



THE TRANSFORMING WORLD OF BEHAVIORAL HEALTH.

SAN LUIS VALLEY BOARD TRAINING

JANUARY 2018

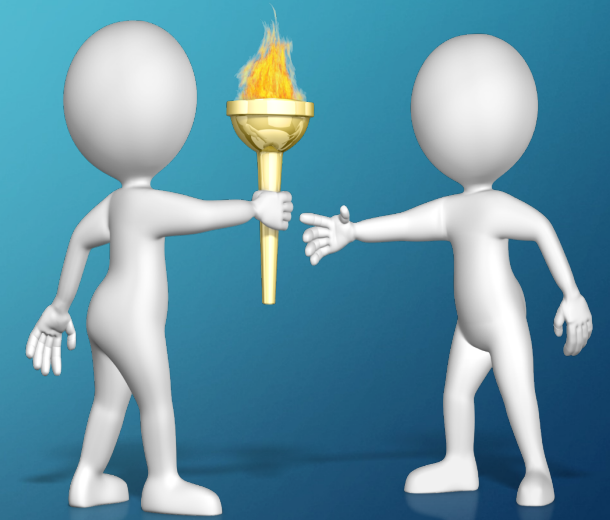
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THE TRADITIONAL BH BUSINESS ENVIRONMENT:

- The majority of funding has remained public.
- The payment models have been grant and FFS in nature.
 - The # of services provided has been the currency.
 - Unit of service costs have driven the price.
- Viability is threatened when public funding is reduced.



TRADITIONAL MODEL (CONT)

- Outcomes are based on compliance to rules and regulations.
- Competition has been minimal.
- The opportunity for expanded markets has been limited.
- Major disruptors over the years include: de-institutionalization, psychotropic meds, in-home services, brief therapy, peer involvement, wrap-around services for children, recovery for adults with MH and SUD, managed care, trauma informed care, and medication assisted treatment.

THE CHANGING LANDSCAPE: NATIONAL

- Payment reform/Managed Care
- Outcomes vs amount of service: “Value Based Payment”
- Medicare Funding
- An emphasis on “Access to Care”
- Increasing competition
- Regionalization: “The bigger is better phenomena”
- Technology innovations
- The need to use data in decision making at all levels.
- Staffing Shortages
- New Opportunities

CHANGING LANDSCAPE: COLORADO

- Introduction and Underfunding of Crisis Services
- Medicaid Rebid
 - Loss of BHOs
 - Services
 - How Centers will be paid
- Changing of the Guard
- Upcoming Governor Race

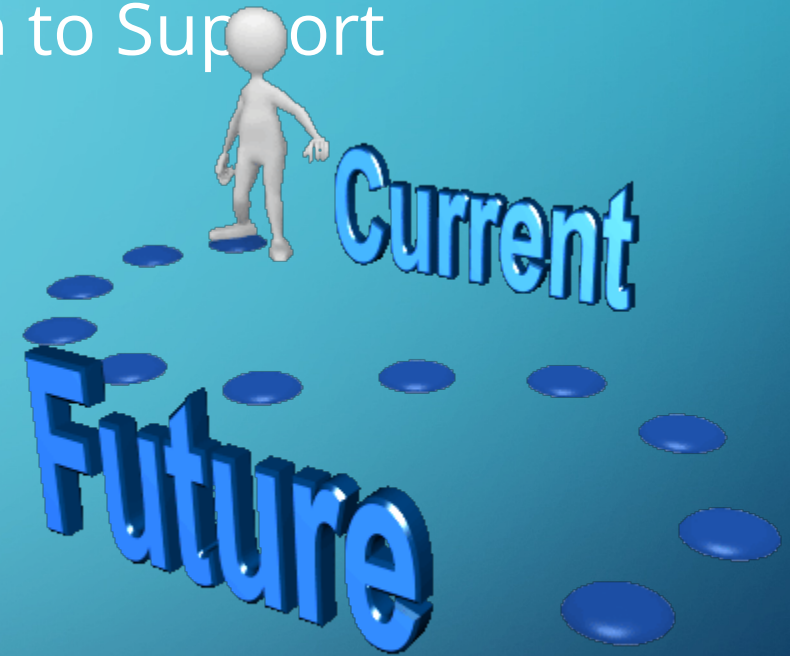
HOW MIGHT THESE CHANGES IMPACT YOUR ORGANIZATION?

