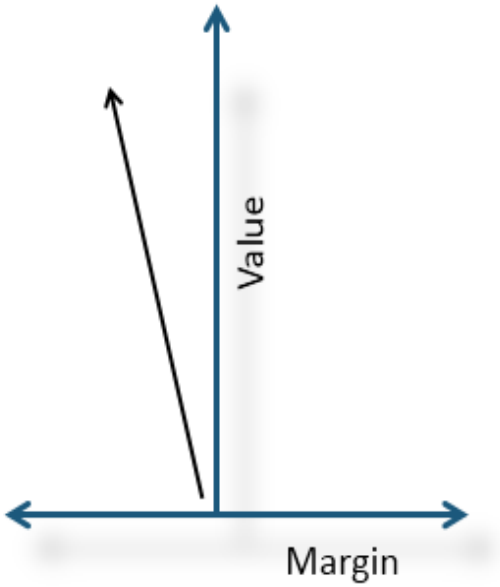
The Theory Behind VBP

- Paying for volume (FFS) provides the wrong set of incentives
  - Expensive intervention instead of an inexpensive one
  - Focus on illness, not health
    - Lack of accountability for the wellbeing of the consumer
  - Doesn't promote innovation
    - Inconsistent with virtual and technological interventions
  - No payment for important parts of the service

The Theory Behind VBP

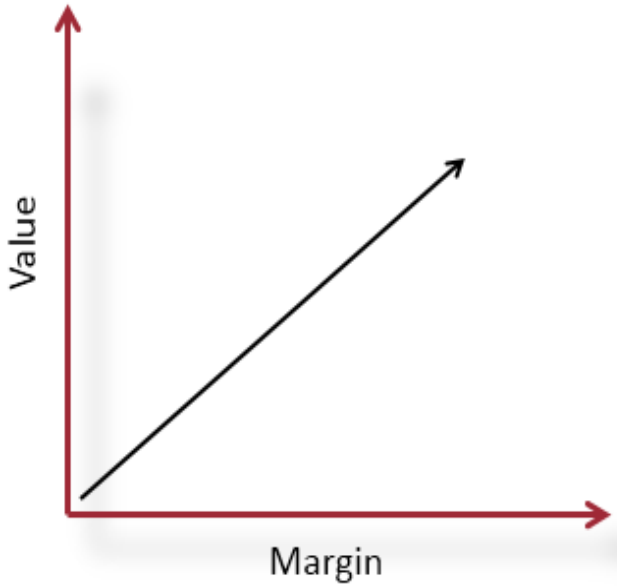
Current State

Increasing the value of care delivered more often than not threatens providers' margins



Future State

When VBP is done well, providers' margins go up when the value of care delivered increases

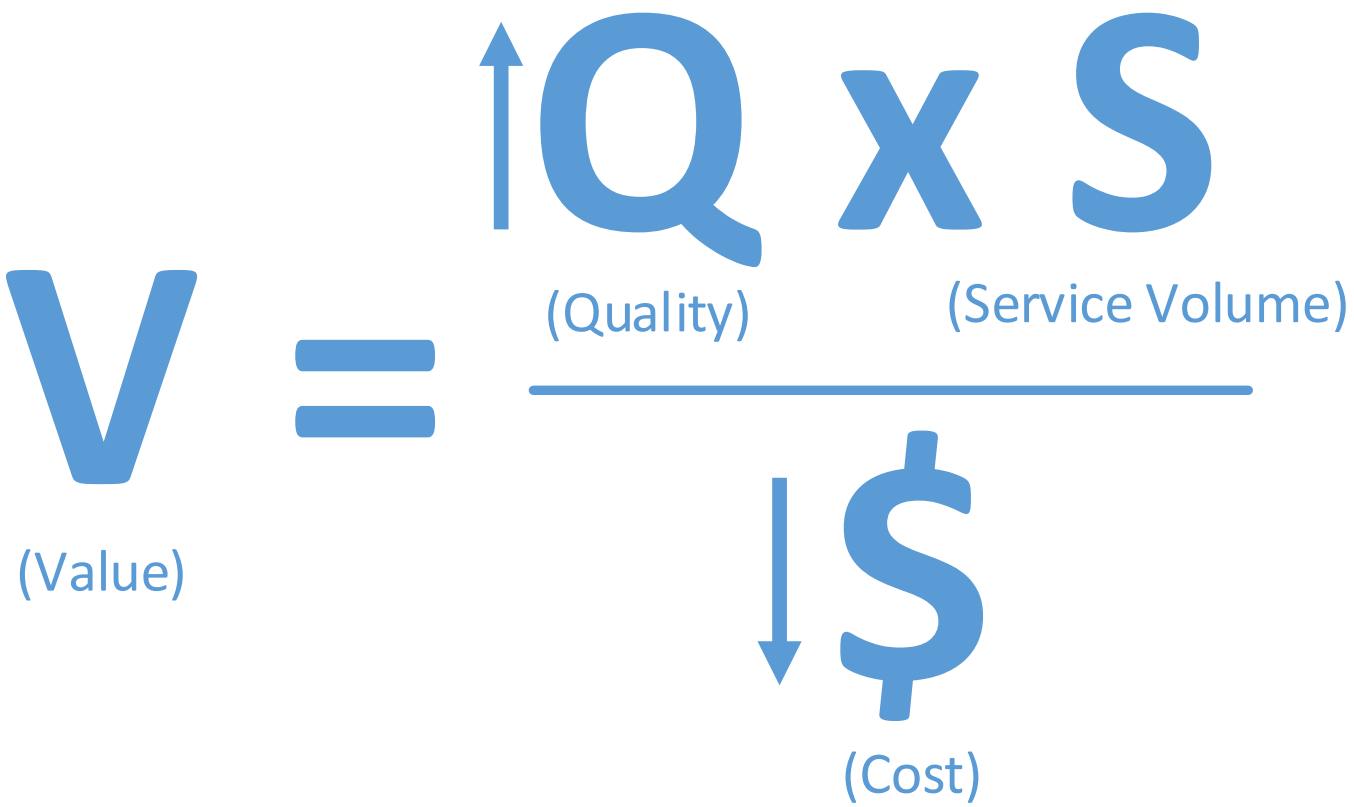


Source: NYS DOH Medicaid Redesign Team, A Path toward Value Based Payment

Key Elements of Value-Based Payment Models

- Payments are not based service volume
  - Based on the population's size and characteristics
- Payment is not limited to "billable encounters"
- Rewards for reaching performance measures
  - Care cost
  - Care process
  - Care outcome
  - Structural changes
  - Consumer satisfaction/perception of care

What is value?

