

# The Healthcare Ecosystem: A Capitol Hill Update

National Association of Deans &  
Directors of Schools of Social Work

March 2014

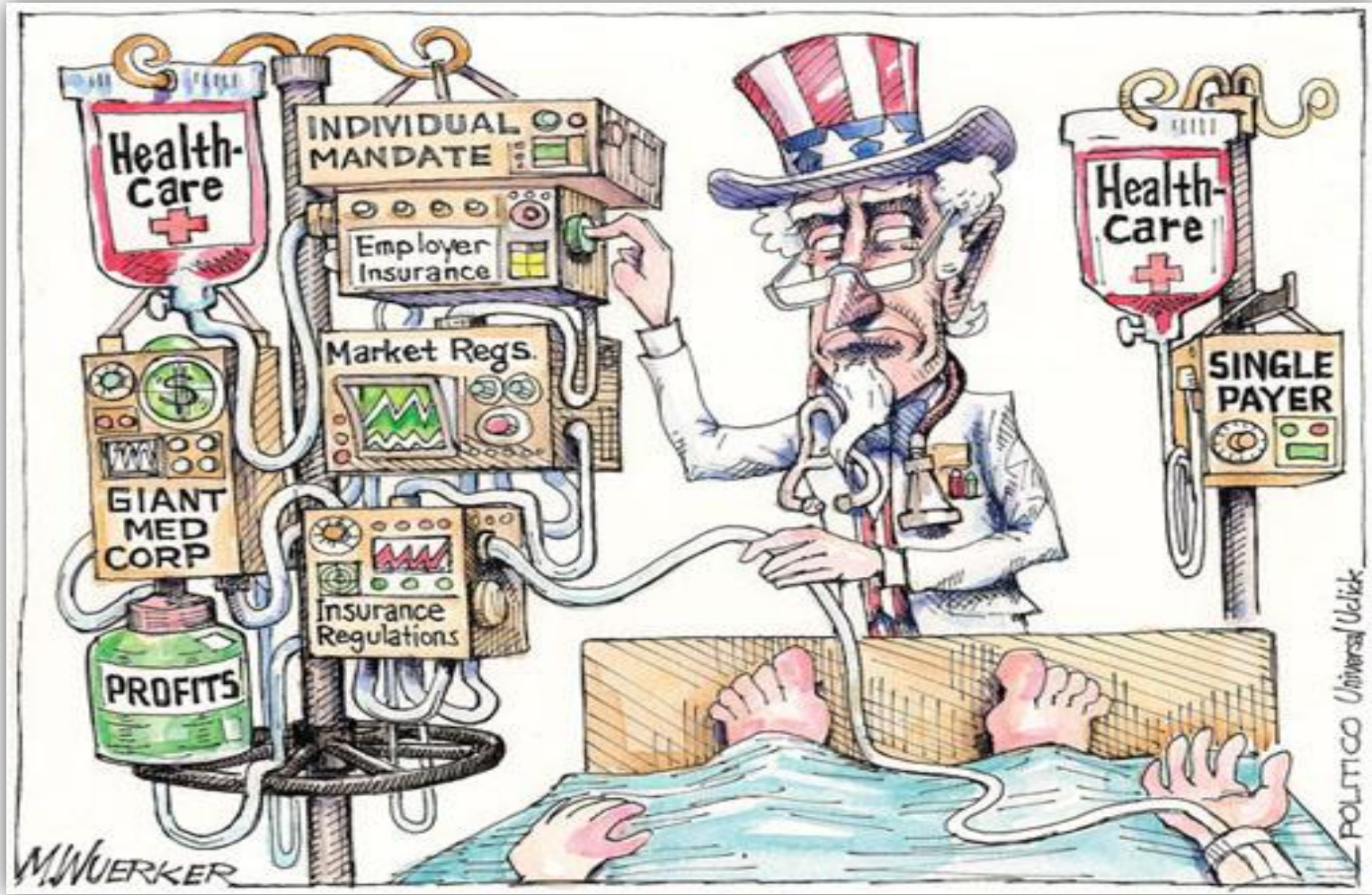
Linda Rosenberg

National Council for Behavioral Health

**Website: [www.thenationalcouncil.org](http://www.thenationalcouncil.org)**



# American Healthcare





## *2147 Behavioral Health Organizations*

750,000 staff serving **8 million** adults, children, and families with mental illness and substance use disorders...

# Social Work and Healthcare...

- Professional social workers largest group of mental health providers - more clinically trained social workers—over 200,000—than psychiatrists, psychologists, and psychiatric nurses combined
- NASW survey: 35% mental health; 14% healthcare
- Social work one of fastest growing careers – grow by 25% between 2010 and 2020.