- Financial
 - \$ instability, long-term viability.
 - Address budgetary shifts
 - Infrastructure expenditures (Facility/IT)
 - New Revenue Streams
- Capacity
- Facility
 - Staffing (recruitment, retention, engagements)
- Clinical
 - New Performance Measures
 - Use of Practice Based Evidence
 - Access Standards
 - Client Satisfaction



IMPACT (CONTINUED)

- Increased Need for Data and Information to Support
 - Decision making at all levels
 - Performance measures
 - Sharing of information
- Potential Loss of Identity and Control
 - Partnerships or mergers
 - Closure
 - Moving to regional health organizations.
- Greater Understanding your Value
- Need to Position the Organization for Competition.



QUESTIONS FOR YOUR ORGANIZATION:

- If given a choice would the people you serve continue to choose you?
- Is our organization be appealing to new customers?
- What are the opportunities in our community to expand services?

HEALTH CARE AND PAYMENT REFORM HAS CREATED A NEED TO TRANSFORM THE MODEL.

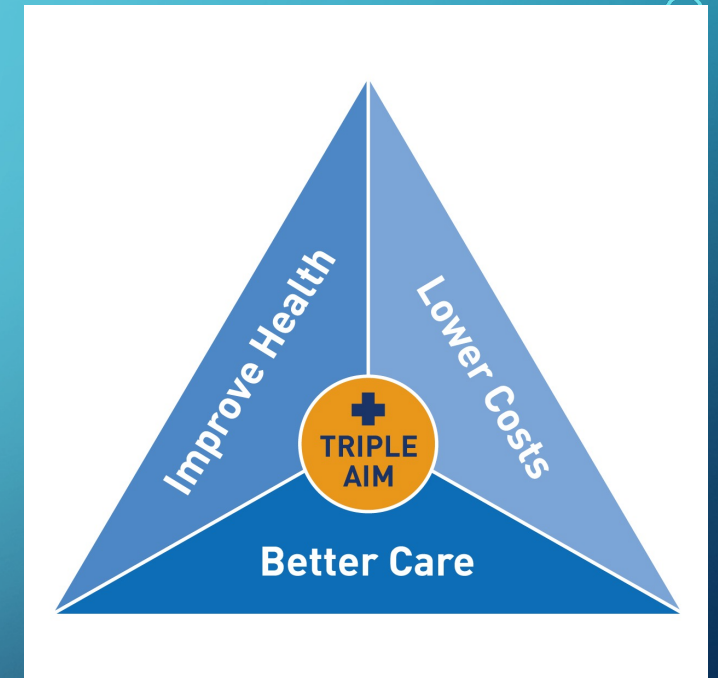


Clinical services

- Will rely more on practice that has evidence that it provides good and efficient outcomes.
- Client engagement and satisfaction will gain in value.
- Integrating clinical with the social determinants of health and physical health care is expected.
- Service delivery costs need to be tracked closely and be efficient.
- Data providing feedback to the clinician, client, and management will be incorporated.
- Use of technology solutions will continue to increase and drive down cost.