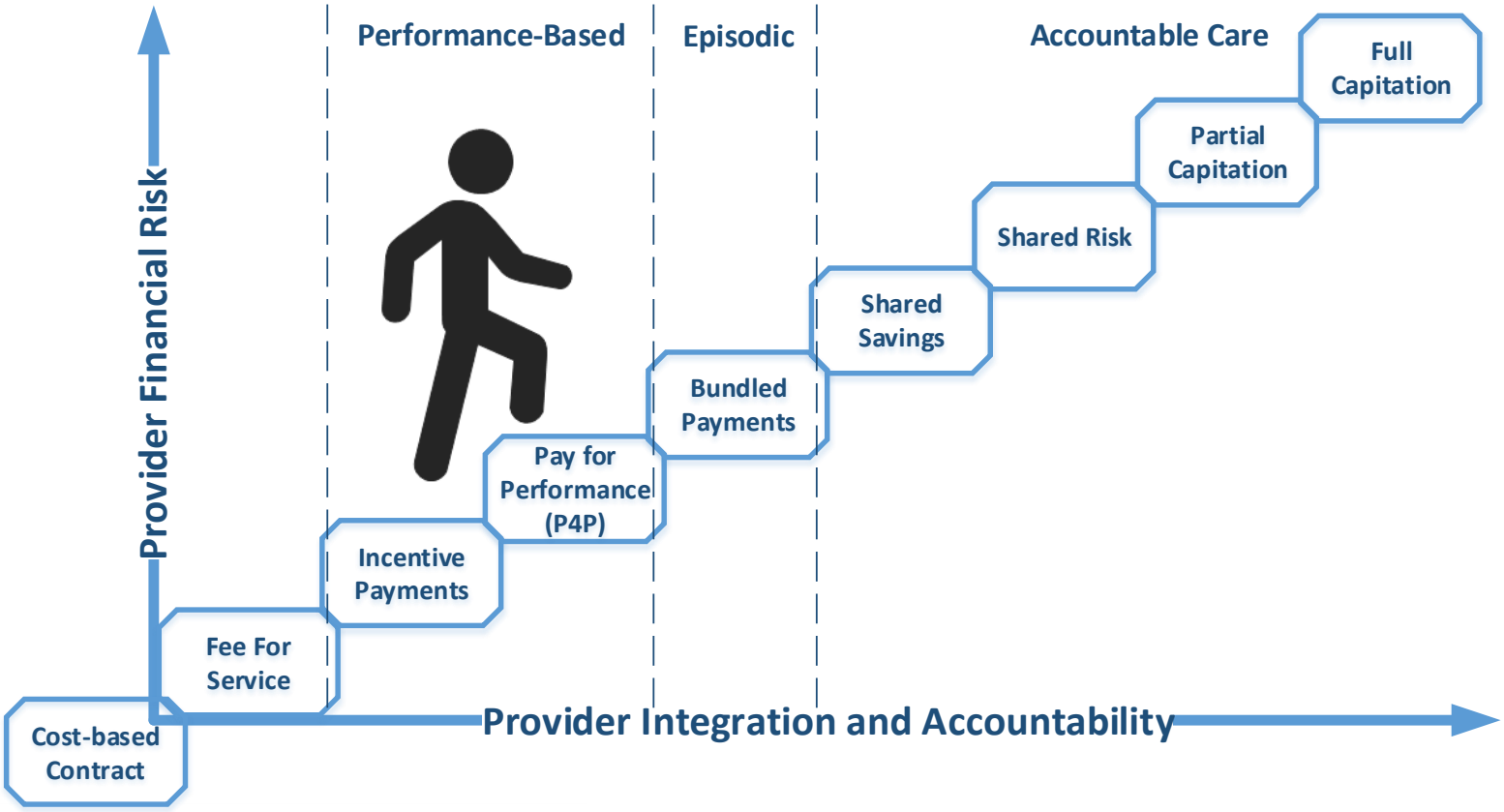


Key VBP Concepts

- Benchmarking: What is the baseline spend against which the future spend will be measured?
- Risk Adjustment: A change to the benchmark to reflect consumer characteristics (e.g. age, sex, health status)
- Attribution: How and to whom is the care and wellbeing of the consumer assigned?
- Predictive Modeling: Analyzing data to create a statistical model of expected future performance or results
- Stop loss: An upper limit on the amount a provider can lose in a shared risk arrangement

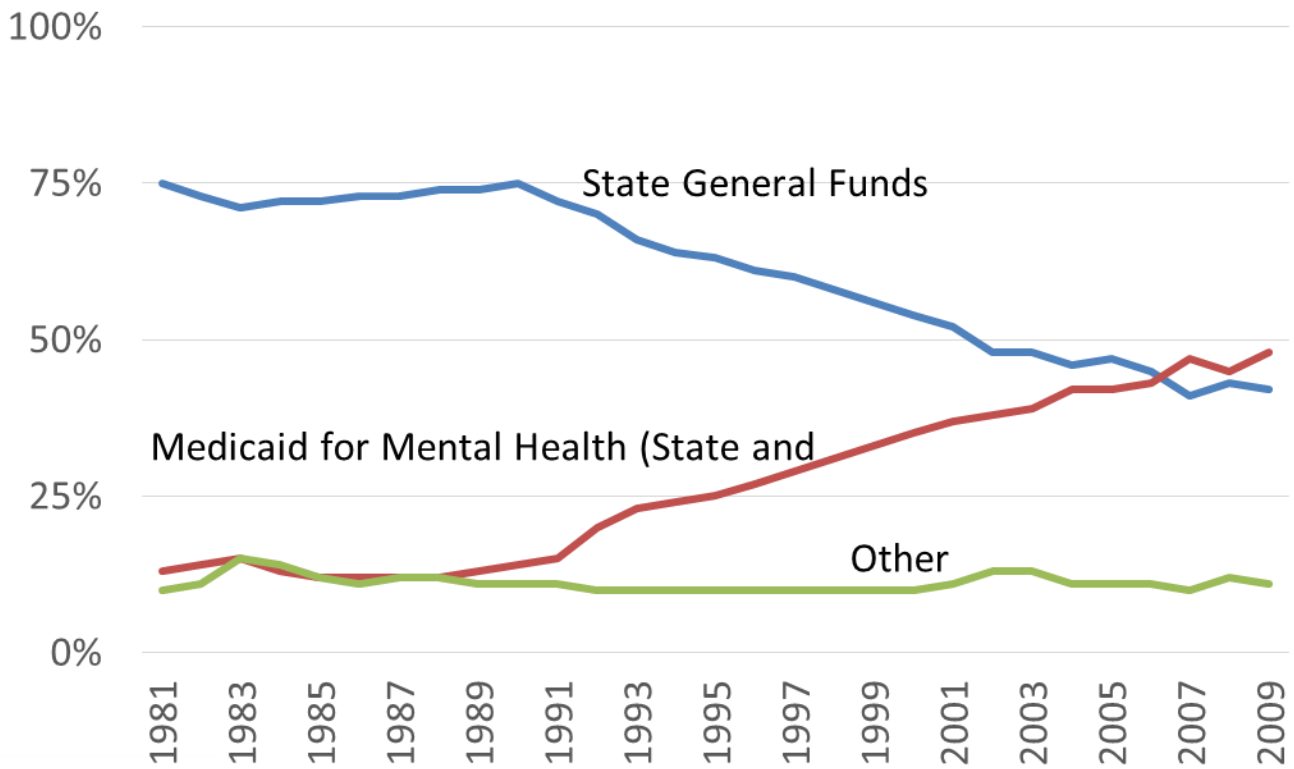
Attribution: Who Has Better Leverage?

