The Future of Community Behavioral Health: Leveraging the Transformation to Value-Based Healthcare

Speakers:
Heidi Arthur, Principal, HMA
Josh Rubin, Principal, HMA
Meggan Schilkie, Principal, HMA

Moderator:
Carl Mercurio, HMA Information Services

November 10, 2015
Agenda

• Value Based Payments

• Core Elements Necessary for Effective Preparation

• Developing Your Organization’s Strategic Vision

• BH Providers who are Leading the Way
VALUE-BASED PAYMENTS
The Triple Aim

Quality

Cost

Experience
What Impacts Health Outcomes?

- Behavioral Patterns: 40%
- Social Circumstances: 15%
- Genetic Predisposition: 30%
- Environmental Exposure: 5%
- Health Care: 10%

Social Determinants of Health

The Social Determinants of Health

- Financial Stability
- Health Care Access
- Neighborhood and Environment
- Community Context
- Education
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
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.
Within Ten Years, Public Programs Will Cover 56% of All Americans

- 2014: 134 Million (42% of Americans)
  - CHIP: 7
  - Exchange: 50
  - Medicaid: 72

- 2019: 172 Million (52% of Americans)
  - CHIP: 14
  - Exchange: 62
  - Medicaid: 91

- 2024: 191 Million (56% of Americans)
  - CHIP: 21
  - Exchange: 72
  - Medicaid: 93

Source: HMA, 2014.
Follow the Money: National Spending On Mental Health And Substance Abuse

Which Piece of the Pie Looks More Filling?

# VBP Purchasing Provisions in ACA

<table>
<thead>
<tr>
<th>Type of VBP Program and Setting</th>
<th>Timeline</th>
</tr>
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<tbody>
<tr>
<td><strong>Hospital Value-Based Purchasing (HVBP)</strong></td>
<td>October 1, 2012 (current program)</td>
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</table>
| Physicians (or groups of physicians) under Physician Value-Based Payment Modifier | January 1, 2015, for a subset of physicians  
January 1, 2018, for all physicians (program to be implemented) |
| Inpatient critical access hospitals | No later than 2 years after date of act (May 1, 2010) (demonstration program) |
| Hospitals excluded from HVBP program due to insufficient numbers of measures and cases | No later than 2 years after date of act (May 1, 2010) (demonstration program) |
| Long-term care hospitals | No later than January 1, 2016 (pilot program) |
| Hospice programs | No later than January 1, 2016 (pilot program) |
| Psychiatric hospitals | No later than January 1, 2016 (pilot program) |
| Rehabilitation hospitals | No later than January 1, 2016 (pilot program) |
| Prospective Payment System–exempt cancer hospitals | No later than January 1, 2016 (pilot program) |
| Ambulatory surgical centers | Submit plan to Congress no later than January 1, 2011 (plan for program) |
| Home health agencies | Submit plan to Congress no later than October 1, 2011 (plan for program) |
| Skilled nursing facilities | Submit plan to Congress no later than October 1, 2011 (plan for program) |
| **Shared Savings** | No later than January 1, 2012 (current program) |
| **Bundled Payment** | No later than January 1, 2012 (demonstration program) |
Accountability and Risk Go Together

Provider Integration and Accountability

- Fee For Service
- Incentive Payments
- Pay for Performance (P4P)
- Bundled Payments
- Shared Savings
- Partial Capitation
- Full Capitation

Performance-Based

Episodic

Accountable Care

Provider Financial Risk

Cost-based Contract

Provider Integration and Accountability
CORE ELEMENTS NECESSARY FOR GROWTH
Core Elements

Leadership committed to practice transformation and change management

Clinical/Programmatic
- Engagement and activation
- Clinical integration
- Quality
- Targeted and innovative model of care
- Coordination

Operational
- Financial health
  - Total Cost of Care
  - Projections and Drivers
- Strategy based on data and vision
- IT
- Data analytics and connectivity
- Volume
DEVELOPING 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
DEMONSTRATING IMPACT/VALUE

Quality (Outcomes)

Value Proposition

Quality

Cost

Experience

Cost Effectiveness

Customer Experience
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)
  - MSO
  - Provider Sponsored Organization (PSO)
    - Cooperative venture of a group of providers
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
- Cost
- Synergies
- Integration
- Workforce
- Risk
- Ego
- Control
- Antitrust
- Timeline
- Cost
- Identity
- Horizontal v vertical integration
- Governance
- Excellence
Risk Ready Care Framework