PAYMENT

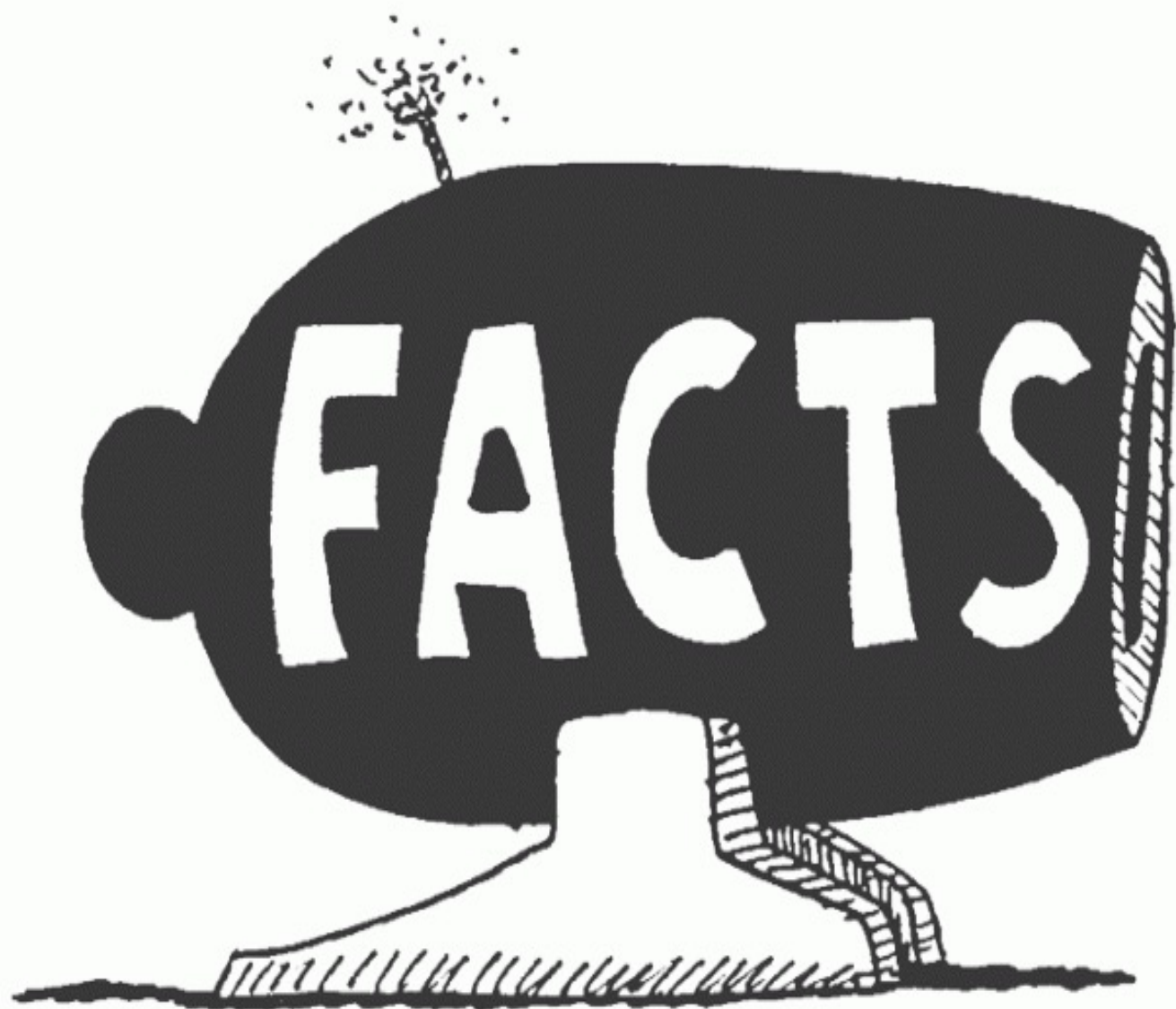
- Payment is moving from fee for service to Value-Based Payments.
 - Value = health outcomes achieved per \$ spent.
 - Aligned with the Triple Aim: Often called “quality”.
- Unit Cost will change to: $\text{cost} + \text{value} = \text{price}$
- The ability to take “Risk” will be a factor in gaining up-side payment models. (e.g. bundled payments, capitation, global budgets)
- Financial Decisions:
 - Will be more complex.
 - Data and analytics become essential in decision making.
- How do your services impact the overall health care spend for the people you serve?