Accountability and Risk Go Together



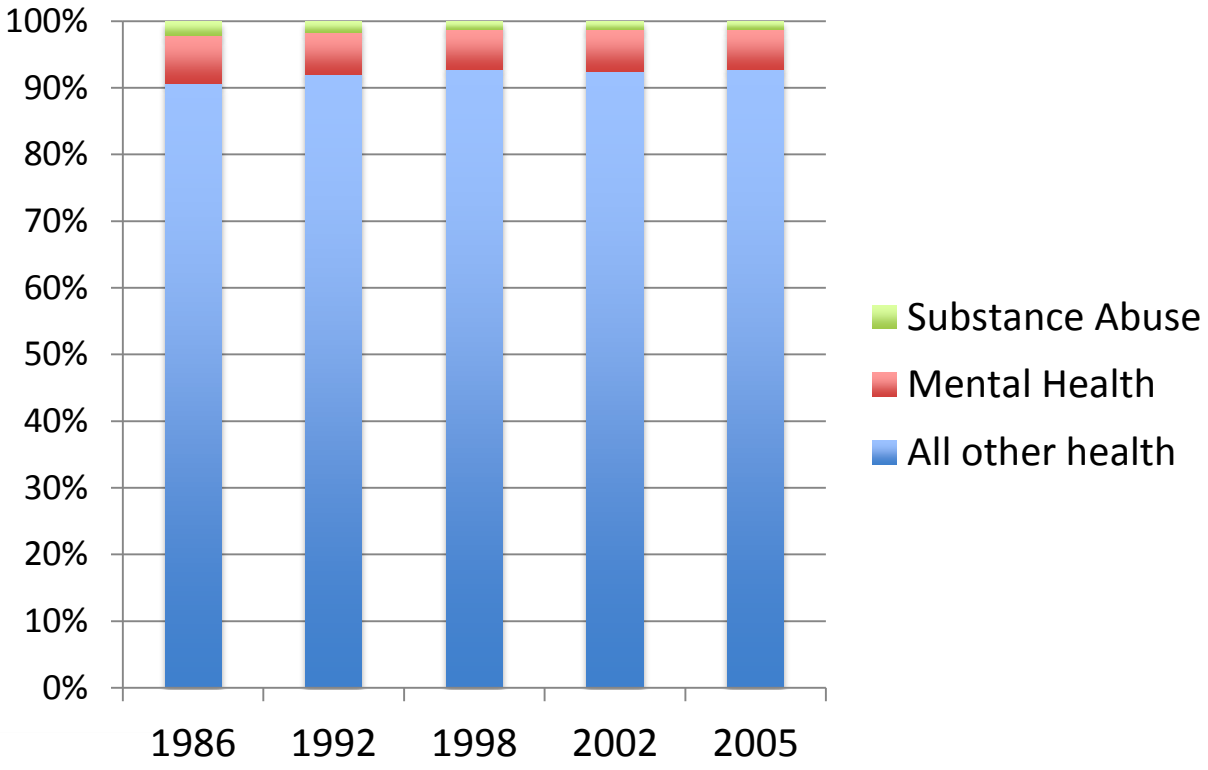
Follow the Money: National Trends In SMHA Funding

Source: SAMHSA. State Mental Health Agency-Controlled Expenditures and Revenues for Mental Health Services, State Fiscal Year 2009.

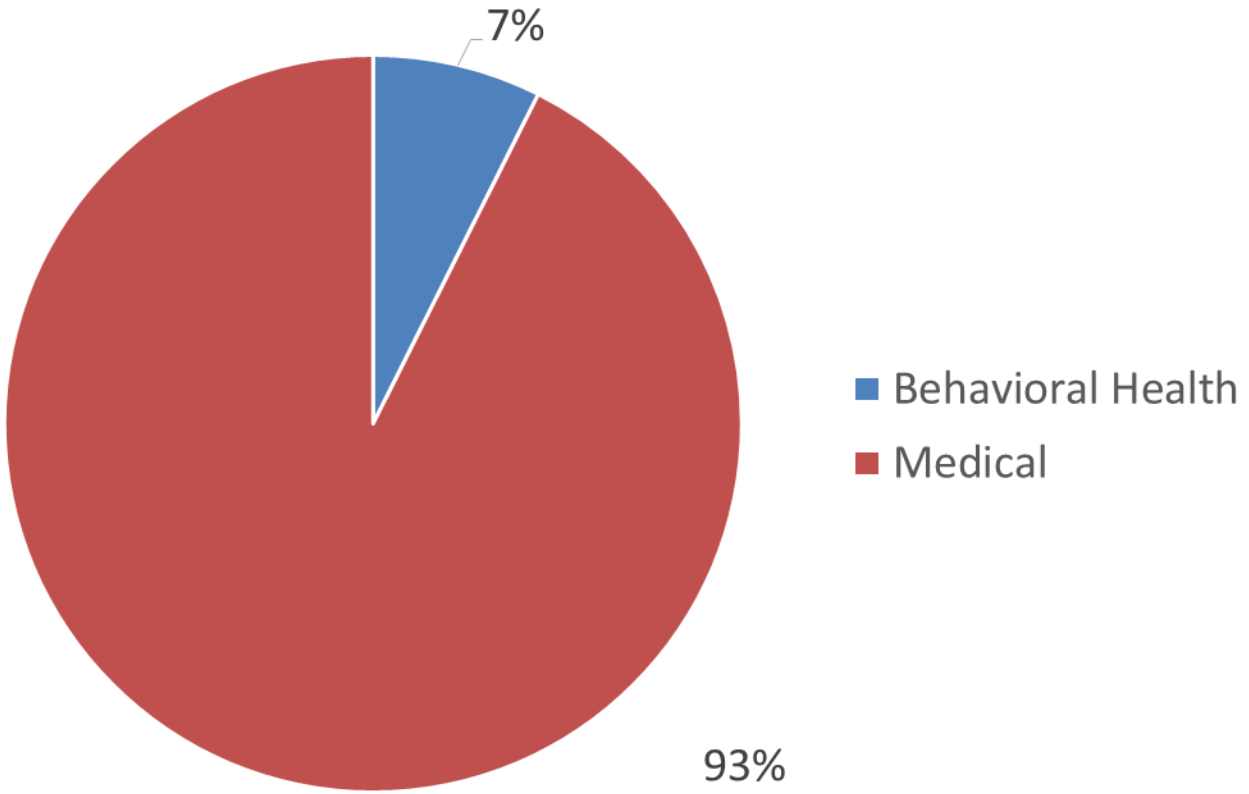


Follow the Money: National Spending On Mental Health And Substance Abuse

Source: Mark, Tami, et al, Changes in US Spending on Mental Health and Substance Abuse Treatment, 1986-2005, And Implications for Policy, Health Affairs, 30:2,284-292.

