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
American Healthcare
750,000 staff serving 8 million adults, children, and families with mental illness and substance use disorders…

2147 Behavioral Health Organizations
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

- Insurance Reform
- Coverage Expansion
- Delivery System Redesign
- Payment Reform

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Coverage is Expanding

56% Employer-Sponsored Insurance
18% Uninsured
20% Medicaid*
6% Private Non-Group

266 M Nonelderly

Federal Poverty Level

- 10% 400%+
- 37% 139-399% (Subsidies)
- 54% <139% (Medicaid)

49.1 M Uninsured

* Medicaid also includes other public programs: CHIP, other state programs, Medicare and military-related coverage. The federal poverty level for a family of three in 2012 is $19,090. Numbers may not add to 100 due to rounding.

SOURCE: KCMU/Urban Institute analysis of 2011 ASEC Supplement to the CPS.
Medicaid Expanding

Experimentation…Redesign

- 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

The New Yorker
Testing, Testing
The health-care bill has no master plan for curbing costs. Is that a bad thing?
by Atul Gawande
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

- People with medical conditions: 58% of adult population
- People with mental disorders: 25% of adult population
- 68% of adults with mental disorders have medical conditions
- 29% of adults with medical conditions have mental disorders

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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
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 4th – 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

| 25 to 31 MILLION Americans currently receive healthcare through ACOs | 2.4 MM in Medicare ACOs | ![2.4 MM in Medicare ACOs](image)
| 15MM non-Medicare patients of Medicare ACOs | ![15MM non-Medicare patients of Medicare ACOs](image)
| 8 to 14 MM Patients of non-Medicare ACOs | ![8 to 14 MM Patients of non-Medicare ACOs](image)

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

Socially vulnerable patients
(income, language, race/ethnicity, health disparities)

Clinically vulnerable patients
(complex, difficult healthcare needs)
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**

- Traditional Fee-for-Service
- Pay-for-Performance
- Bundled Payments
- Shared Savings
- Partial Risk
- Full Risk

**Total Cost Accountability**

- Minimal Savings Potential for Health Plans and Customers
- Substantial

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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
Hospital

Mental Health Center

Integrated Care
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
Email me - 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

Presented By:
David Lloyd, Founder
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.
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
HIT More Than an EHR – new perspectives on workforce
Exploring the new frontiers of technology.

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

STRATEGIC PARTNERSHIPS

RELIAS LEARNING

USC School of Social Work

Home of Essential Learning and Silverchair Learning Systems
Healthcare in the Palm of Our Hands

The eHealth revolution – self management tools

• REACH
• CareSpeak
• MyStrength
• ACHESS
• Big White Wall
Remote Monitoring

Cut costs by 197 billion over next 25 years

- Global Medical Alert
- GingerIO
- Health Buddy
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CONFERENCE '14

STATE ASSOCIATIONS OF ADDICTION SERVICES
Any questions?