Using outcomes-based payment for behavioral health services: Lessons learned from Oakland Community Health Network's experience

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Oakland Community Health Network (OCHN)

- Managed Care Organization for Carve-Out Behavioral Healthcare Services in Oakland County, Michigan
  - Intellectual / Developmental Disabilities
  - Mental Illness
  - Serious Emotional Disturbance
  - Substance Use Disorders
- Quasi-Governmental Entity
- Serving 27,000 people each year

Service Model Goals

- Enhance service delivery
- Improve outcomes for people served
- Increase tracking of outcomes
- Eliminate rate variances among providers
- Increase efficiencies

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“What if we don’t change at all ...
and something magical just happens?”

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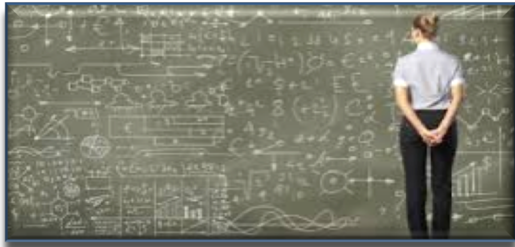
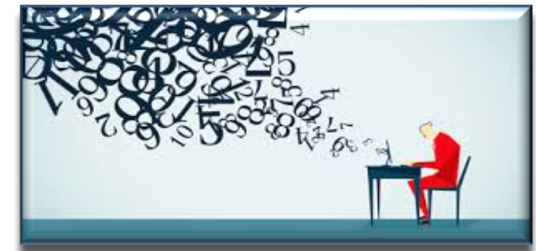
Building the Model-Provider Input / Participation





Types of Payment Methods

- Per Person / Per Month
- Rate Grouping
- Fee-for-Service
- Milestones
- Hours a person served works

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Incentive and Outcome Measurement

- Outcomes for people, service delivery, and the social determinants of health
- Baselines determined using six quarters of historical data
- Data logic is published in the service model
- Dashboards provide anytime access to
  track progress

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Performance Incentives (Service Related)

Intended to be stretch goals:

- Emergency Department Admissions
- Psychiatric In-Patient Admissions
- Psychiatric In-Patient Re-admissions

Performance Incentives (Social Determinants)

- Stable housing
- Employment
- Healthcare coordination

Outcome Measures

Intended to ensure service delivery and support outcomes for people

- Crisis Interventions
- Follow Up After a Crisis Intervention
- Adherence to OCHN clinical protocol for crisis intervention

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Employment Service Model

To increase the number of working aged adults in ***integrated employment*** at a ***competitive wage*** with supports as needed.

Definitions:

- ***Integrated Employment*:** Refers to individualized work paid directly by employers, occurring in a typical community-based work setting (elbow to elbow with workers without disabilities).

- ***Competitive Wage*:** At least minimum wage, paid directly to the person.

Services Models – Main Points

- Establishes higher rates for community-based service provision
- Address staff to person served ratios to dis-incentivize large groups
- Payment of hours worked by the person, regardless of how many face-to-face job coaching hours are received from the provider (minimum monthly check-in applies)

Hourly Wages		
Job Coach Hourly Wage		**$11.33**
Percentage FTE		100%
Total Hourly Wage		**$11.33**
Employee Related Expenses (ERE)		
Benefits Payroll Taxes Workers Comp Unemployment FICA		$5,873
Total Annual Hours this Job Coach is Employed		1950
Hourly ERE Component of Rate		$3.01
Percent of Wages		26.6%
Total Hourly Wage + ERE		**$14.34**
Administrative Overhead		
Percent Administrative Overhead		5.8%
Hourly Administration Component of Rate		$0.82
Total Hourly Wage + ERE + Administrative Overhead		**$15.17**
Productivity Assumptions		
Total Hours		7.50
Administrative Tasks (Documentation, Staff meetings) (Hours/Day)	1.50	1.5
Staff In-Service/Training (Hours/Year After First Year)	0.04	10
Holidays (Hours/Year)	0.35	90
Vacation (Hours/Year)	0.35	90
Sick (Hours/Year)	0.14	37.5
Special Emergency/Personal (Hours/Year)	0.06	15
Total Adjustments	2.44	
Average "Billable Hours" in a typical day		5.06
Productivity Adjustment		**1.4822**
Hourly Compensation After Adjustment		**$22.48**

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Competitive Employment Rates

Acuity	Phase 1 0-11 Months on the Job		Phase 2 12-24 Months on the Job		Phase 3 25 Months or more on the Job	
High	$33.34	85%	$27.45	70%	$23.53	60%
Medium	$25.49	65%	$17.65	45%	$13.73	35%
Low	$17.65	45%	$9.81	25%	$5.88	15%

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Incentives for Providers

- Increase SSI/SSDI Work Incentives Training for direct support staff by 33% - $2,500
- Not renewing 14C Subminimum Wage Certification - $2,500
- Increase in Community-Based Skill Building Services by at least 20% (or maintain 100%) - $3,500
- Increase the number of people served who are employed in Competitive, Integrated Employment -$5,000

Employment Outcomes

- 135% increase in people receiving Supported Employment Services
- Stable employment - 59% Employed for 12 months or more
- 17% transitioned to lower acuity level – fewer supports required

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Assertive Community Treatment (ACT)

- Implemented 10/1/16
- Core Provider Agencies (CPA) receive monthly case rate-based ACT staff, costs, and caseloads
- Monitoring model fidelity, outcomes, and costs

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Assertive Community Treatment and Target Case Management

- Funding:
  - Bundled Code based on team composition
  - Ancillary services based on service groupings
  - Enhanced Rates provided for Evidence-Based Practices

ACT Rate Development

- 2% profit cap on service model
- Incentives are separate from profit cap

In order to ensure fiscal responsibility and the wise use of public funding, there will be a 2% profit cap placed on the ACT funding model outside of incentives. This will be measured during cost settlement based on all allowable expenses (per contract language and costing instructions) against revenue paid in the ACT Program Model payment process during the Fiscal Year.

