BUILDING PROVIDER PARTNERSHIPS ACROSS THE CONTINUUM OF CARE

VALUE-BASED PURCHASING: SUPPORTING WHOLE PERSON CARE HILTON

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AGENDA

• Welcome and Introductions
• Activity: Where is the Commonwealth as it relates to Partnerships?
• Why form Partnerships?
  – Overview of different Partnership models
• How and when to form Partnerships
• Action Steps & Group Breakout: Where to Start?
• Activity: Where will Partnerships in the Commonwealth be in 5 years?
WELCOME & INTRODUCTIONS
MEET THE TEAM/TODAY’S PRESENTERS

Charlotte Carito, Principal, Mercer Government

Boris Vilgorin
Health Care Strategy Officer, Managed Care Technical Assistance Center, New York University — McSilver Institute

Rachael Matulis
Senior Officer, Center for Healthcare Strategies
10 MINUTE ACTIVITY

WHAT WORD OR WORDS COME TO MIND WHEN YOU THINK OF PARTNERSHIPS AS IT RELATES TO PENNSYLVANIA, QUALITY OF CARE AND VBP?
WHY FORM PARTNERSHIPS?
WHY FORM PARTNERSHIPS?

KEY REASONS FOR PARTNERSHIP: THE CONSUMERS PERSPECTIVE

- Care is best when there is a full continuum of care.
- Medical, behavioral health and social determinants of health needs change over the lifespan.
- Individuals with complex needs require providers with healthy partnerships to ensure care transitions and coordination are most effective.
WHY FORM PARTNERSHIPS?

KEY REASONS FOR PARTNERSHIP: SERVICE DELIVERY

- Preference for models that integrate healthcare, social determinants of health and coordination of services for complex consumers
- Reimbursement models focused on outcomes and value-based payment methodologies
WHY FORM PARTNERSHIPS?

KEY REASONS FOR PARTNERSHIP: FINANCIAL

Competitive bidding and selective contracting by payers

Payers looking to reduce administrative cost and increase in quality and outcomes by consolidating providers into regional/communit y networks

Economies of scale and greater financial strength to support investments in infrastructure, staff and development
ECONOMIES OF SCALE

Larger organizations can lower their cost per unit, thanks to the ability to spread their overhead expenses over a larger number of units.

However, organizational size doesn’t matter without strategy – there are many models that can achieve economies of scale, but your path to partnership and collaboration needs to be part of an overall long-term sustainability strategy.
OVERVIEW

DIFFERENT PARTNERSHIP MODELS
### COMMON PARTNERSHIP MODELS IN BEHAVIORAL HEALTHCARE

<table>
<thead>
<tr>
<th>Partnership Model</th>
<th>Description</th>
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| **Purchasing Cooperative** | • When organizations want to mutually benefit in the purchasing of services they can create a purchasing cooperative focused on a single objective of reducing costs through "volume" purchasing discounts.  
• This is a partnership that is limited to reducing expenses for some purchases. |
| **Joint Operating Agreement** | • A joint operating agreement is a management agreement between two organizations. The agreement typically allows organizations to share management services and some facilities while retaining separate identities and boards of directors.  
• Like a purchasing cooperative, it is another attempt to reduce costs for specific services or expenses. |
### COMMON PARTNERSHIP MODELS IN BEHAVIORAL HEALTHCARE

| Management Service Organization (MSO) or an Administrative Services Organization (ASO) | These models are similar in intent to the joint operating agreement, but with the creation of a separate organization to provide management services.  
- Typically, shared services may include the following administrative functions:  
  - Finance, accounting, and billing  
  - Information technology  
  - Human resources  
  - Quality management  
  - Corporate compliance  
  - Facility and vehicle management |
| Independent Practice Association (IPA) | An independent practice association (or IPA) is an association of individual providers and/or provider organizations formed in order to contract with key payers or managed care organizations (MCOs) to deliver services  
- It's essentially a “strength in numbers and service array” approach to ensuring the individual providers and organizations can receive payments from the payers or MCOs. |
## Provider Consolidation

- Another method organizations will consider is a consolidation. This is where all participating organizations lose their identities and emerge as a new organization.
- This may be an actual legal change to a company that acquires the individual organizations or a virtual consolidation where there is one surviving organization, but a new name is adopted to reflect the new merged entity.