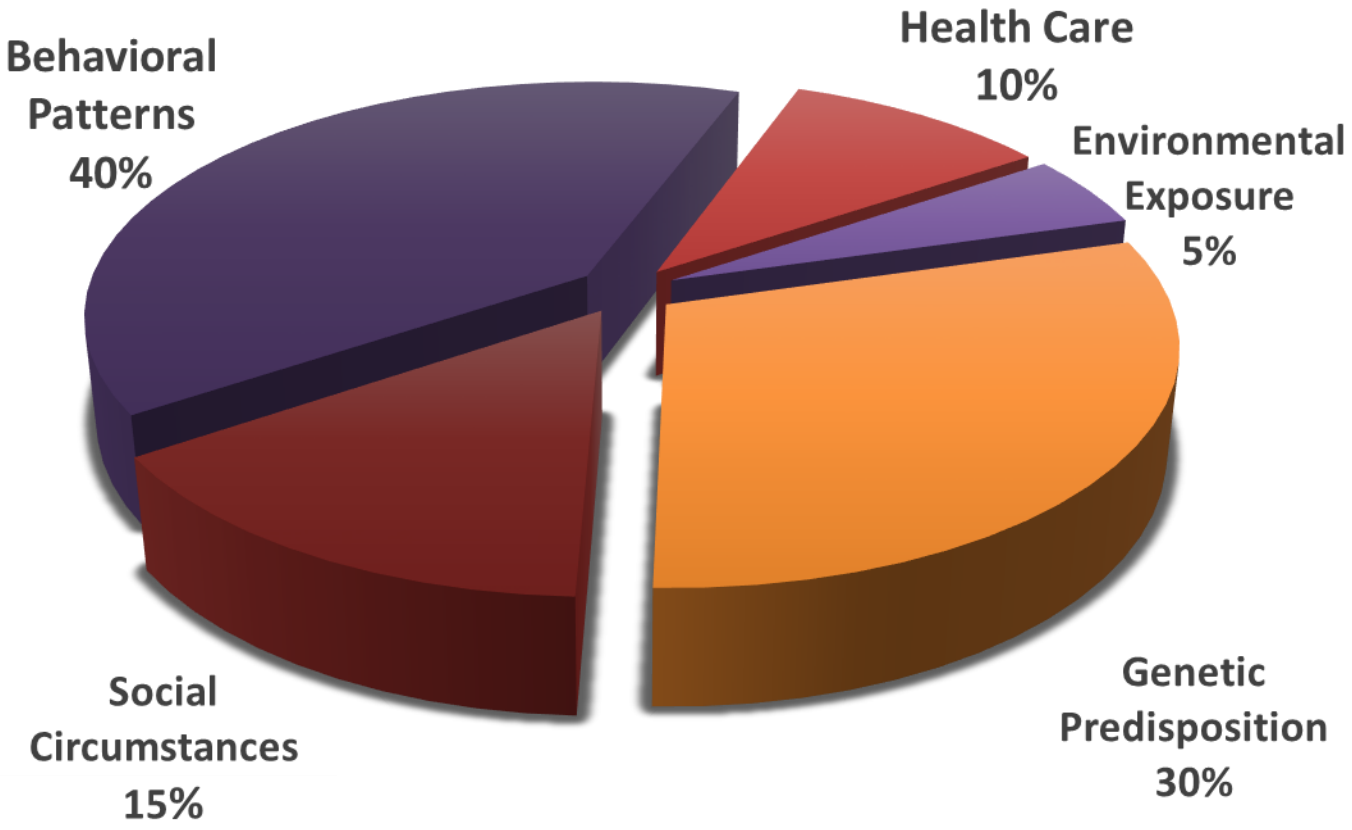


Which Piece of the Pie Looks More Filling?



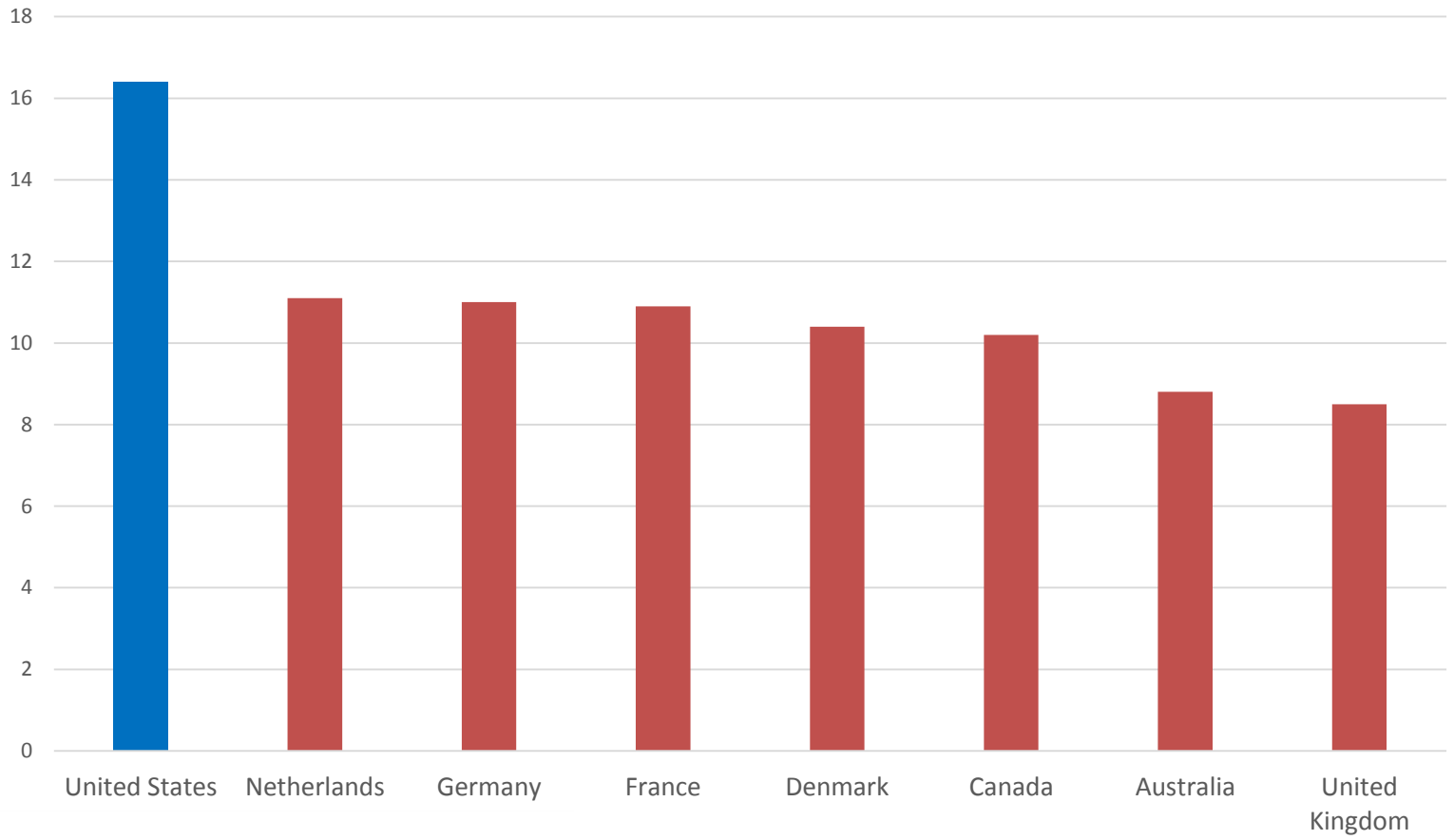
Source: Mark T, Levit K, Yee T, Chow C. Spending on Mental and Substance Use Disorders Projected to Grow More Slowly Than All Health Spending Through 2020. Health Affairs, August 2014, 33:8,1407-1415.