<table>
<thead>
<tr>
<th>Build your foundation</th>
<th>Capture sure-wins</th>
<th>Integration</th>
<th>Make it all work</th>
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<tbody>
<tr>
<td><strong>Patient-Centered Medical Home and/or Health Home</strong></td>
<td><strong>Targeted Interventions</strong></td>
<td><strong>Primary Care &amp; BH Integration</strong></td>
<td><strong>Financial Capacity &amp; Management Control</strong></td>
</tr>
<tr>
<td>Access &amp; communication</td>
<td>Reduction of low value tests &amp; services</td>
<td>Behavioral health ability to delivery primary care</td>
<td><strong>Utilization Management</strong></td>
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<tr>
<td>Continuity</td>
<td>Post-hospital transition care management</td>
<td>Interdisciplinary Teams BH and PC</td>
<td><strong>Analytic Capacity</strong></td>
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<tr>
<td>Tracking of referrals, results, prevention</td>
<td>ED diversion</td>
<td>Co-location and consultation</td>
<td>Financial monitoring</td>
</tr>
<tr>
<td>Care management</td>
<td>Med Optimization</td>
<td></td>
<td>connected to patient-specific program intensity</td>
</tr>
<tr>
<td>Performance improvement</td>
<td></td>
<td></td>
<td>Contracting for Risk</td>
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BH PROVIDERS WHO ARE LEADING THE WAY
Meet our Leaders:
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<tr>
<th>Agency</th>
<th>Starting Program</th>
<th>Today</th>
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<tbody>
<tr>
<td>Liberty Resources, NY</td>
<td>Community mental health center</td>
<td>Grew from under $500,000 to over $52M</td>
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<tr>
<td>Operation PAR, FL</td>
<td>Partner support group</td>
<td>$30 million</td>
</tr>
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<td>SSTAR, MA</td>
<td>Detox center</td>
<td>Added MH license, and added PC to become an FQHC → started with 2 rooms and now we serve 50,000</td>
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<tr>
<td>Life Link, NM</td>
<td>Transitional housing program serving 50 individuals</td>
<td>$4.1 million one-stop-shop health and behavioral health services to over 1,700</td>
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<tr>
<td>Way Station, MA</td>
<td>Mental health organization</td>
<td>3,000 individuals annually as the state’s first medical home pilot program</td>
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<td>Regional Mental Health, IN</td>
<td>Two small mental health agencies</td>
<td>continuum of integrated care offered at two FQHCs and ten other program sites in Indiana</td>
</tr>
<tr>
<td>Recovery Network of Programs, CT</td>
<td>Methadone agency</td>
<td>continuum of services ranging from addiction, to homelessness, to mental health services</td>
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<tr>
<td>Cherry Health, MI</td>
<td>FQHC</td>
<td>$70 million; merged with both behavioral health and substance abuse organizations serving over 61,000 patients in 2014</td>
</tr>
<tr>
<td>Townsend Treatment Centers Services, LA</td>
<td>Opened in 2009; outpatient SA</td>
<td>$25 million agency; over 17 sites spanning 5 states</td>
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Common Themes

- Need driven care
- Actively engaged in transformation policy
- Data analytics are a significant feature
- Diversified funding
- Partnerships, mergers, collaborations
- Open to risk
- Thoughtful change management
- Eye on the future
Need Driven Care

• Programmatic development driven by identified community need

• Focus on building sustainable infrastructure

*If we sit around and wait for people to reimburse us for what we already know is going to make the difference, then nothing would change.*

— Carol Luna Anderson, Life Link
Supporting Advancement of the Field

- Local Coalitions
- Research Engagement
- Critical leading edge pilots
- State and Federal taskforce involvement

“What’s good for the behavioral health field is inherently good for Operation Par.”

-Nancy Hamilton, Operation PAR
Data Analytics

• Data is central to development and success
• Network cost sharing
• State and local collaborations to support IT
Diversified Funding

• Business-like non-profits
• Investment mentality
• Diversity via integration, expansion to new populations, new geographic areas

“Every time you get into a new line of business, you can’t make money from day one—enough lines of business though, they even it out.”

– Bob Krumwied, Regional MH
Partnership and Collaboration

• Mergers and acquisitions
• Collaborations/cooperative agreements to share costs

“It’s about relationships. It’s the psychosocial model at the administrative level. It’s about trust”

-Scott Rose, Way Station
Open to Risks

“Failure is my favorite word. It's so necessary to project improvement... to getting it right.”

— Chris Shea, Cherry Health

• The biggest risk lies in doing nothing
• Growth will lead to peaks and valleys financially, leaders must prepare and weather the storm
Change Management

- Staff must be flexible and open to change
- Buy-in is crucial
- Humility and transparency are vital
- Participatory leadership facilitates both organizational support and insightful management

“Communication and shared decision making are critical.”

-Carl Coyle, Liberty Resources
What’s on the Horizon?

• Certified Community Behavioral Health Center Demonstration
• Managed Care
• State 1115 Waivers
• SUD Treatment Expansion
• First Episode Psychosis
Q & A

Heidi Arthur, Principal, HMA
harthur@healthmanagement.com

Josh Rubin, Principal, HMA
jrubin@healthmanagement.com

Meggan Schilkie, Principal, HMA
mschilkie@healthmanagement.com

November 10, 2015