## Merger or Acquisition

- This is where two or more organizations merge into one organization. Whether the term merger or acquisition is used is simply linguistics. One organization does fully acquire the other.
- For not-for-profit organizations, it is essentially an asset acquisition where one organization disappears entirely (but no dollars are exchanged). In the case of for-profit acquisitions, there is typically an actual agreed upon cost for the purchase.
PROVIDER PARTNERSHIP MODELS INVOLVING BEHAVIORAL HEALTH

- New York BHCC
- Addiction Recovery Medical Home
- Vermont Hub & Spoke
- MassHealth ACOs
- Integrated Care for Kids (InCK)
HOW AND WHEN TO FORM PARTNERSHIPS
BEFORE PARTNERSHIPS — VBP GOALS

Control Costs
- Reduce inappropriate use of services
- Increase appropriate use of services
- Focus on value

Increase use of Preventative Healthcare/Promote Health (not just treat illness)

Improve Population Health

Improve Service Quality
LET’S DISCUSS

- How many people in the room have already established a readiness team?
- Does your team have representation from all areas?
- How many of you meet regularly?
PARTNERSHIP STRATEGIES
Strategic Planning & Management In Today’s Healthcare Environment

1. Develop vision of future competitive advantage and market positioning
2. Scenario-based strategic plan incorporating alternate future positioning options
3. Detailed plans – marketing, financial, operational, I.T., capital, HR, etc. – to implement strategy and future vision
4. Key performance metrics and metrics-based management to track strategy implementation, and allow for mid-course adjustments
5. Optimization of current operations to keep current programs as competitive (and profitable) as possible, as long as possible
6. New service model development to support future vision
7. Collaborations and partnerships as needed to facilitate new market vision
<table>
<thead>
<tr>
<th>Looking Internally</th>
<th>Looking Externally</th>
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<tbody>
<tr>
<td>• How do people view us?</td>
<td>• Reputation/Audit results</td>
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<tr>
<td>• What are we known for?</td>
<td>• Not for profit vs. for profit</td>
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<td>• What are we doing that has limited exposure?</td>
<td>• Geography/Line of service</td>
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<td>• Where do we fit in the healthcare and reimbursement system?</td>
<td>• Synergy/Size</td>
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<tr>
<td>• What is long term vision?</td>
<td>• Skills/Knowledge/Infrastructure</td>
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<td>• Political</td>
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PARTNERSHIP INGREDIENTS

It takes time!

Can I trust you???
PREPARING FOR VBP
DAY 1

Innovate/Adapt: Consider how your work might need to change in order to support the outcomes required in the transformed system

Build Relationships with payers and partners

Building a Team: Inclusive of members across departments that focuses on preparing for and implementation of the shift to managed care

Get Involved: Participate in relevant trainings/agency planning sessions

Staff Education/Training: Think about the training you will need in order to be successful in this new model - and share your thoughts with your supervisor
Many ways to educate and communicate with staff

- Staff meetings
- Newsletter to inform staff of upcoming and ongoing changes
- Town Hall Meeting
- Formal trainings (in-house and external)
TIPS/SUGGESTIONS

• This takes time

• Start Small

• Narrow vs. Broad
  – Narrow: focused project in a particular neighborhood/housing complex
  – Broad: community health worker across multiple neighborhoods or county

• Consider a Pilot/Proof of Concept

• Use Data to Inform Decisions
  – Think about the data you already collect
**ACTION STEPS**

**Action steps to further partner in PA VBP environment**
- LOC VBP – pay for performance
- Linking OP to IP LOCs – pay for performance/shared savings (upside only)
- Episode of Care – Sub-capitation (upside and downside risk)

**Start the conversation!**
- (Breakout to complete partnership questions)

**Provide feedback to the state and MCOs:**
- Where do you want guidance and regulation?
- Where do you want freedom to innovate?
- What data or information do you need to move forward?
KEY QUESTION #1: WHY?

How could partners at the table better support each other in the move toward VBP and help address gaps in care delivery?

What value, including skills and expertise, does each partner contribute to the relationship?

What needs and specific populations would potential partnerships be designed to address?

What are your shared goals? What could you do better together than apart?
KEY QUESTION #2: HOW

What comes first, the chicken or the egg (i.e., care delivery reform or payment reform)?

How exactly does this work in a carve-out environment? Starting with BH only?

What are creative ways to help fund start-up costs associated with new partnership models (new staff, workflows, IT, etc.)?

Should partnership models be defined by the state, or should MCOs and providers have flexibility to design their own models?
KEY QUESTION #3: WHEN?

• What’s coming down the pike that could help to incentivize partnerships (e.g., new grant dollars, new VBP models, etc.)
• What additional data or information would be helpful to identify and/or take action toward new partnership opportunities?
• What are two or three concrete next steps you plan to take to continue the discussion? (E.g., exchanging business cards, setting up a follow-up meeting, etc.)
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5 MINUTE ACTIVITY

WHAT WORD OR WORDS COME TO MIND WHEN YOU THINK OF PARTNERSHIPS IN PENNSYLVANIA 5 YEARS FROM NOW?