What Impacts Health Outcomes?



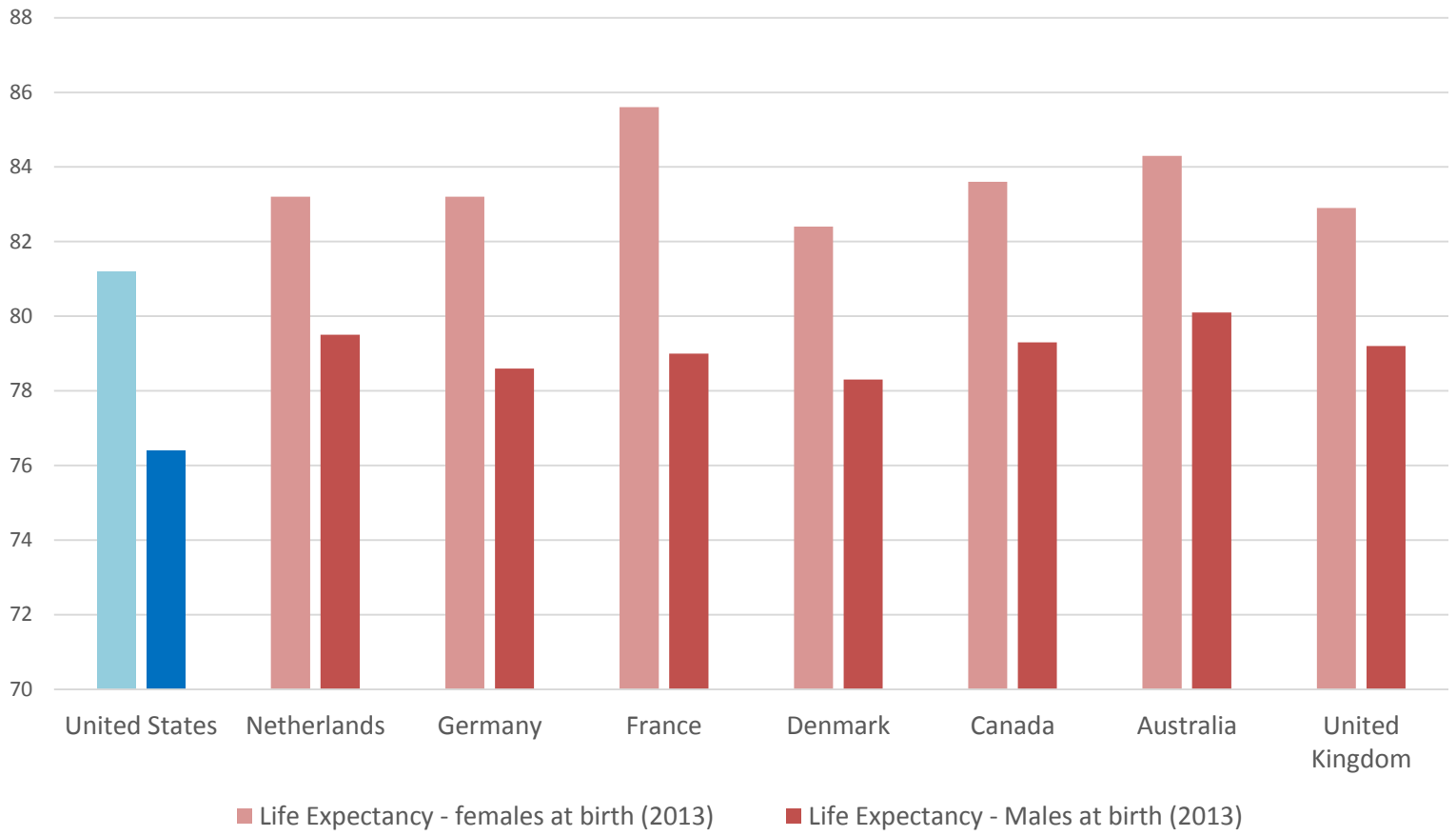
Source: Schroeder, Steven A. We Can Do Better – Improving the Health of the American People. N Engl J Med 2007;357:1221-8

We Are Spending More on Healthcare as a Percentage of GDP



Source: stats.oecd.org with thanks to Elizabeth H. Bradley and Lauren A. Taylor

We Have Lower Life Expectancy



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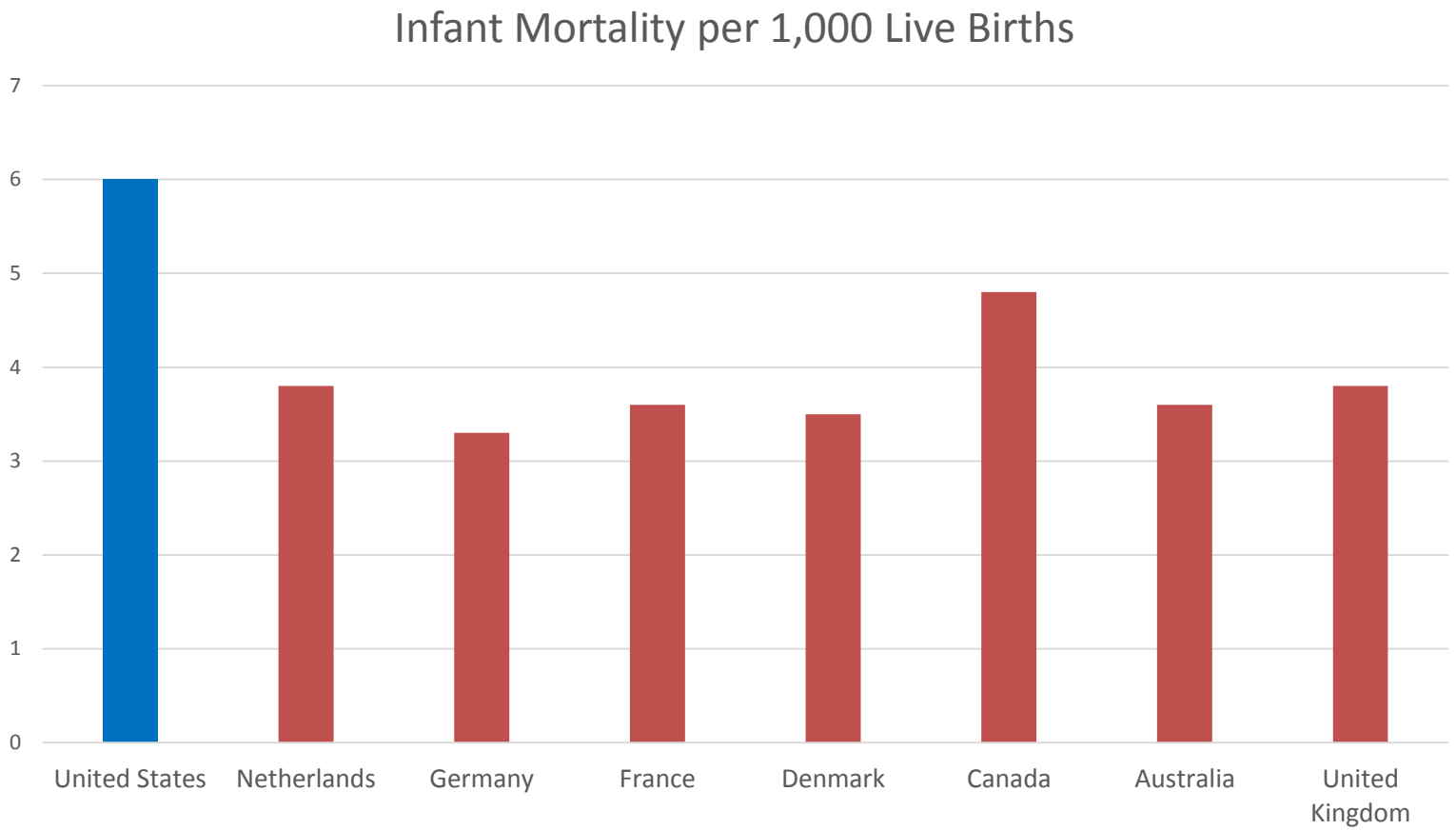
We Have Higher Infant Mortality