Position	FTE	Average Rate/hr	COST/YR
CASE MANAGER	1	21.78	$45,302.40
PSYCHIATRIST	0.3125	92.16	$59,904.00
TEAM LEADER	1	29.78	$61,942.40
NURSE	1	34.07	$70,865.60
SA SPECIALIST	1	21.49	$44,699.20
CPSS	1	18.52	$38,521.60
HSG SPECIALIST	DUAL ROLE		
		salary/TEAM	$321,235.20
		benefits at 34%	$109,219.97
		overhead/super/admin at 45% OF TOTAL	$352,190.59
		TOTAL	$782,645.76
		COST/PERSON/YEAR	$15,652.92
		COST/PERSON/MONTH	$1,304.41
		AVG FY15 COST/MONTH	$1,525.00
		VARIANCE	-$220.59

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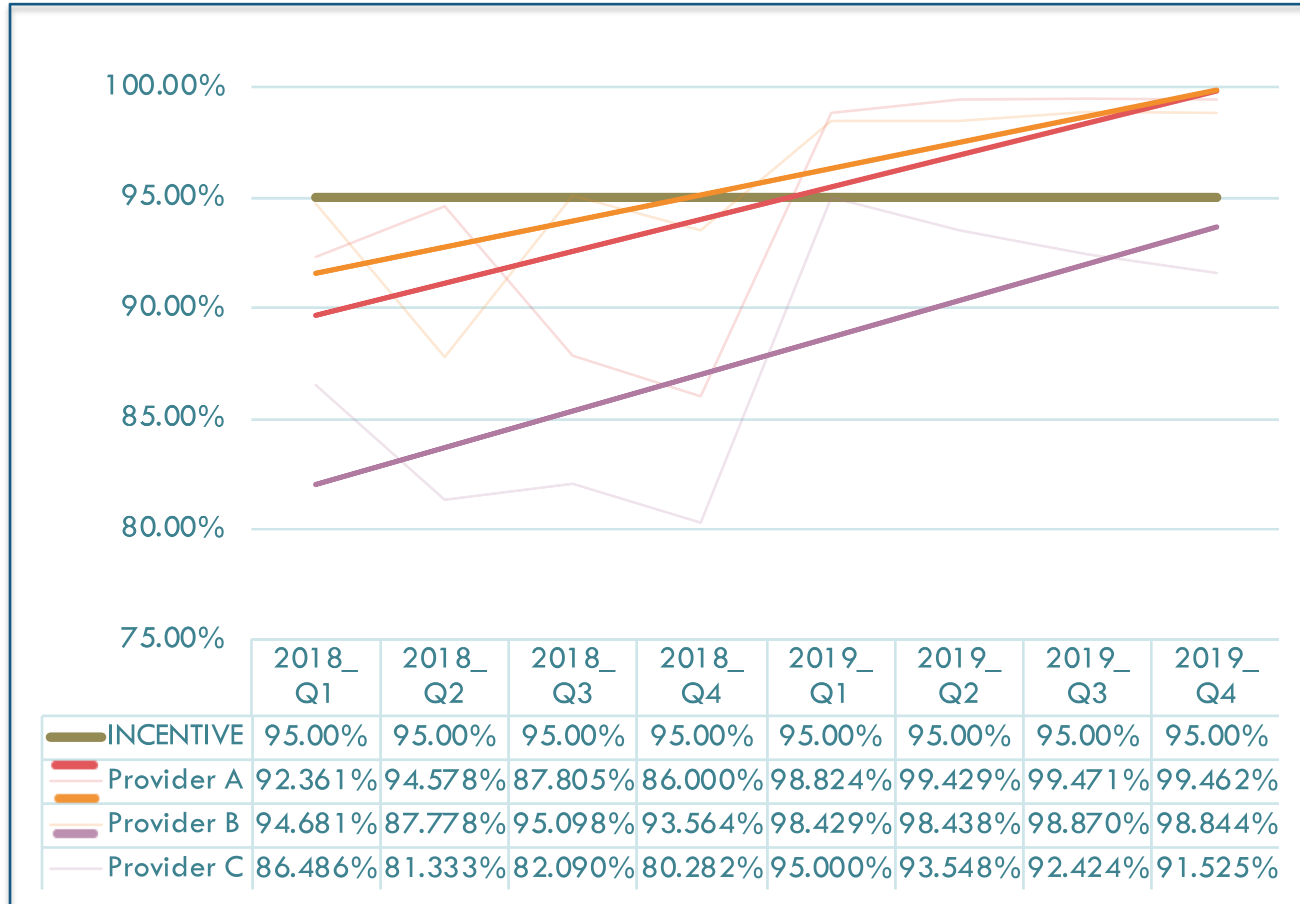
ACT Cost Analysis

Fiscal Year (FY)	PMPM	Change from FY16
16	$1,311.16	
17	$1,300.81	-1%
18	$1,267.65	-3%
19	$1,275.27	-3%

Assertive Community Treatment: Healthcare Coordination



	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4
INCENTIVE	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
Provider A	92.361%	94.578%	87.805%	86.000%	98.824%	99.429%	99.471%	99.462%
Provider B	94.681%	87.778%	95.098%	93.564%	98.429%	98.438%	98.870%	98.844%
Provider C	86.486%	81.333%	82.090%	80.282%	95.000%	93.548%	92.424%	91.525%

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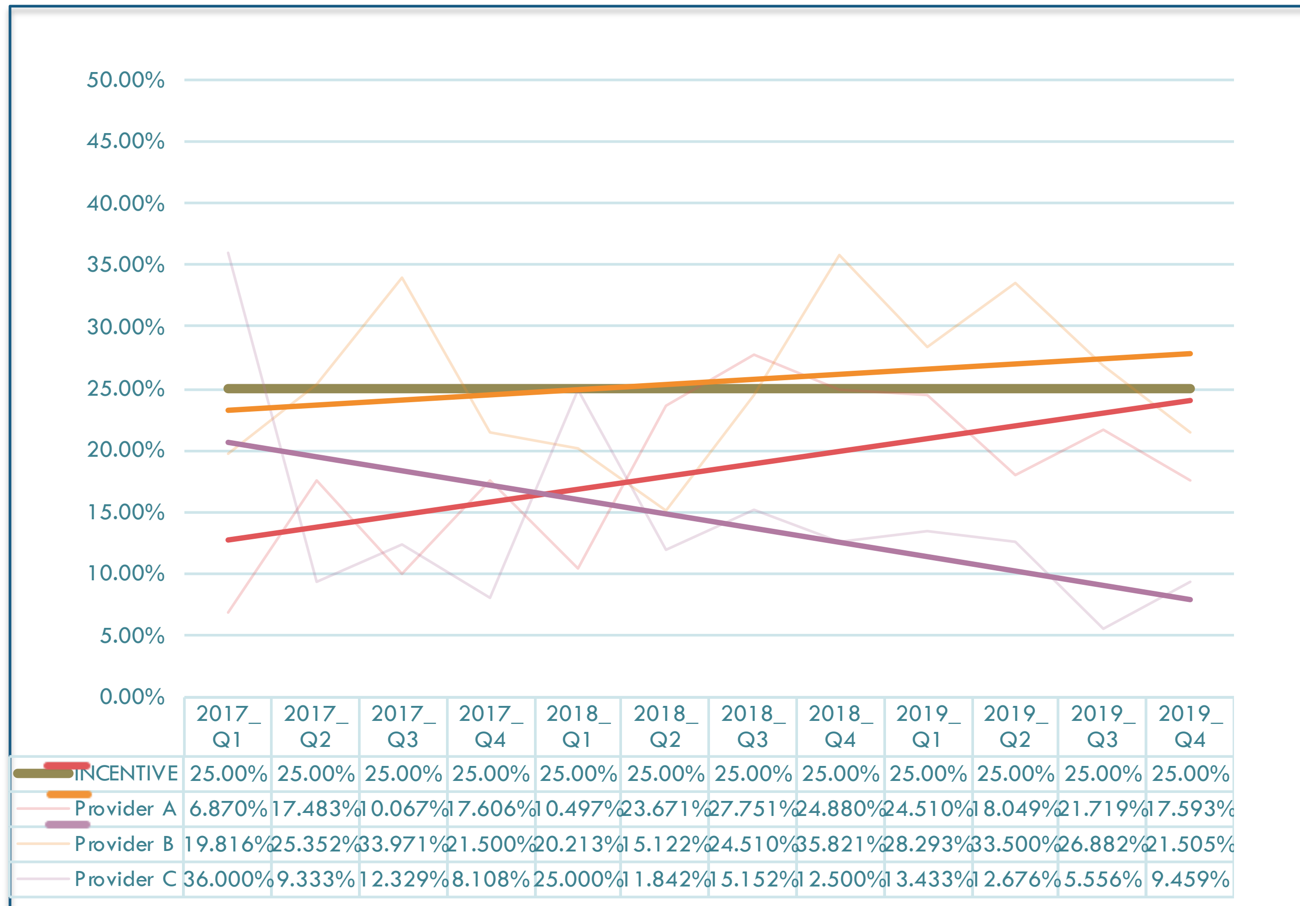
Assertive Community Treatment: Crisis Contacts