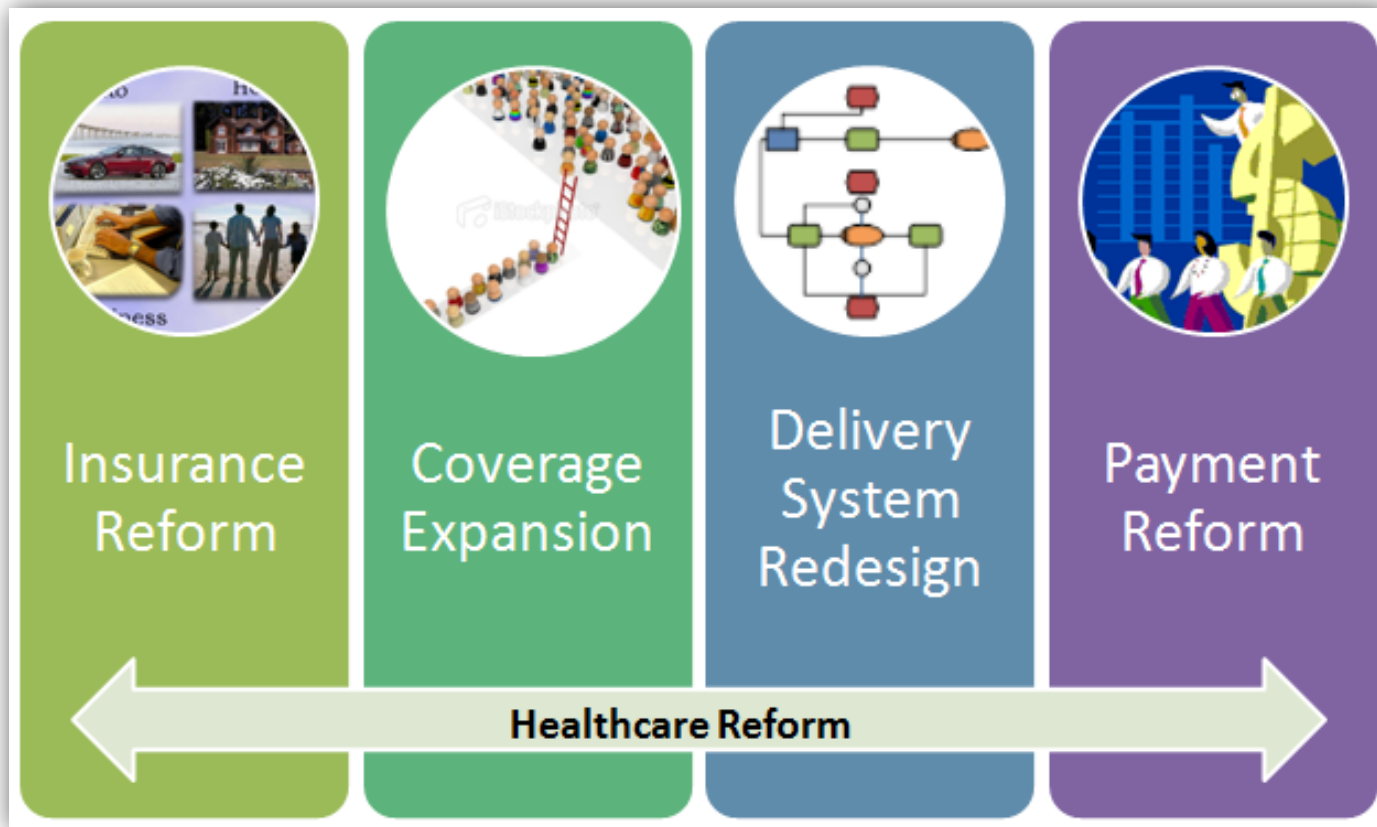


# Healthcare in context...

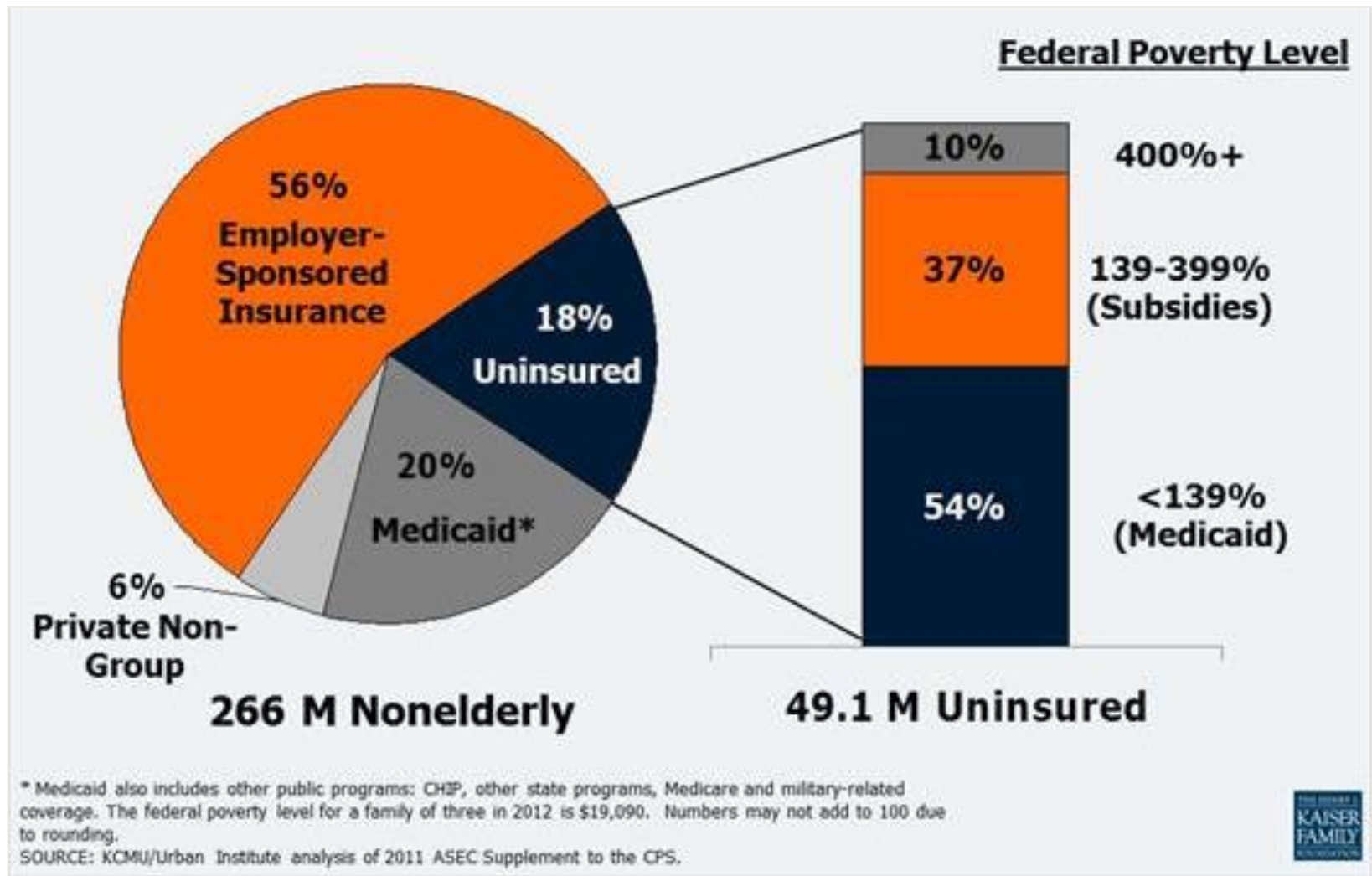
- Experimentation
- Competition
- Demand for impact
- Leadership
- Technology