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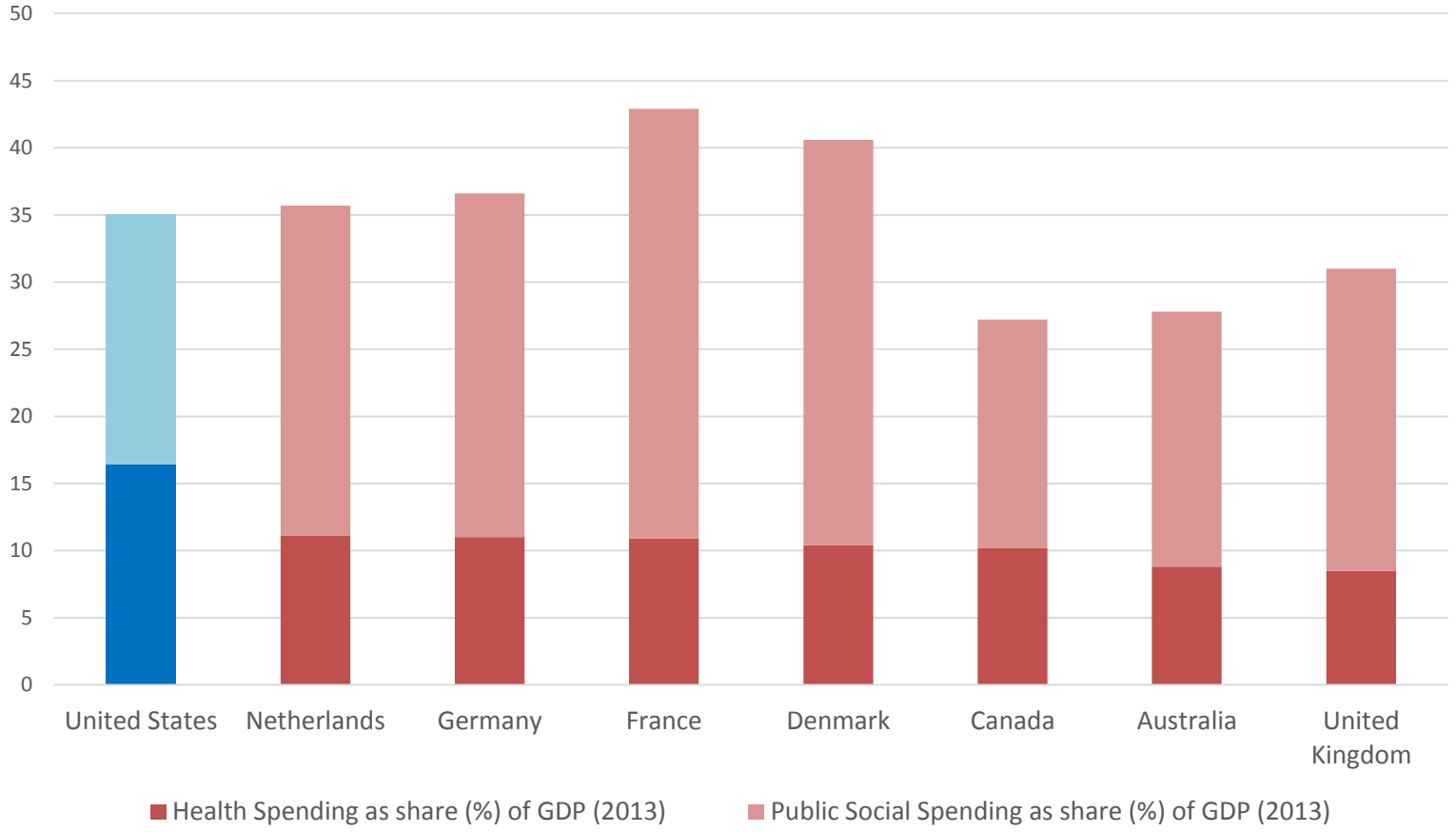
When Social Services Spending is Included, We're Middle Of The Pack



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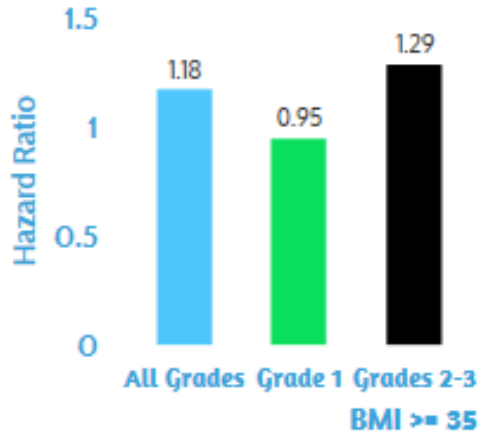
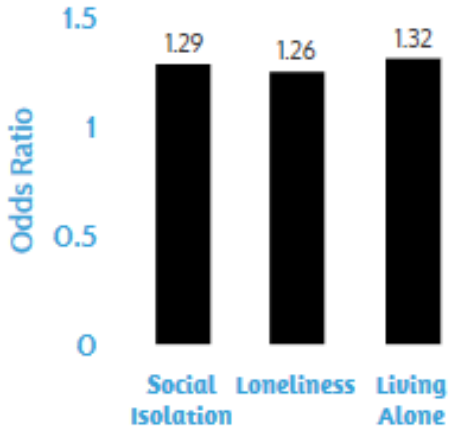
Lack of Social Connections Lead to Mortality Like Grade 2 and 3 Obesity