	2017_ Q1	2017_ Q2	2017_ Q3	2017_ Q4	2018_ Q1	2018_ Q2	2018_ Q3	2018_ Q4	2019_ Q1	2019_ Q2	2019_ Q3	2019_ Q4
INCENTIVE	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Provider A	6.870%	17.483%	10.067%	17.606%	10.497%	23.671%	27.751%	24.880%	24.510%	18.049%	21.719%	17.593%
Provider B	19.816%	25.352%	33.971%	21.500%	20.213%	15.122%	24.510%	35.821%	28.293%	33.500%	26.882%	21.505%
Provider C	36.000%	9.333%	12.329%	8.108%	25.000%	11.842%	15.152%	12.500%	13.433%	12.676%	5.556%	9.459%

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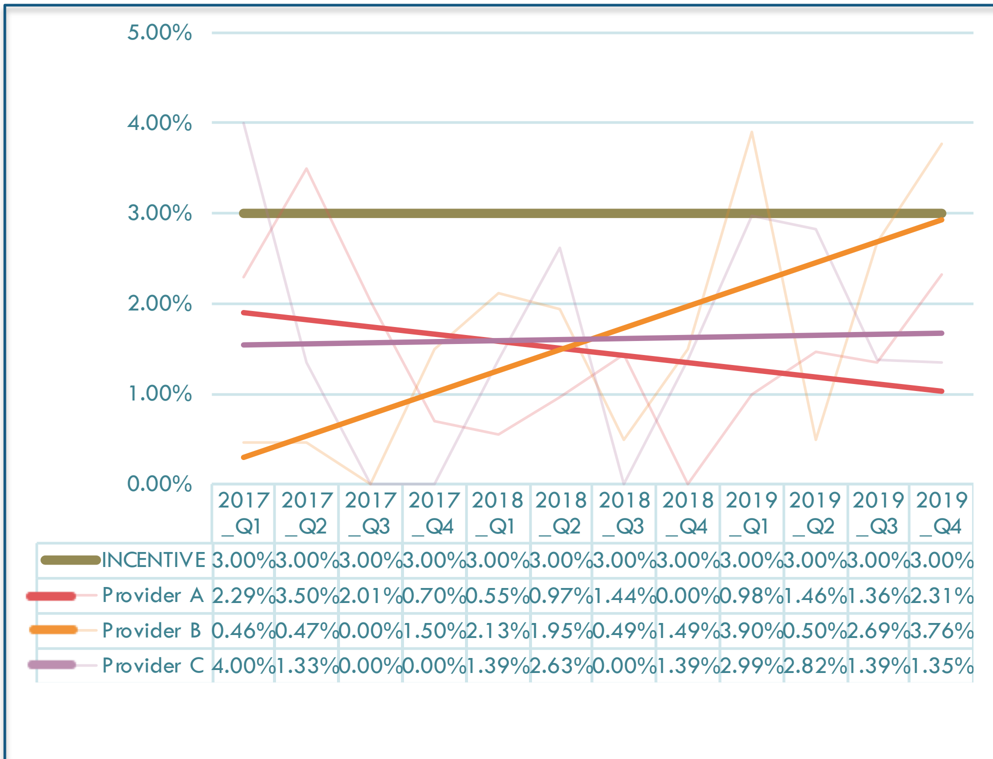
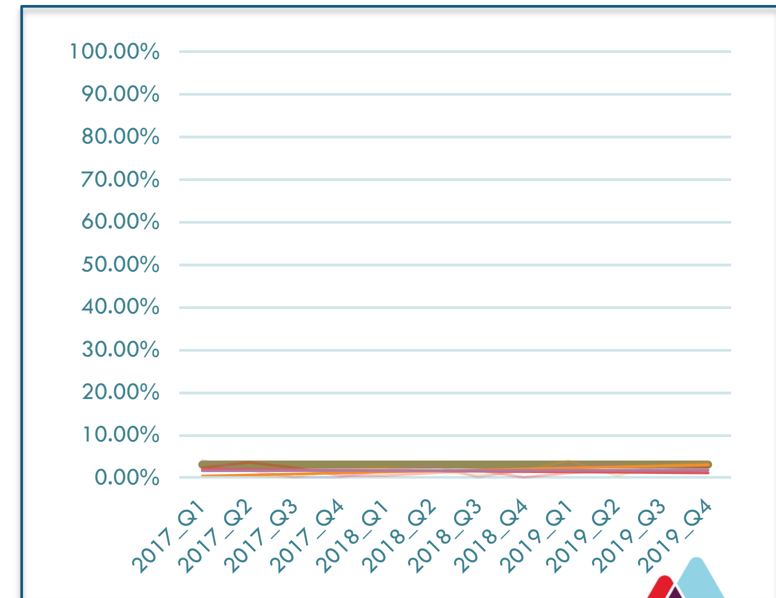
Assertive Community Treatment: Impatient Readmissions