# The Affordable Care Act's Four Key Strategies

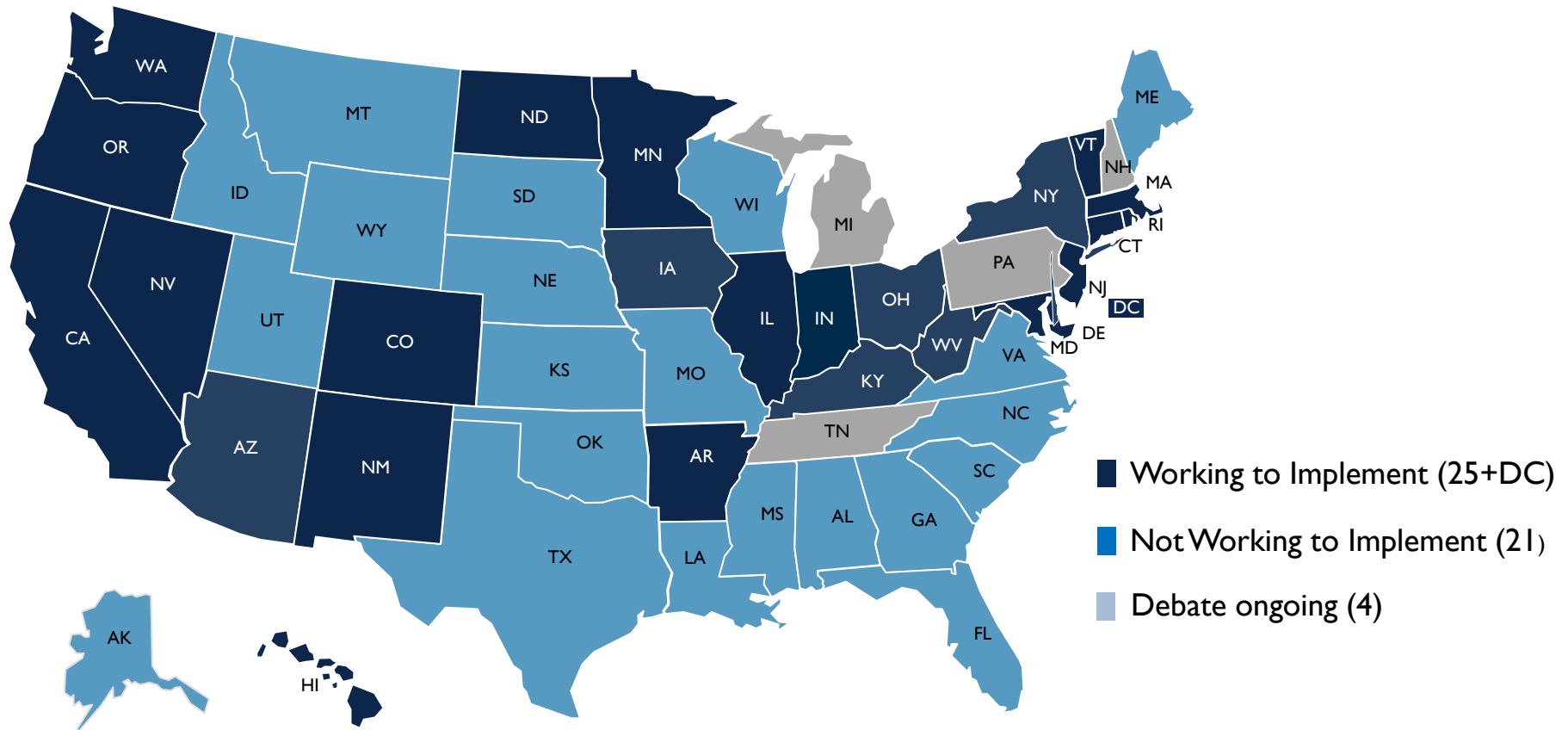


# Coverage is Expanding





# Medicaid Expanding



- Exchanges
- Incarcerated

Source: "Status of State Action on the Medicaid Expansion Decision," Kaiser Foundation.

# Experimentation...Redesign



## THE NEW YORKER TESTING, TESTING

*The health-care bill has no master plan for curbing costs. Is that a bad thing?*