OBESITY



Flegal et al. JAMA 2013

LACK OF SOCIAL CONNECTIONS



Holt-Lunstadet et al. Perspectives on Psychological Science 2015

VBP is a Chance to Get Paid By The Medical System For Work We've Been Doing

- Helping people get jobs
- Helping people get into and stay in school
- Helping people get and stay housed
- Helping people stay out of jails
- Helping people stay out of the hospital

Why VBP is An Opportunity

- Spending on community-based BH care has been shrinking as a percentage of total healthcare spending
- People with behavioral health disorders are expensive, and therefore potential savings are high
  - Even if the only savings is on the medical/surgical side, the savings are significant
- The vast majority of spending on the people served by the community BH sector has been spent outside of the community BH sector

The Promise

- The work you do impacts most of the expected health outcome of the people you serve
- You're not even getting 10% of the money
- The skills you've developed over the last fifty years are ***precisely*** the skills the medical system has figured out it needs
- This is your moment—***<u>if</u>*** you seize it

VBP is a Market Based Solution

- Competition
- The ‘invisible hand’
- Joseph Schumpeter
- What gets measured gets paid for
  - What gets measured is contested, complex and critical
  - How can we reduce the work of our community to a de Minimis set of performance indicators?

VBP Advantages Providers With Certain Characteristics

- Size
- Sophistication
- Data capture and analysis capacity
- Risk-readiness
- Strong, strategic leadership
- Administrative depth

The Overarching Challenges

- Define “value” for people with SMI, SED and Chronic SUD
- Service delivery transformation
  - Population health
    - Stratification
  - Care coordination and management
  - Client-centered
  - Integrated comprehensive care
  - Linguistic and cultural competence
  - Social determinants of health

The Overarching Challenges

- Infrastructure, infrastructure, infrastructure
- Information technology
  - Data capture and analysis
  - Interoperable HIT
  - Combine financial and clinical data
- Finance and operations
  - Detailed financial analytics and projections
- Organizational leadership
  - Break down silos
- Change management
  - CQI

Other challenges

- Cash reserves
- Leverage
- Partnerships
  - Within the sector and between sectors
- Attribution
- Benchmarking

Defining "Quality" for HCBS

- Person-driven
- Optimizes individual choice and control in the pursuit of self-identified goals and life preferences
- Promotes social connectedness and inclusion
- Flexible range of services
  - Accessible
  - Appropriate
  - Effective
  - Dependable
  - Timely
  - Respond to individuals' strengths, needs, and preferences
  - Provided in a setting of the individual's choosing
- Integrates healthcare and social services
- Promotes well-being
- Promotes privacy, dignity, respect, and independence

Source: National Quality Forum: Addressing Performance Measure Gaps in Home and Community-Based Services to Support Community Living: Synthesis of Evidence and Environmental Scan

Defining "Quality" for HCBS

- Freedom from abuse, neglect, exploitation, coercion, restraint
- Protects human and legal rights
- Balances personal safety and dignity of risk
- An adequate and appropriately skilled workforce
- Supports family caregivers
- Engages individuals in design, implementation, and evaluation
- Offers equitable access to services that are culturally sensitive and linguistically appropriate
- Maximizes affordability and long-term sustainability
- Adequately funded
- Valid, meaningful, accessible, outcome-oriented data
- Accountability through measurement and reporting of outcomes

Source: National Quality Forum: Addressing Performance Measure Gaps in Home and Community-Based Services to Support Community Living: Synthesis of Evidence and Environmental Scan

Domains of Quality Measurement

Both medical and HCBS

- Health and wellbeing
- System performance
- Effectiveness/quality of services
- Service delivery
- Equity
- Workforce

HCBS-specific

- Consumer voice
- Choice and control
- Human and legal rights
- Community inclusion
- Caregiver support

Source: National Quality Forum: Addressing Performance Measure Gaps in Home and Community-Based Services to Support Community Living: Synthesis of Evidence and Environmental Scan

Care Management: Purpose

Encourage more personal responsibility so that consumers and families become more active participants in their own health and more efficient users of the health care system

Care Management: Objective

- Enhance access to primary and preventive care
- Coordinate the delivery and management of care across the continuum
- Promote the use of home and community-based long term care services to facilitate independence and enable clients to remain living in the least restrictive setting
- Prevent, delay or minimize chronic disease, functional deterioration and progression of disability

Care Management: Objective

- Involve clients, their care givers and providers in care planning and management
- Support care providers through data, information, analytics, and care coordination resources
- Improve health outcomes and member satisfaction at a reduced cost with a positive return on investment

Care Management Components

- Health risk assessment
- Risk stratification
- Care Plan development
- Coordination of care and services
- Monitoring and reassessment
- Outreach, especially to hard to engage clients or clients attributed to you who you have never seen or who have disappeared

Evidence-Based Characteristics of Successful Care Management Programs

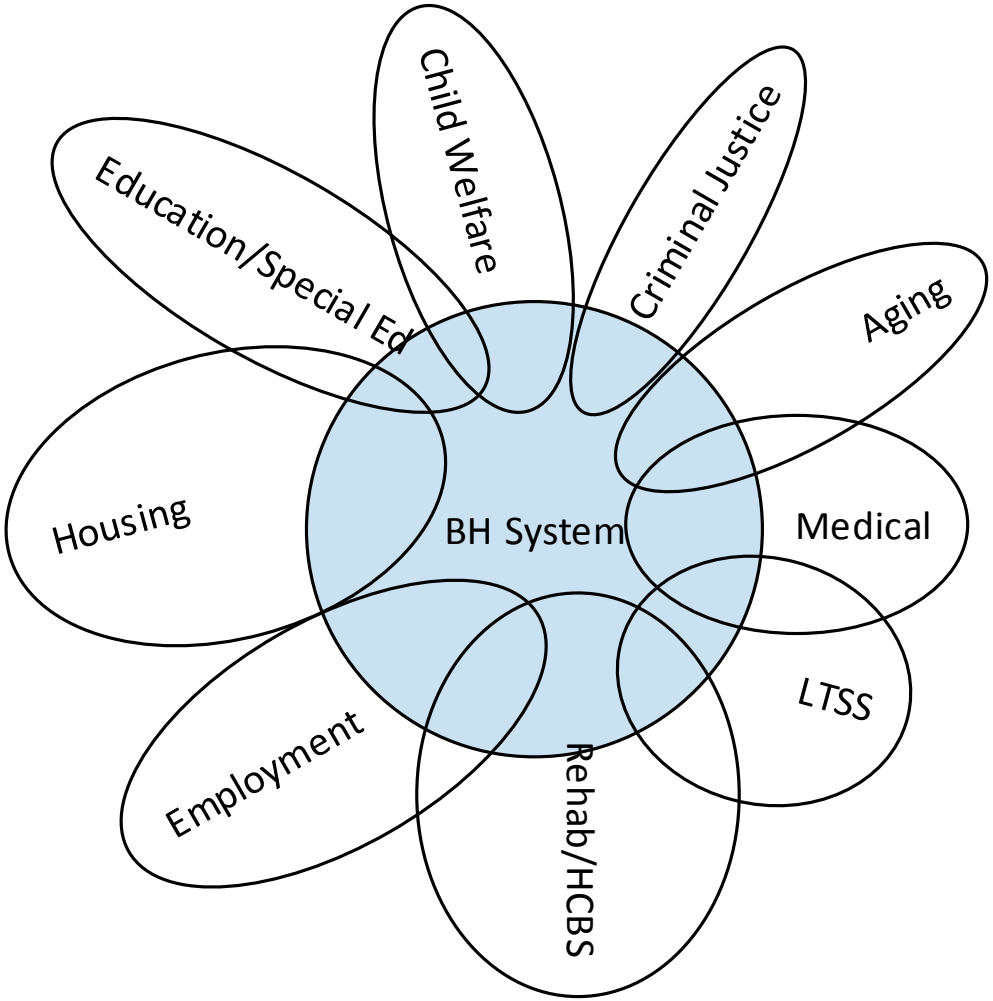
- Frequent in-person meetings with client plus telephonic contact
- Occasional in-person contact with PCP
  - CM assures PCP has all key external data
- Provide evidence-based education using motivational interviewing and behavioral-change techniques
- Strong medication management
- Timely and comprehensive transition of care including direct client contact