	2017 _Q1	2017 _Q2	2017 _Q3	2017 _Q4	2018 _Q1	2018 _Q2	2018 _Q3	2018 _Q4	2019 _Q1	2019 _Q2	2019 _Q3	2019 _Q4
INCENTIVE	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Provider A	2.29%	3.50%	2.01%	0.70%	0.55%	0.97%	1.44%	0.00%	0.98%	1.46%	1.36%	2.31%
Provider B	0.46%	0.47%	0.00%	1.50%	2.13%	1.95%	0.49%	1.49%	3.90%	0.50%	2.69%	3.76%
Provider C	4.00%	1.33%	0.00%	0.00%	1.39%	2.63%	0.00%	1.39%	2.99%	2.82%	1.39%	1.35%



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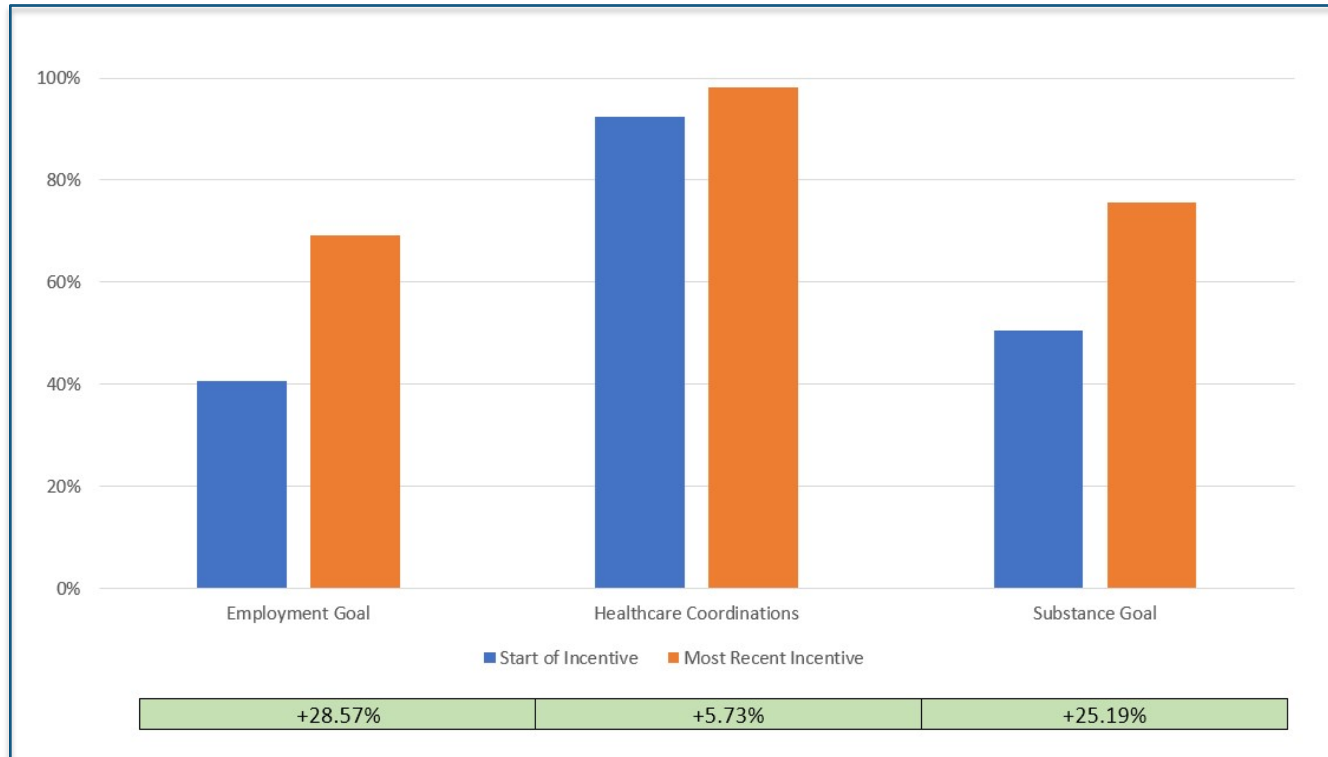
Change Statistics for Assertive Community Treatment



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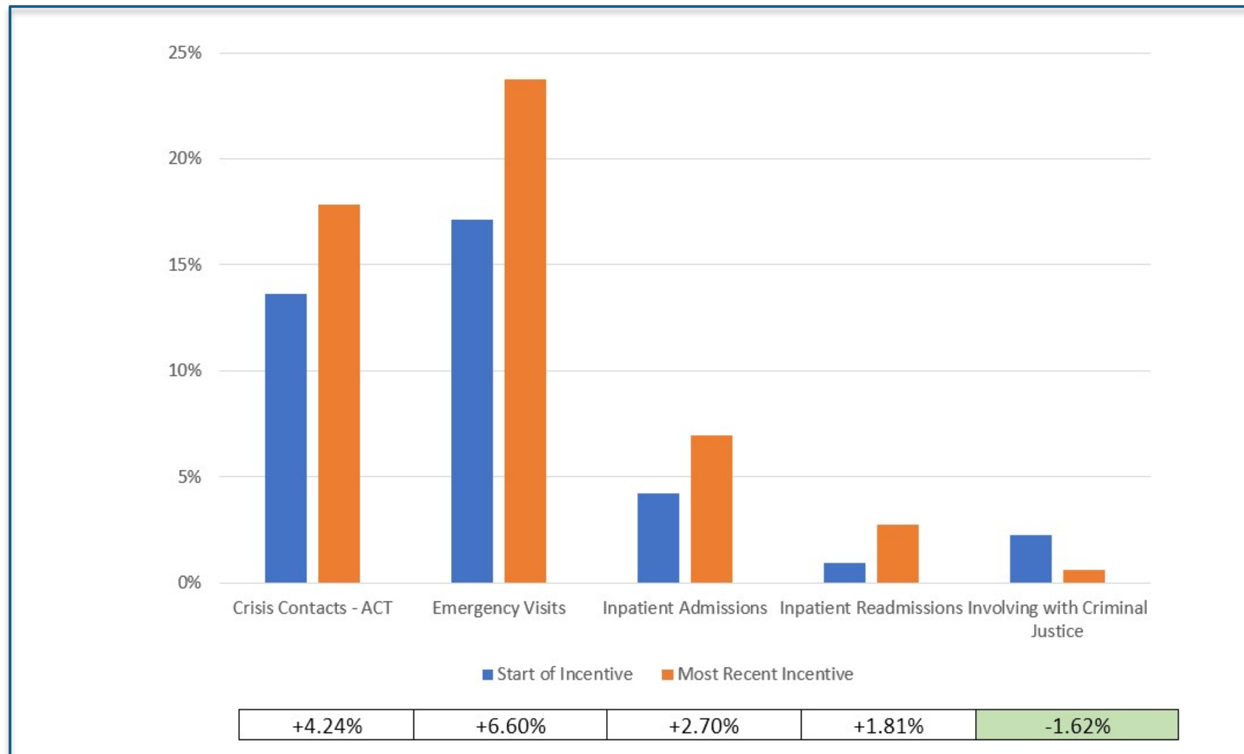