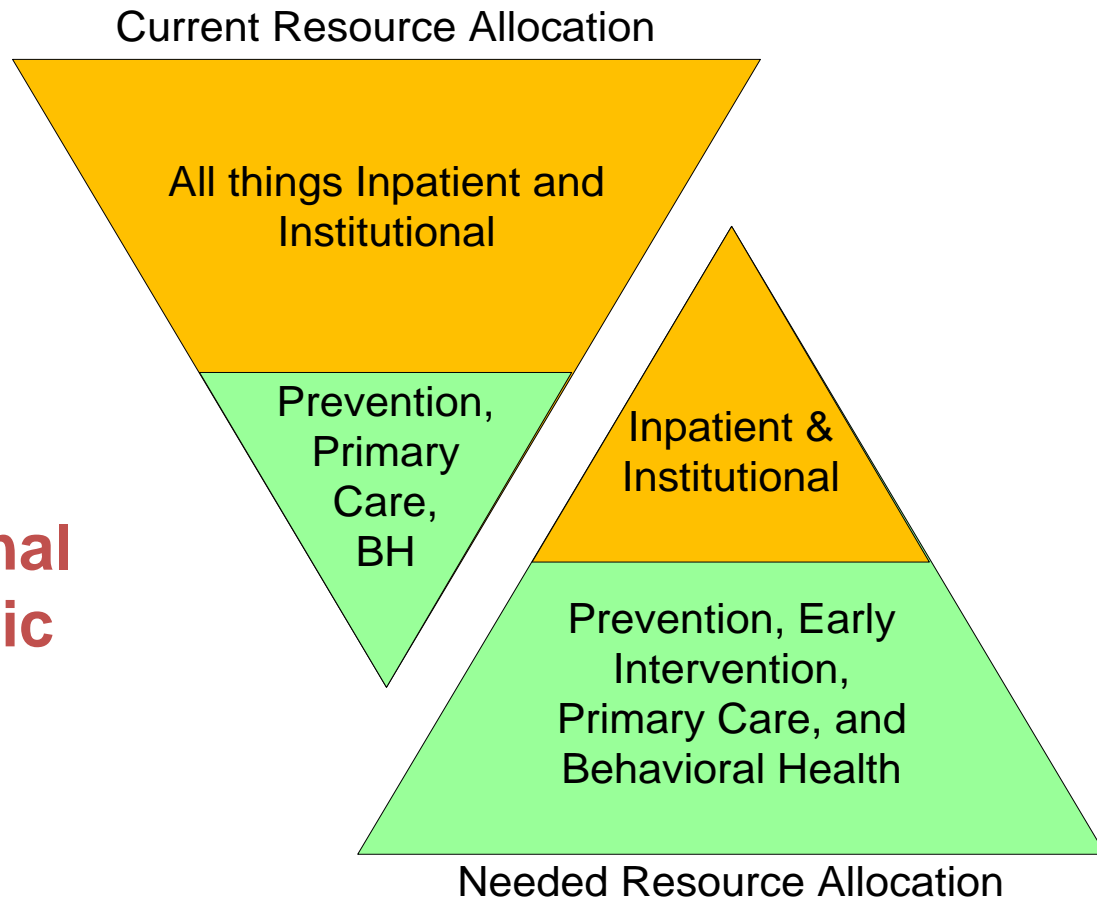
by Atul Gawande

- Coverage Expansion – 49.1 million expensive “technical fix”
- **Service Delivery and Payment Redesign** is the focus - “bending the cost curve” with or without the ACA

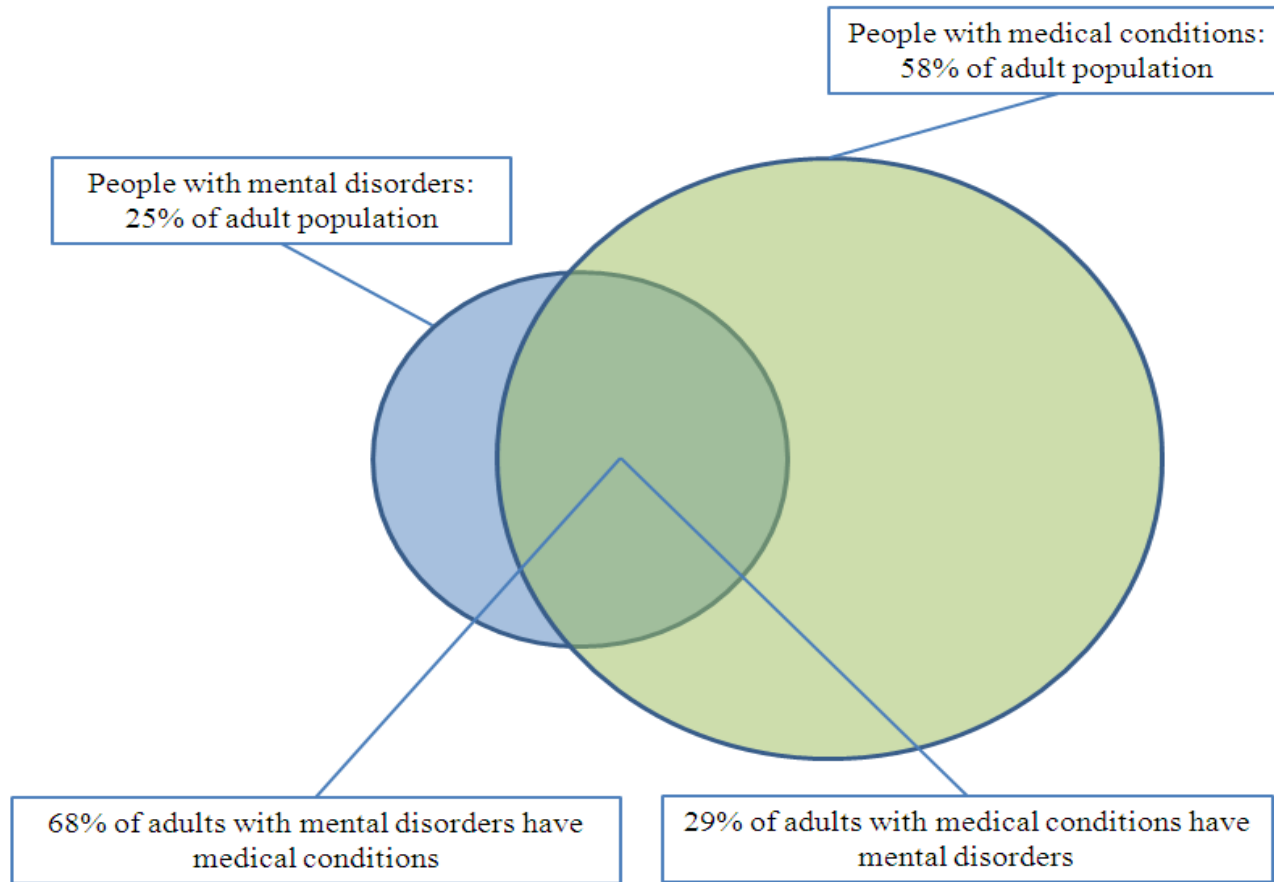
# Inverting the Triangle

It's all about  
Inverting the  
Resource Allocation  
Triangle so that:

**Inpatient and Institutional  
Care are limited; Chronic  
conditions are care  
coordinated; and  
spending is slowed**



# Co-morbidities in the Adult Population





# Behavioral Health Co-morbidities

- Almost ¼ of all adult stays in U.S. hospitals involved mental or substance use disorders
- Mental illness most common reason for SSD/SSI
- 83% of people with SMI are overweight or obese
- 44% of cigarettes sold are smoked by individuals with a mental illness or substance use disorder
- On average, people with serious mental illness live to 54 due to co-morbid chronic physical illnesses

# Substance Use Disorders



- ☑ 23 million need SUD treatment -10% get care 84 % get diabetes care
- ☑ Since 1980 600,000 died of AIDS, 3.3 million SUD
- **Parity and the ACA**
- Unification of mental health & substance use disorder organizations



MENTAL  
HEALTH  
FIRST AID

[www.MentalHealthFirstAid.org](http://www.MentalHealthFirstAid.org)