Client-Centered Care

- Client satisfaction surveys (e.g. CAHPS)
- Shared decision making/decision support tools
- Triage
- Care coordination
- Telephone consultation
- Evening and weekend hours
- Same day appointments
  - Urgent and non-urgent
- Cultural and linguistic competency
  - CLAS standards

Partnerships/Agreements

- BH providers will need to provide services or have partnerships in place across multiple service systems



Partnerships/Agreements

- Identify what other service providers are providing care to your clients
  - Establish collaborative relationships and data sharing agreements
- Full range of medical services
  - Primary care
  - Hospitals
  - Home health
  - Skilled nursing
  - Long term care
- Social services providers
  - Housing
  - Education
  - Child welfare
  - Supported employment
  - Correctional

Business Functions

Population health management

- Member assessment: medical, social
- Health risk stratification and predictive modeling
- Empanelment and panel management
- Engagement of empaneled patients

Person-centered care management

- Care plan development
- Care coordination including care transitions
- Care management (medical and other services)
- Referral coordination
- Medication management

Clinical services

- Order management
- Service scheduling and access management
- Encounter information capture / documentation
- Data analytics and decision support (real time)
- Client decision support

Relationship Management

- Customer service - members
- Customer service – network providers

Business Functions (Cont.)

Competency Assessment and Management

- Training and competency development
  - Clinicians
  - Other staff members
- Competency assessment

Benefit Management

- Utilization management including pharmacy
- Referral and service authorization management

Administration

- Management and governance
- Member intake and management
- Provider network management
- Provider compensation mgmt
- Member incentive mgmt
- Resource mgmt (personnel, supply chain, facilities, equipment, external services)
- Finance and accounting
  - Receivables
  - Payables
  - Cost accounting

Planning

- Strategic planning
- Operational planning
- Budgeting

Information Exchange is Foundational. Having the Information is Not Enough…

- In a value-base care environment, information exchange needs to be secure yet unencumbered for these (and potentially other) purposes:
- Following up on events in a timely manner (e.g. ER and hospitalization alerts)
- Identifying trends before they lead to unnecessary utilization (e.g. non-adherence to medications)
- Understanding utilization patterns across all providers
- Making complex and costly processes more efficient and evidence-based (e.g. referrals)

Connectivity

- Health information exchange
- Telemedicine
- Remote patient monitoring
- E-consults
- Real time pharmacy data
- Real time alerts

Data-driven QI

- Store, retrieve, calculate and report on clinical quality metrics
- Review clinical/quality outcome measures with clinical leadership and clinicians
- Use quality reports to inform outreach
- Use client data from payers with program data for reporting, retrospective analysis and CQI
  - Data warehouse

Data-driven QI

- Provider alerts and decision-support tools
  - Evidence-based protocols and decision-support tools embedded in the medical record
    - Reminders re preventive services
    - Flags re open loops
  - Alerts re hospital/ER utilization
  - Workflows to act on data re admission, discharge or transfer
- Real time executive dashboards

What is Value?

$$V = \frac{Q \times S}{\$}$$

(Value) (Quality) (Service Volume) (Cost)

$: Total Cost of Care

- Cost per visit/cost per service
  - NOT cost per program
- Total annual cost per client
  - Stratified
  - By diagnosis
- Fixed costs and marginal costs
- Provider cost compared to value

Getting There From Here

- Time and staff resources
  - Map out clinical workflows
  - Map out fiscal workflows
  - Map out operational workflows
  - Negotiation with MCOs
- Financial position/cash reserves
- HIT infrastructure/support
  - HIE capability, willingness and agreements
- Liability/audit risk
- Clinician buy-in
- Board of Directors support
- Know your risk tolerance

Organizational Leadership

Commitment to:

- Putting the needs of the clients first
- Venturing from the safety of the known
- New collaborations/integration with payers and providers
- Honestly assessing your ability to meet clinical targets and expectations
- Demanding delivery system and payment reform

CohnReznick/HMA Readiness Assessment

- Organizational readiness
- Partnership readiness
- Care delivery
- HIT/HIE readiness
- Financial health and operational readiness

Develop your strategic vision

- Start with the people you serve
  - No matter how the financing structure, service environment, regulatory environment, program names, billing systems change…

    …the people you serve will still need services

    The question is how
- Identify your role in the future system
- Build off of the value you can demonstrate

Options for Infrastructure Development

- Build v Buy considerations
  - Control
  - Economies of scale
  - Specialization
- Outsourcing
  - What?
  - To whom?
  - How are you going to oversee the contract?
- Collaboration Models
  - Independent Practice Association (IPA)
  - Management Services Organization (MSO)
  - Provider Sponsored Organization (PSO)

Key Collaborative Considerations

How do you provide the best possible service to your consumers?

- Time
- Money
- Control/Individual Organizational Identity
- Legal Complexities
- Start-Up Capital
- Governance
- Critical Mass to Achieve Economies of Scale

Merger Considerations Specifically

- Values
- Culture/Identity
- Cost/Synergies
- Integration
- Workforce
- Risk
- Ego/Control
- Antitrust
- Timeline
- Cost
- Horizontal v vertical integration
- Governance
- Excellence

Things you can do right now

- Educate and engage your Board
- Organizational assessment
  - VBP readiness levels
    - Assessment tool
  - Organizational risk tolerance
- Strategic planning
- Baby steps
  - Identify the low hanging fruit

The key takeaway

- VBP ***could*** be the best thing that ever happened to the community behavioral health sector

IF

- The sector makes the changes needed to leverage the opportunity, **and**
- The right advocacy efforts lay the groundwork for our success

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