+4.24%	+6.60%	+2.70%	+1.81%	-1.62%

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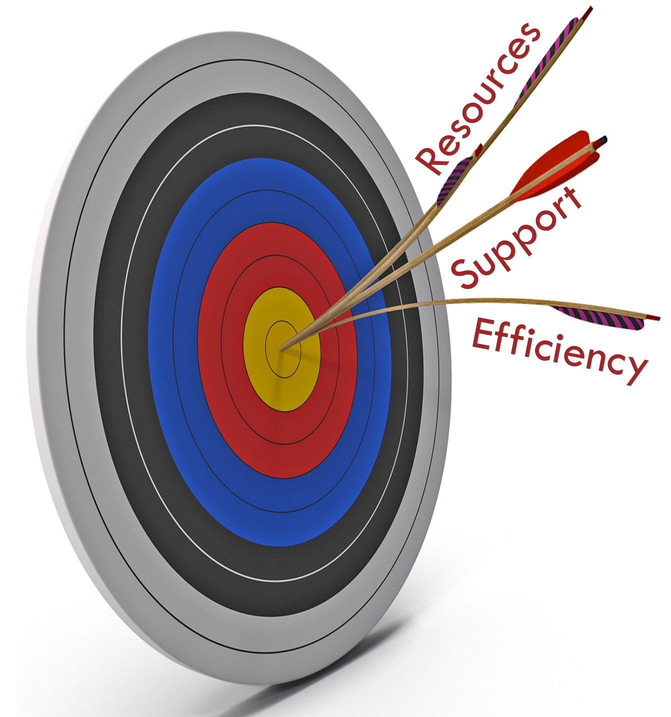
Targeted Case Management (TCM)

- Implemented - 10/1/17
- Monthly case rate for service groups
- Therapy services paid per occurrence with an enhanced rate for Evidence Based Practices (EBP) supported by OCHN



Targeted Case Management Rate Development

EFFECTIVE CASE LOAD	T1017	H0031	H0032	H0001	T1001
Salary & Benefits	$56,280	$73,700	$56,280		
Overhead / Administration	50%	50%	50%		
Salary, Benefits & Administration	$112,560	$147,400	$112,560		
Caseload Size	33				
Engagement Factor	0%				
Days Per Month		21			
Assessments Per Day		5			
Face to Face			60%		
Hours Per Month			160		
Hours of Face to Face			96		
Number of Staff Required	129.5454545	3.6	3.8		
Total Staffing Cost per Month	**$14,581,636**	**$536,255**	**$426,790**		

PROVIDER COST / UNITS	T1017	H0031	H0032	H0001	T1001
Provider Cost per Person Per Month (Avg)	**$310.48**	**$305.68**	**$170.88**	**$106.55**	**$247.45**
Distinct People (Total)	8,666	3,872	3,436	505	61
Units (Total)	260,834	4,828	5,209	595	61
Provider Cost (Total)	15,926,661	1,401,839	745,372	61,269	15,095
Provider Cost per Unit (Avg)	$61	$290	$143	$103	$247
People Served Per Month (Avg)	**4,275**	**382**	**364**	**48**	**5**
Person Months (Total)	51,297	4,586	4,362	575	61
Units per Person per Month (Avg)	5.1	1.1	1.2	1.0	1.0
Units per Hour	4				
Rate per Hour	$223.86				

CASE RATE CALCULATION	T1017	H0031	H0032	H0001	T1001
Case Rate Cost per Person Month (Avg)	**$284.24**	**$116.98**	**$97.71**	**$106.55**	**$247.45**
Rate per unit	$55.96	$111.12	$81.84	$103.16	$247.45
Proportion of People Receiving Service	100.00%	8.94%	8.51%	1.12%	0.12%
Case Rate for Layering onto T1017	$284.24	$10.45	$8.32	$1.20	$0.29
Total Monthly Case Rate for T1017	**$304.50**				
Total Annual Case Rate	$15,619,987.90				
Total Annual Historic Cost	18,150,236				
Variance	-13.94%				

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Category	Episode of Care (months)	Basis for Case Rate	Codes												
Ancillary Services - Peers	1	Historical average provider cost	H0038												
Case Management	1	Caseload, Engagement factor, Staffing (34% fringes) and Historical provider cost	T1017	H0001	H0031	H0032	T1001								
Community Integration Supports	1	Historical average provider cost	H2014	H2015	H2023										
Community Living Supports - Per Diem	1	Historical average provider cost	H0043												
Housing Assistance	1	Cost settled based on expense as accrued	T2038												
Med Mgmt - Health Services	1	Historical average provider cost	99211	S9445	S9446	T1002									
Medication Management	1	Historical average provider cost	90791	90792	96372	99201	99202	99203	99204	99205	99212	99213	99214	99215
Therapy - Group	6	Historical average provider cost per unit, based on 20 units per EOC	90853	H0005											
Therapy - Individual	6	Historical average provider cost per unit, based on 20 units per EOC	90806	90832	90834	90837									
Therapy - EBP	6	Group or Individual Case Rate plus EBP Add On	G0177	H2019	H2019 TT	S5110	T1015								

TCM Cost Analysis

TCM Cost / Service	FY17 Pre-Service Model Cost	FY18 First Year Cost	FY19 Second Year Cost	from 18-19	from 17-19
TCM - average cost pmpm	$ 521.10	$ 460.48	$ 463.80	0.7%	-12.4%
TCM - average cost per readmission	$ -	$22,451.85	$ 7,695.50	-65.7%	