# Public recognition...

**180,000 trained in  
Mental Health First Aid  
\$15 Million in 2014**



# Integration

- Improve care and contain spending via **analytics** that identify and entities that manage “high cost” individuals
- Deliver health services within an **integrated and connected** delivery system

*NYAPRS Enews, april 4<sup>th</sup> – top Boston hospital (Beth Israel Deaconess Medical Center) tackles readmissions via Post Acute Care Transitions or PACT*





# Future Service Delivery Models integrated, and population based

- Healthcare  
Homes
- Accountable  
Care  
Organizations



# Medical Homes - Behavioral Health Homes

**Major Shift of Community Mental Health Centers from Case Management to Care Management/Hot Spotting**


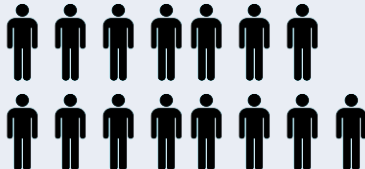
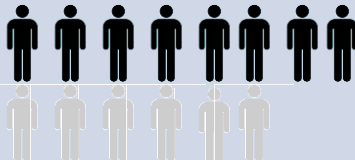


Actively identifying community members with high cost chronic health conditions and MH/SUD, wrapping care around them to help them get their lives back (recovery) and move toward health

# Accountable Care Organizations



- Hospital groups, physician groups and commercial payers most common

<b>25 to 31 MILLION</b>  Americans currently receive healthcare through ACOs	2.4 MM in Medicare ACOs	
	15MM non-Medicare patients of Medicare ACOs	
	8 to 14 MM Patients of non-Medicare ACOs	

Sources: Market Trends in ACO formation, OPTUM; The ACO Surprise, Oliver Wyman

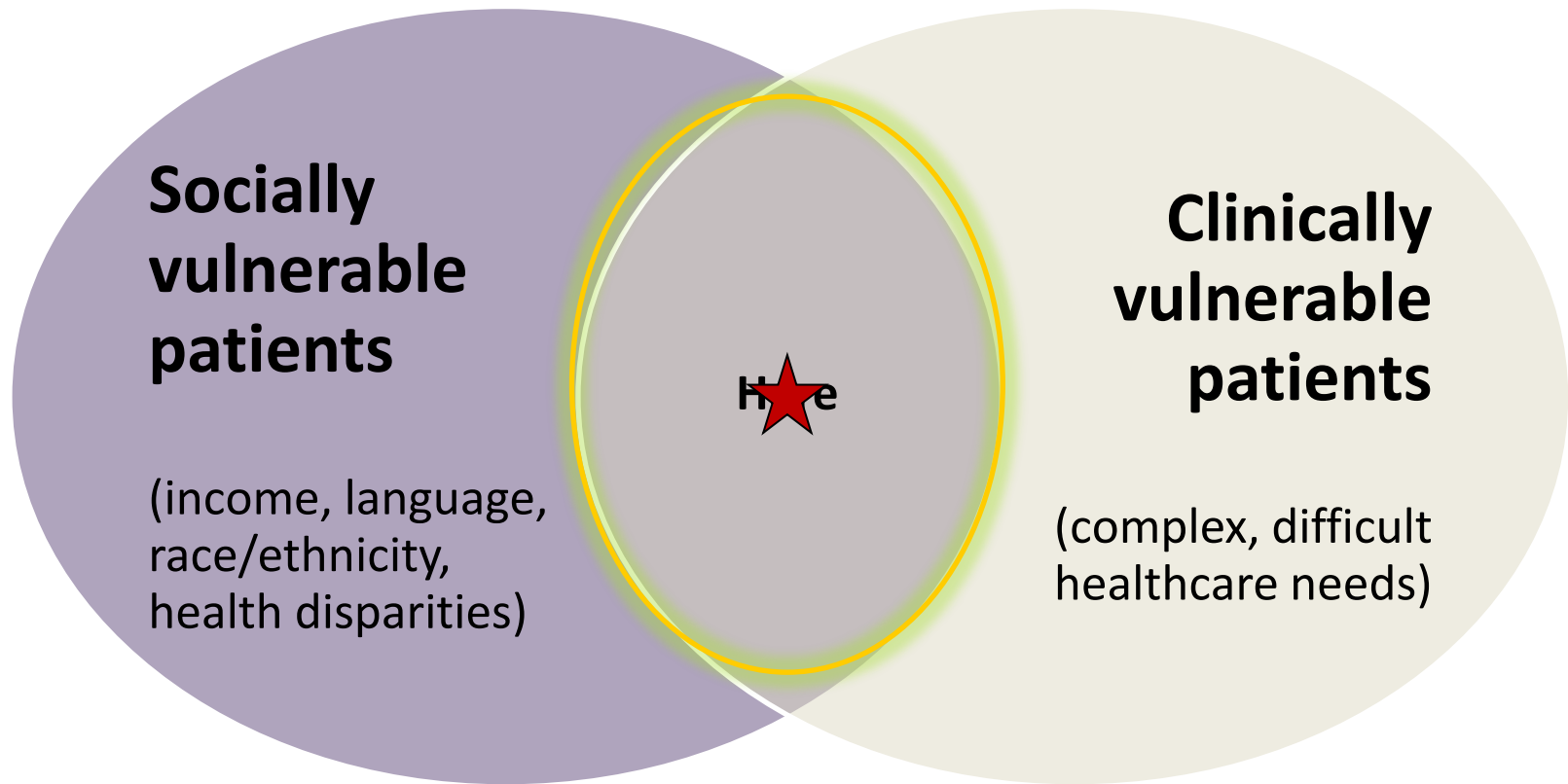
# Population Based Care

- **TACOs: Totally Accountable Care Organizations**
- Jeffrey Brenner
- Care managed 1% of 100,000 people that used 30% of costs





# Social work - caring for complex, costly adults and children



# *Competition...*

## Think like Big Business

### **Lobbying:**

- Pharmaceutical Research & Mfrs of America  
\$22,733,400
- American Medical Assn \$22,132,000
- American Hospital Assn \$19,734,545
- AARP \$19,540,000