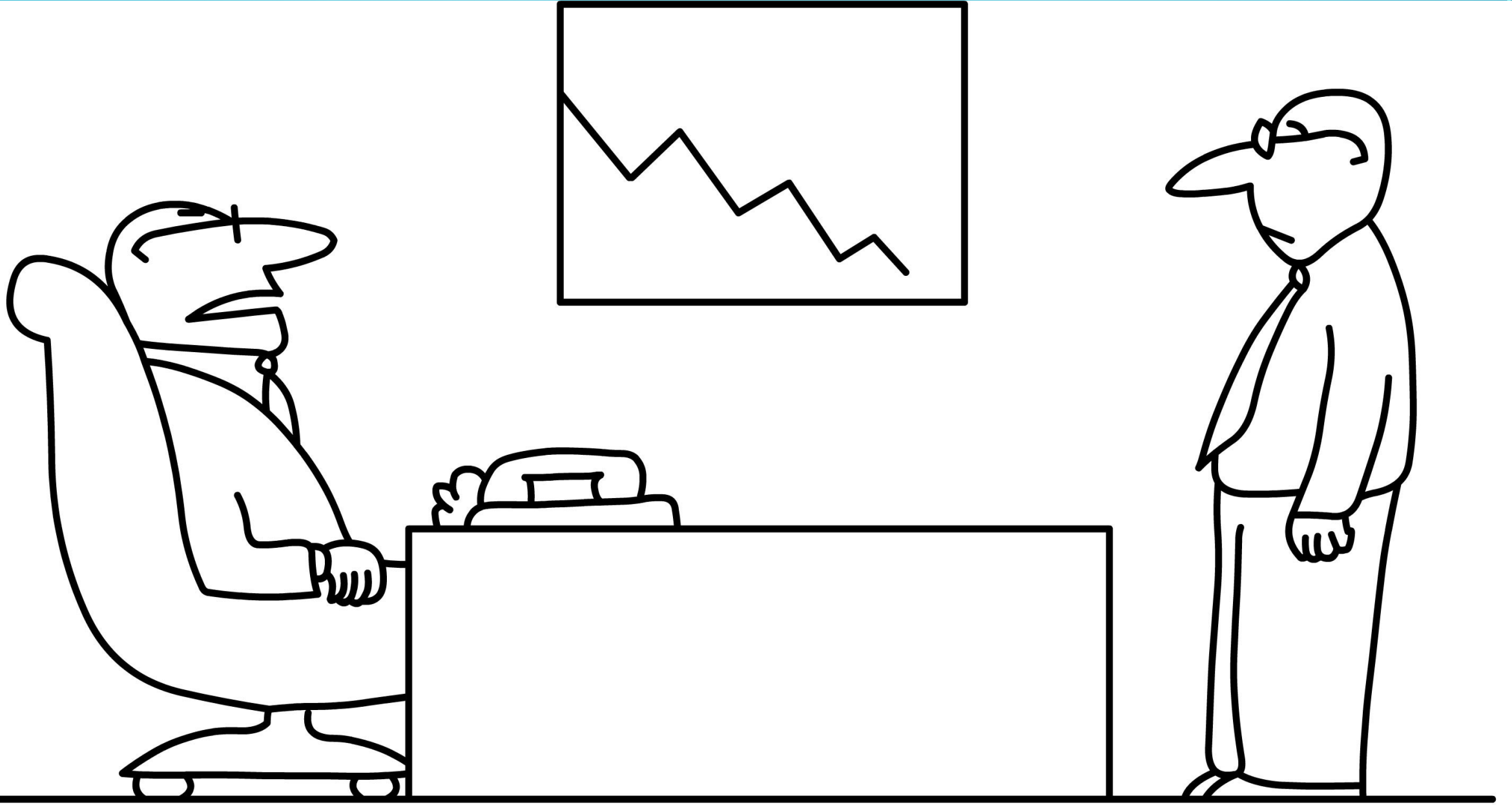




DATA AND ANALYTICS

- Data collection and analytics will play an essential role in clinical decisions, operations, financial viability, and program development.
- Most BH organizations do not have a strong history of using the level of data they need today to effectively inform their decisions.
- Quality and Value become interchangeable buzz words:
 - The definition of quality/value metrics for BH on a national level are emerging.
 - The definition of quality/value will vary depending on the audience.
- The ability to exchange health information with other providers will become the norm.
- There will be an increased need for training staff to analyze and effectively use the information