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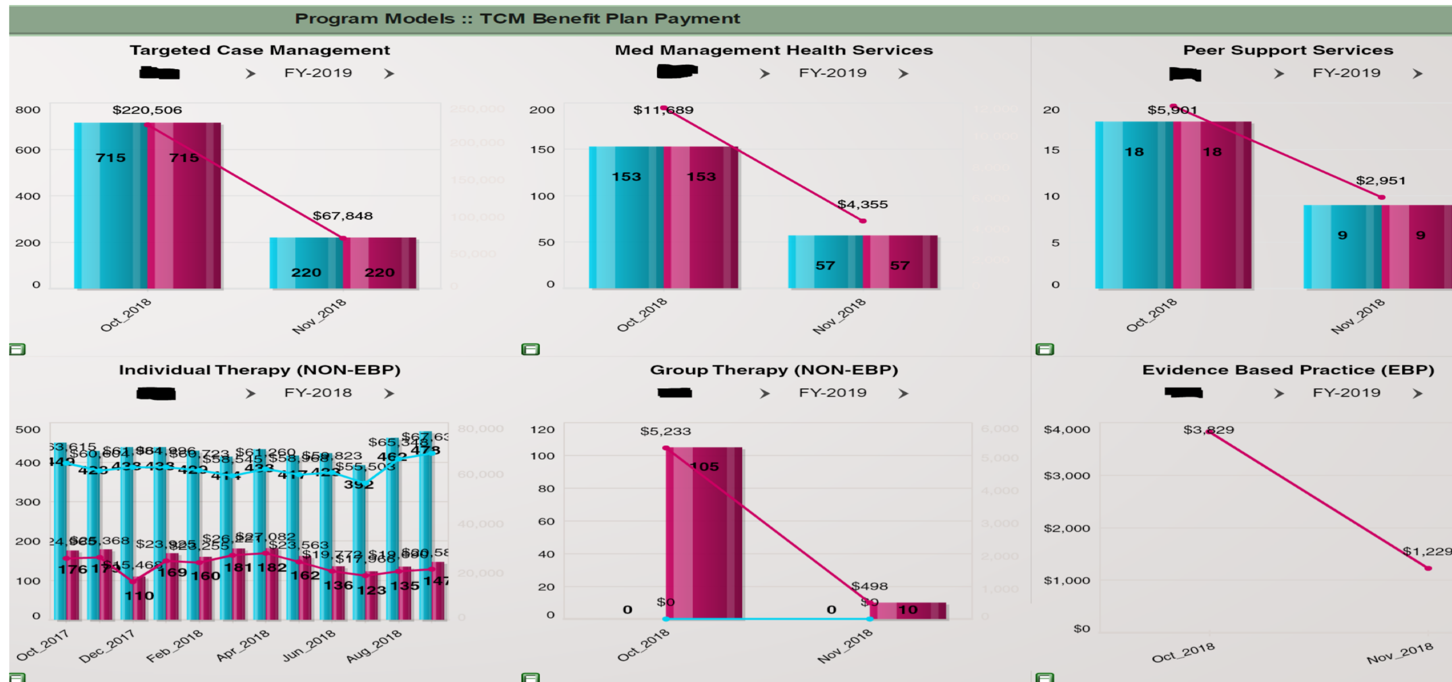
TCM Dashboard Example



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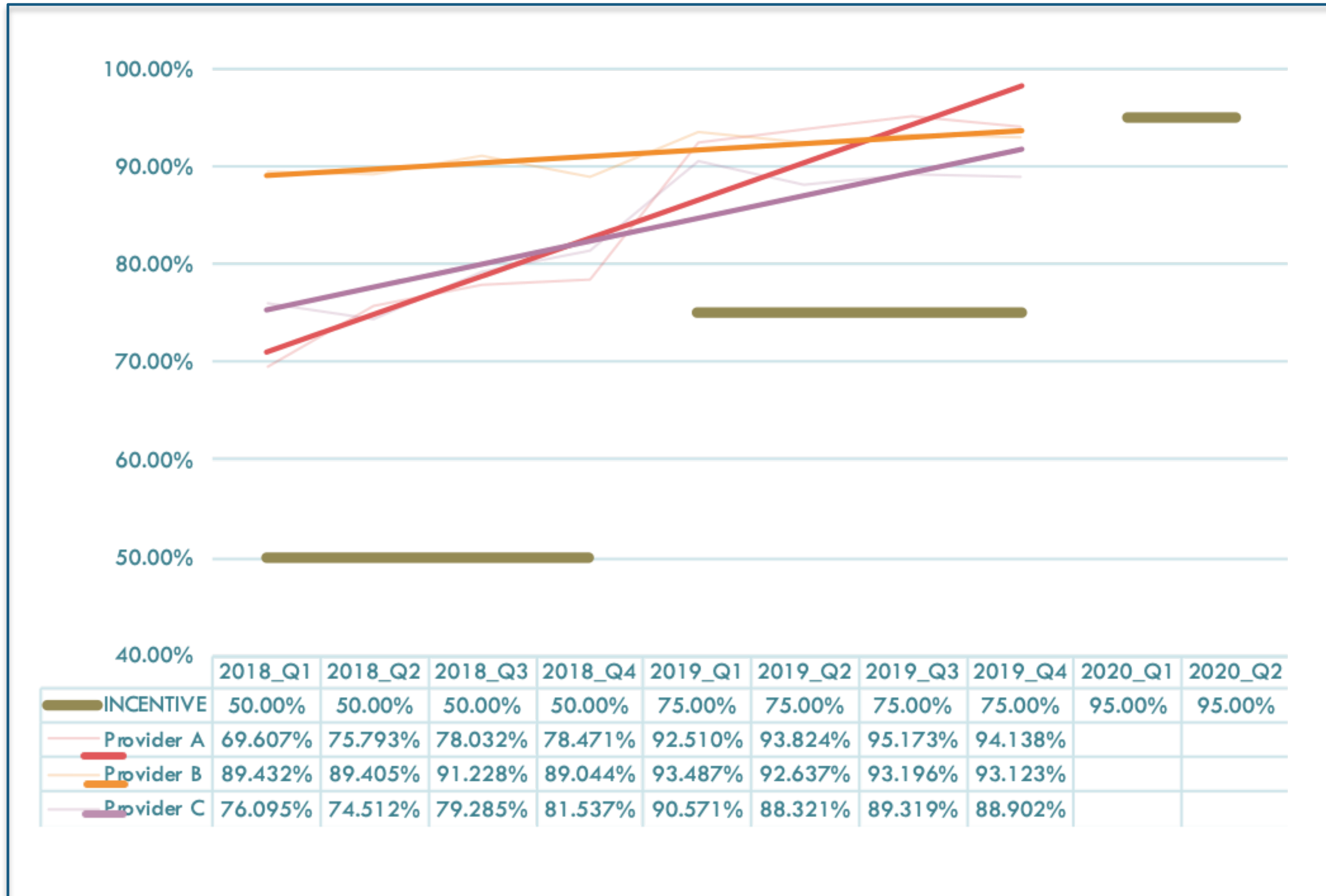
Targeted Case Management: Healthcare Coordination