# Through the Lens of Managed Care

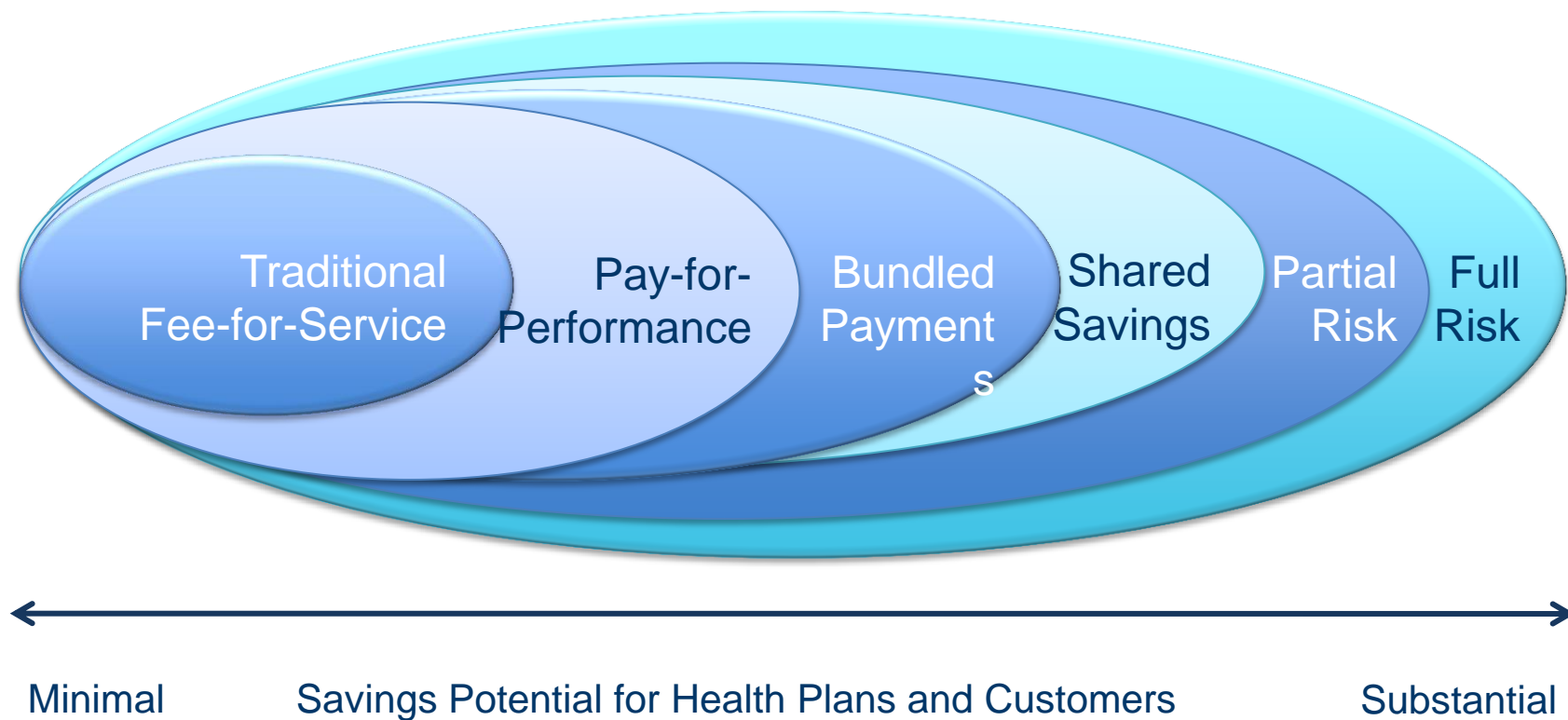
- Every group deploying some type of managed care.
- JAMA Feb'14
  - Integrated care should no savings
  - No increase in evening and weekend hours = same ER usage
  - not financial incentives – at risk - no savings



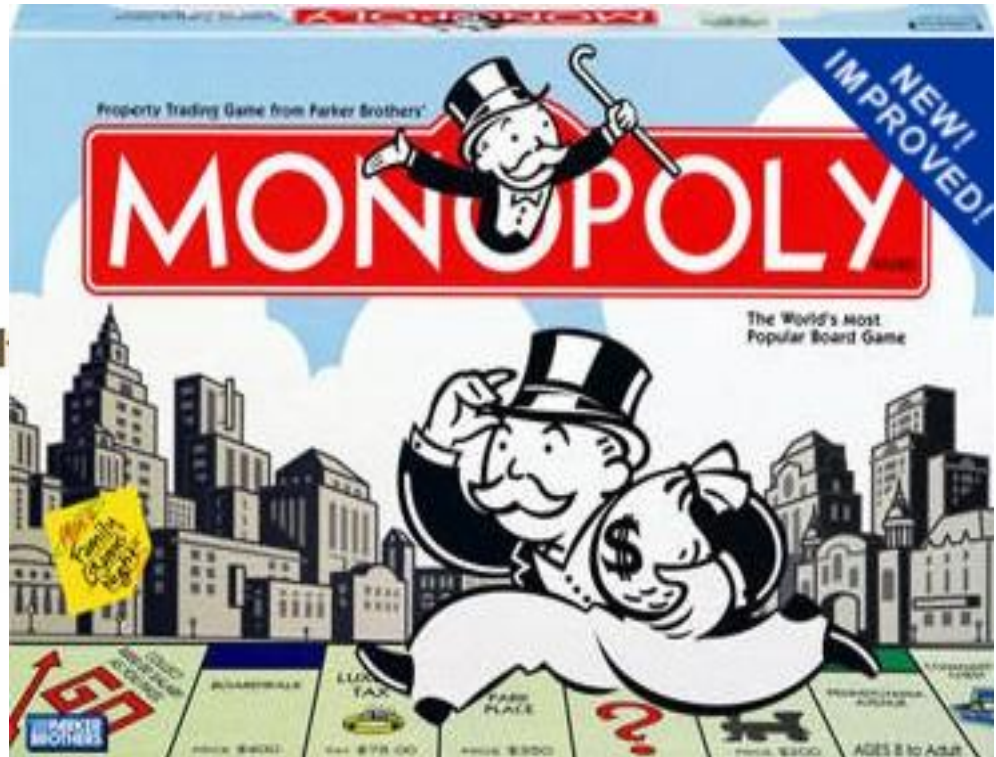
# At Risk

*Episodic Cost Accountability*

*Total Cost Accountability*



# Monopoly Economy





- **Large legacy ~~hospital~~ healthcare systems** in major acquisition mode to gain larger market share
- **Non-hospital affiliated providers** self-organizing to create ACOs.
- **Health Plans** moving horizontally and vertically through ecosystem.
- **New players** focused on economy of scale and standardization – private equity and venture capital