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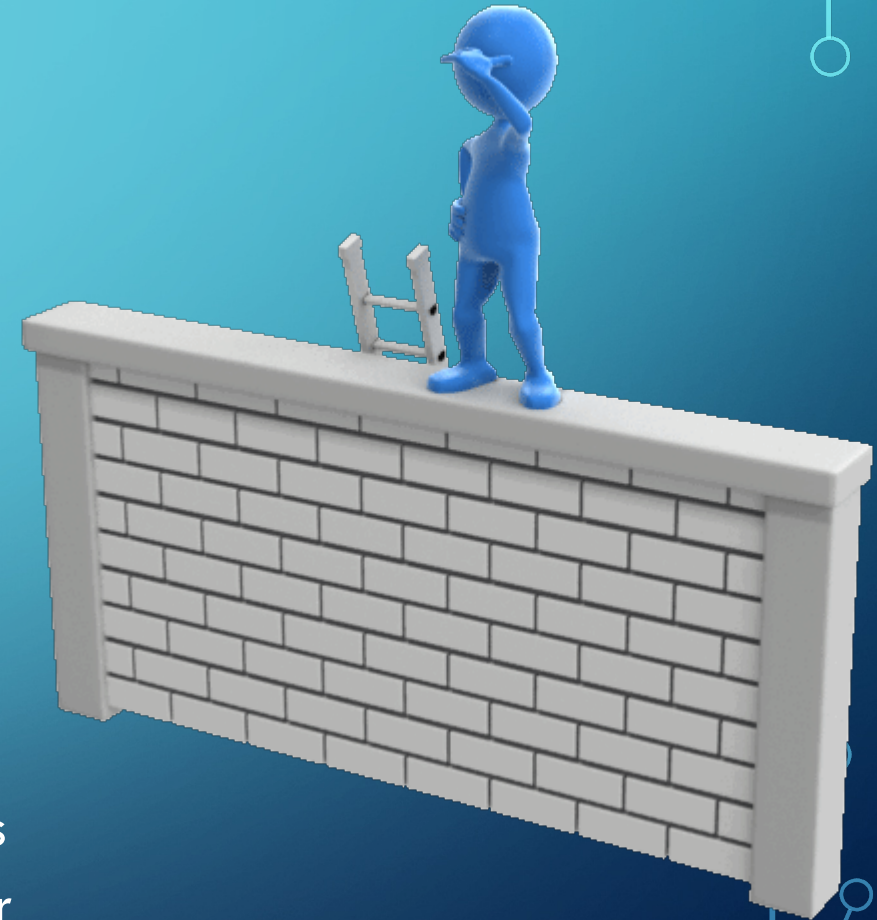
"It would appear, Hopkins, that your gut feel was only indigestion"



"We've got the Big Data report, we did the competitive analysis, and *nobody* thought to include *cats*?!"

BE ENTREPRENEURIAL: THINK OUTSIDE THE BOX.

- Payers and other health care systems need your expertise:
 - Care management
 - Transition out of inpatient care
 - Reducing emergency room log jams.
 - Criminal Justice
 - BH impact on other diseases.
- Design internal systems to investigate and invest your resources like a venture capitalist.
- Consider partnerships and ventures with other organizations to expand your capacity, resources, and potential for better outcomes.



HOW TO START TRANSFORMATION

- Inform the board and staff about the changes you anticipate in the near and distant future.
- An organizational assessment to gauge your readiness in key areas:
 - New payment models
 - Clinical services that maximize value.
 - A data driven decision making structure
- Develop and implement strategic plan that includes short and long term goals and strategies.
- Report progress to the board and staff on a regular basis.
- Establish KPIs for the board and management to follow your progress.
- Look for potential opportunities to expand your services to new markets.

THREE EMERGING REALITIES

1. Some organizations who have thrived in the past are struggling with these changes to the point some of them are failing, while other organizations are using this as an opportunity to flourish.
2. Successful organizations tend to have a well-functioning Board of Directors who are working collaboratively with innovative executive management to address these challenges.
3. Successful organizations do not let the fear of change override the potential for positive improvement and opportunity.