	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2
INCENTIVE	50.00%	50.00%	50.00%	50.00%	75.00%	75.00%	75.00%	75.00%	95.00%	95.00%
Provider A	69.607%	75.793%	78.032%	78.471%	92.510%	93.824%	95.173%	94.138%		
Provider B	89.432%	89.405%	91.228%	89.044%	93.487%	92.637%	93.196%	93.123%		
Provider C	76.095%	74.512%	79.285%	81.537%	90.571%	88.321%	89.319%	88.902%		

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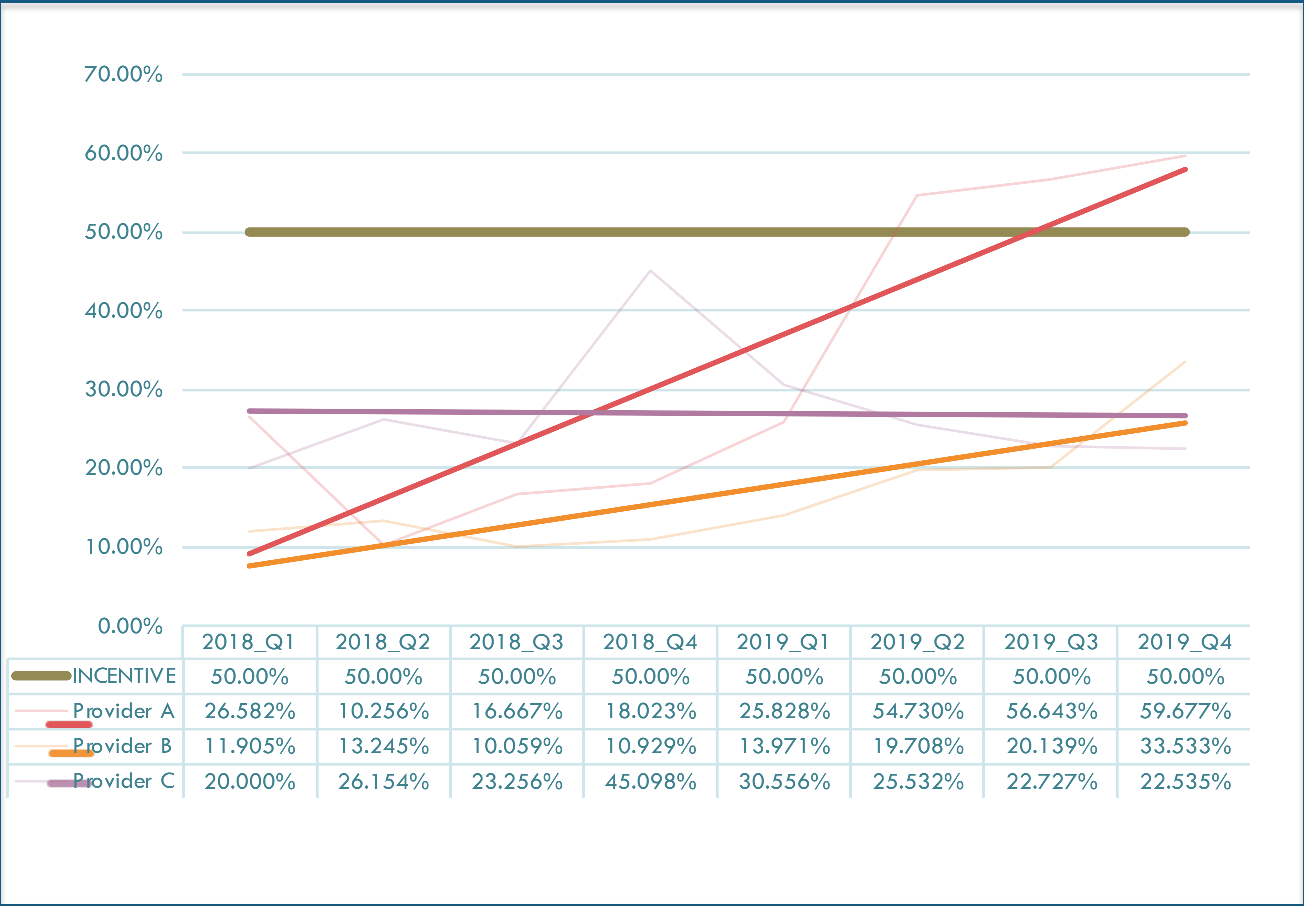
Targeted Case Management: Crisis Plan



	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4
INCENTIVE	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Provider A	26.582%	10.256%	16.667%	18.023%	25.828%	54.730%	56.643%	59.677%
Provider B	11.905%	13.245%	10.059%	10.929%	13.971%	19.708%	20.139%	33.533%
Provider C	20.000%	26.154%	23.256%	45.098%	30.556%	25.532%	22.727%	22.535%