# Cheesecake Factory Healthcare

- Consolidation is coming
- Scale bring financial stability... survival
- Big chains thrive
- Monopoly Economy: 4 airlines - 69% travel; Walmart - 57% of all groceries; Intel - 85% of micro processing chips; and now 75% physicians are employees
- 70-80% of Behavioral Health Disorders will be served in primary care clinic settings, with number of one-stops growing



*Medicine has long resisted the productivity revolutions that transformed other industries. But the new chains aim to change this.*

# Hospital



# Mental Health Center



# Integrated Care

**SAMHSA-HRSA**

# ***Center for Integrated Health Solutions***

**NATIONAL COUNCIL**  
FOR BEHAVIORAL HEALTH  
MENTAL HEALTH FIRST AID



# Integrated Care Skills

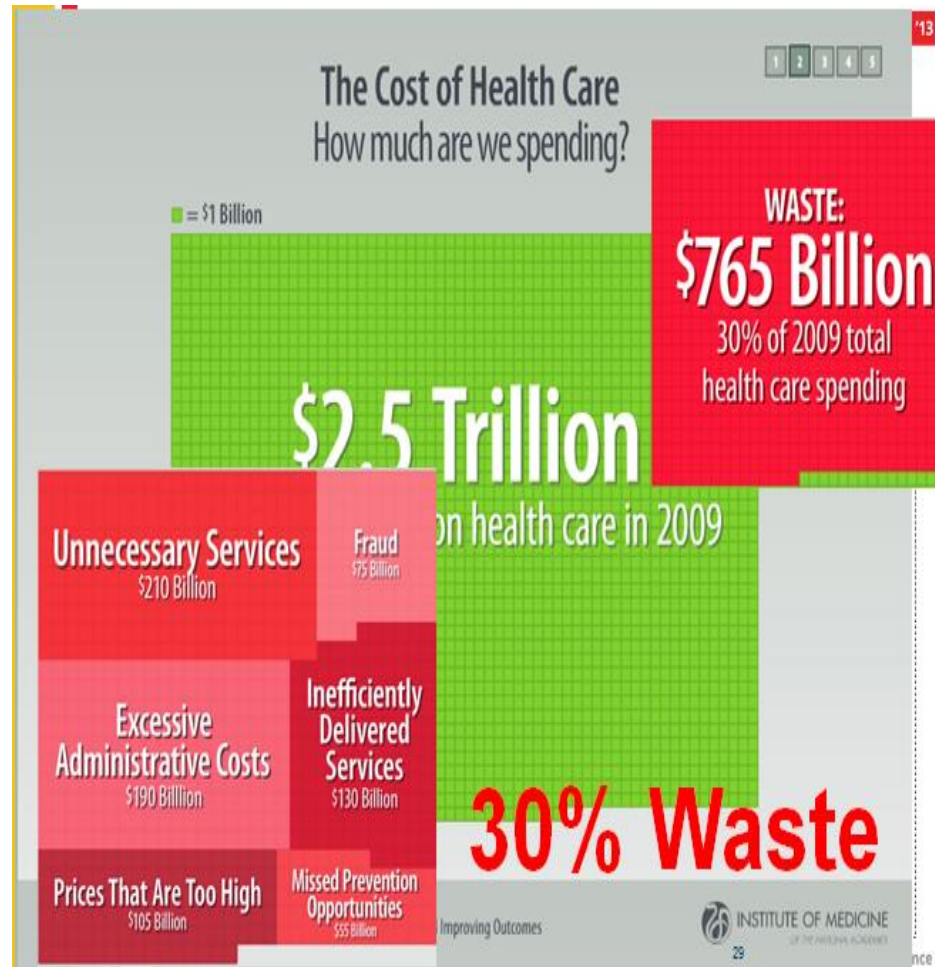
- *Psychiatrist Curriculum*
- *Case Managers to Care Managers*
- ***Integrated Healthcare Curriculum and Field Placements for Schools of Social Works:***  
**Prepare MSW students/organizations/and field instructors for practice focused on integrative primary/behavioral health care**
- *Whole Health Action Management (WHAM)*





# *Demand for Impact...*

*“Accountable for the experience, the quality and the cost.”*



# Competitive Advantage

## **Product Leadership**

unique customer benefits

## **Customer Intimacy**

patient and payer relationship

## **Operational Excellence**

efficiency and effectiveness

*Treacy and Wiersema*

# World Class Customer Service

**Think Amazon, Nordstrom, Starbucks, Apple, and UPS.**

- **Accessible**
- **Provides a personal touch**
- **Resolves problems well.**



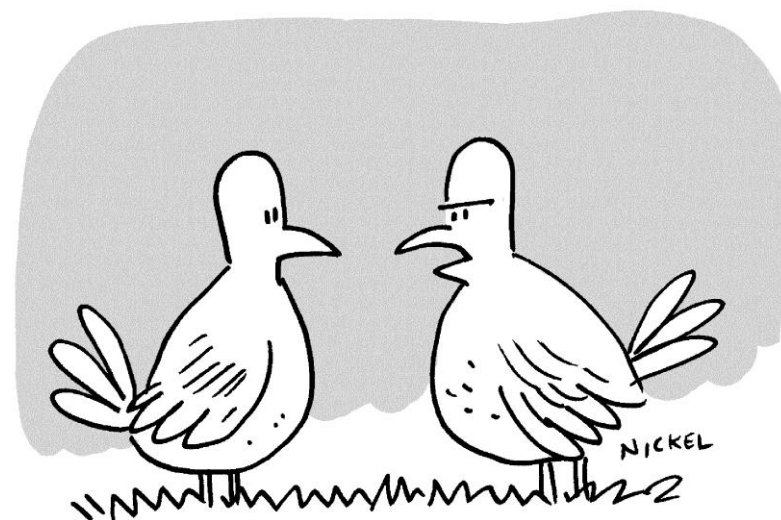
# Brand Recognition



# Social Media



Email me -  
[Lindar@thenationalcouncil.org](mailto:Lindar@thenationalcouncil.org)



"We were tweeting long before it was cool."





# Outcomes-Based

- Transparent
- Measured
- Standardized
- Benchmarks



*SPQM Dashboards  
DLA 20*

## *Shift to:*

- Integrated Care Models
- “Shared Risk/Savings” model based on a bundled payments for episode of care from “volume of services” revenue model
- Competition for customers – payers and patients
- Transparency
- Standardization of treatment, use of instruments to measure progress and outcomes
- Primary focus on agency brand from focus on individuals with a secondary focus on the agency

# Historical Leadership Challenges

“System Noise” that required leadership to focus energy on the internal challenges over and over again... This historical focus on the internal systems was more workable when the external healthcare environment was not changing at a rapid pace...

However, NOW...

## Harvard Business Review: Cross-cultural Communication

*“Talking a different language with unfamiliar colleagues”*



# *Leadership...*

*Fred Kofman “Conscious Business: How to Build Value Through Values”*

*... authentic communication, impeccable commitments, being a player not a victim, and taking responsibility.*

- National Council Middle Management Academy
- Emerging Leaders and Health Disparities
- Executive Leadership/Coaching/Seasoned Leaders





# Wisdom of CEOs

- Passionately curious – alert and engaged
- Battle hardened confidence – ownership and perseverance
- Team smarts – understands people
- Simple mind set – connect the dots for new opportunities
- Fearless – surprising career moves building new skills

*Adam Bryant*



# Leadership teams

- Vulnerability-based trust
- Healthy conflict
- Unwavering commitment to the decision
- Unapologetic accountability
- Collective orientation to results

Patrick Lencioni



# New Partners

**Payers**

**Health systems**

**Private Equity - Entrepreneurs & Investors**

Eager to tap \$2.6 trillion healthcare economy

- Fix impossibly inefficient & bureaucratic system
- Boost transparency and communication

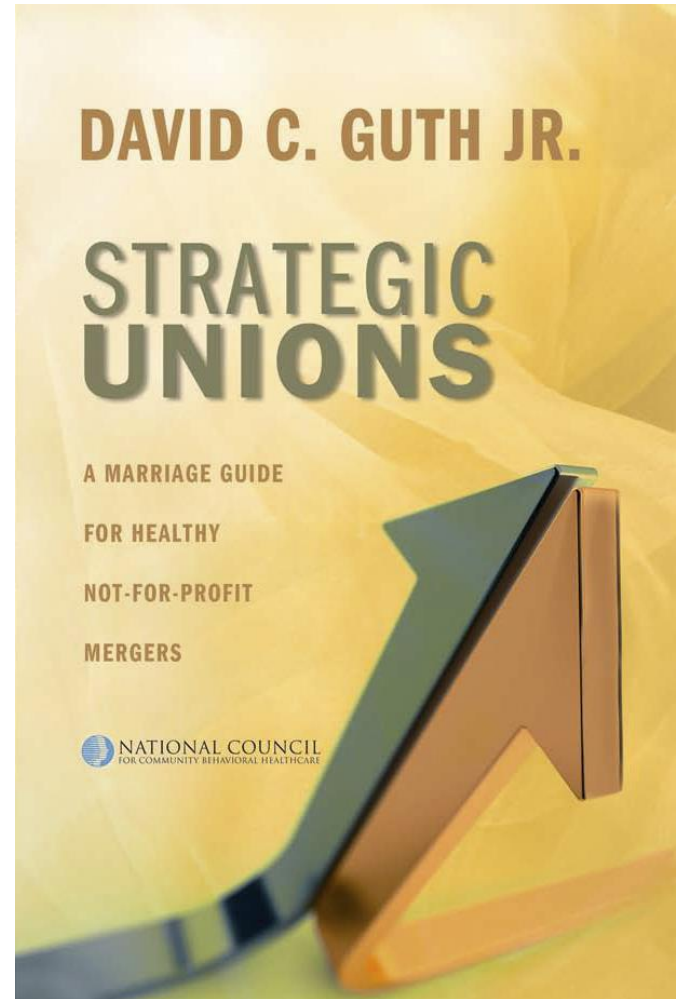
**Outsource Administrative Functions**

**Contracted Management Services**

# Mergers

“We all know that times of dramatic change are times of enormous risk and tremendous opportunity. We also understand that in times of change, standing still places you at risk.”

David Guth  
National Council Consultant,  
**Mergers and Affiliations**



# The Excellence Act



The **Excellence in Mental Health Act** establishes a two-year eight state Medicaid demonstration project. Participating states will receive 90% FMAP for the range of health services including primary care screening, mental health, substance use, and crisis services delivered by Certified Community Behavioral Health Clinics. And the Act sets new standards and establishes prospective payments for the designated behavioral health organizations.



# *Technology...*



Leaders that  
understand the  
future rests on  
technology...

# Behavioral Health IT Act (S. 1517/H.R. 2957)

- Extends federal health IT incentive payments to community mental health and addiction treatment facilities



Rep. Tim Murphy, R-PA



Sen. Sheldon Whitehouse, D-RI

# IT More Than an EHR – new perspectives on workforce



# Online Learning



Exploring the new frontiers of technology.



New skills, new mandates, new ideas @ the desks of your workforce.

## STRATEGIC PARTNERSHIPS

RELIAS | LEARNING

Home of *Essential Learning* and *Silverchair Learning Systems*

USC School  
of Social Work





# The Smartphone Era





# Healthcare in the Palm of Our Hands

*The eHealth revolution – self management tools*

- REACH
- CareSpeak
- MyStrength
- ACHES
- Big White Wall



# Remote Monitoring

*Cut costs by 197 billion over next 25 years*



- Global Medical Alert
- GingerIO
- Health Buddy



NATIONAL COUNCIL FOR BEHAVIORAL HEALTH  
**CONFERENCE '14**  
STATE ASSOCIATIONS OF ADDICTION SERVICES



# Any questions?