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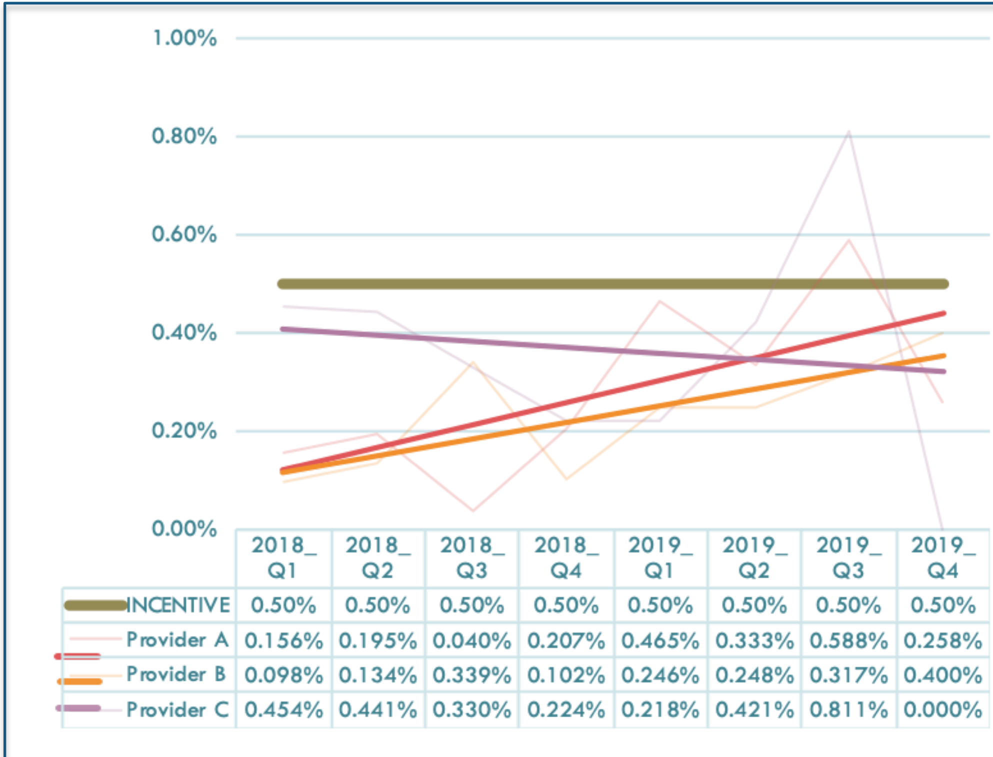
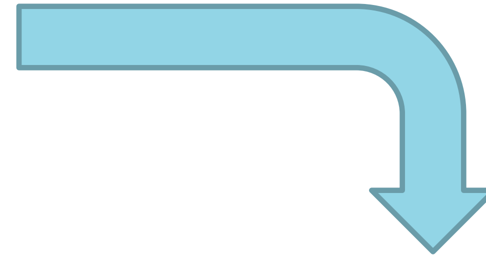
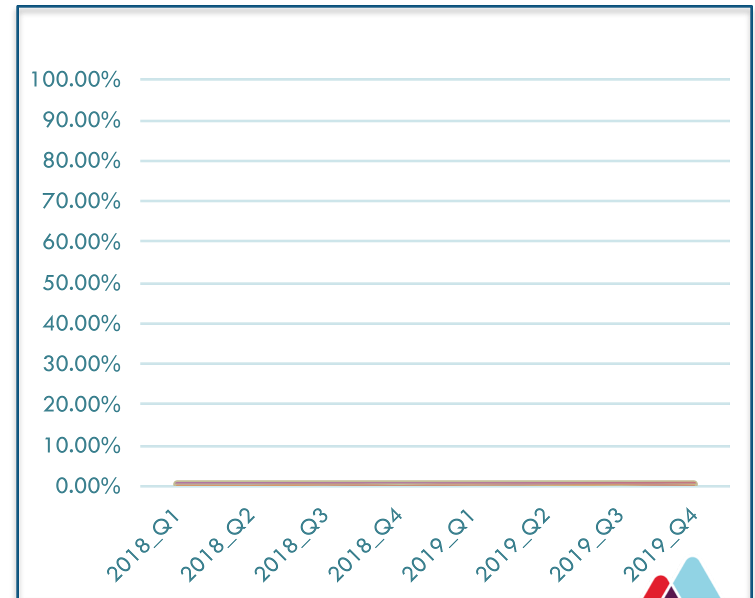
Assertive Community Treatment: Impatient Readmissions



	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4
INCENTIVE	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Provider A	0.156%	0.195%	0.040%	0.207%	0.465%	0.333%	0.588%	0.258%
Provider B	0.098%	0.134%	0.339%	0.102%	0.246%	0.248%	0.317%	0.400%
Provider C	0.454%	0.441%	0.330%	0.224%	0.218%	0.421%	0.811%	0.000%





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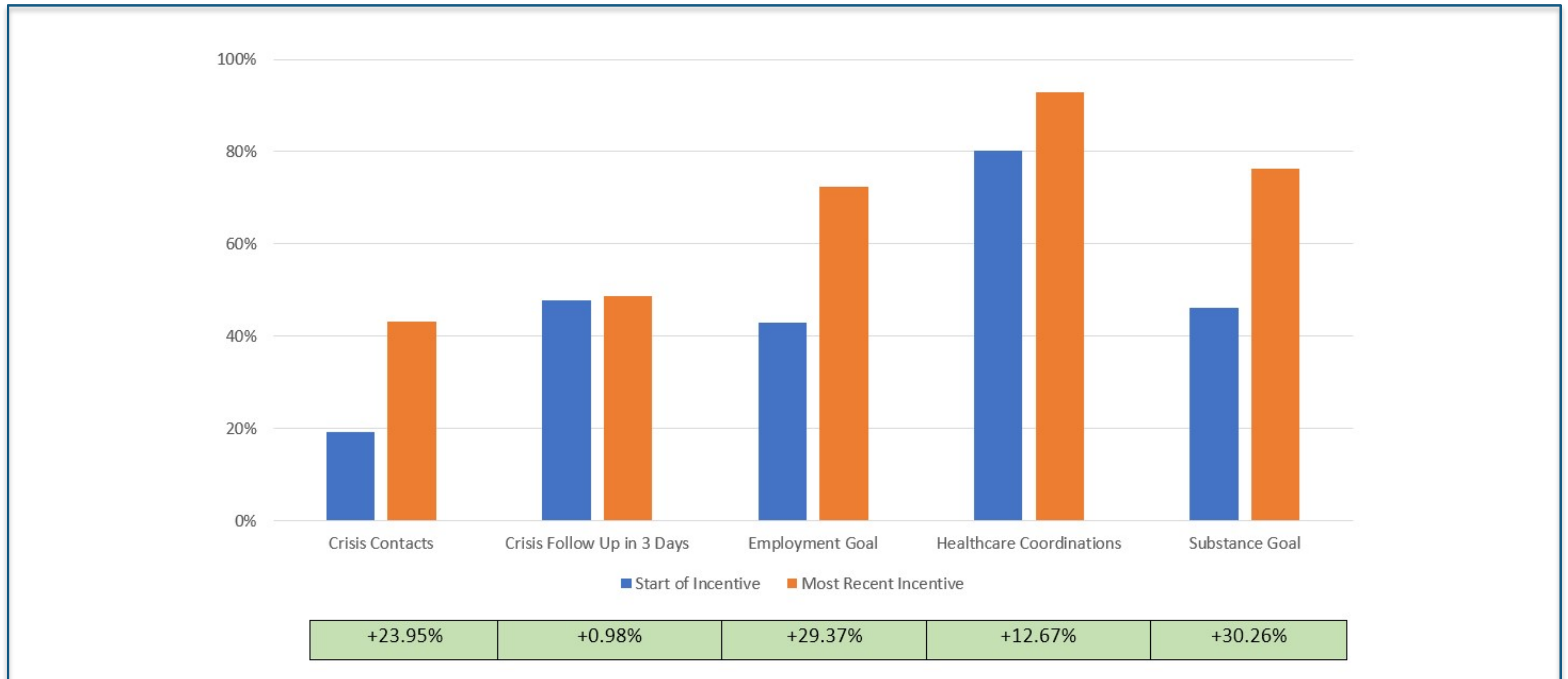
Change Statistics for Targeted Case Management



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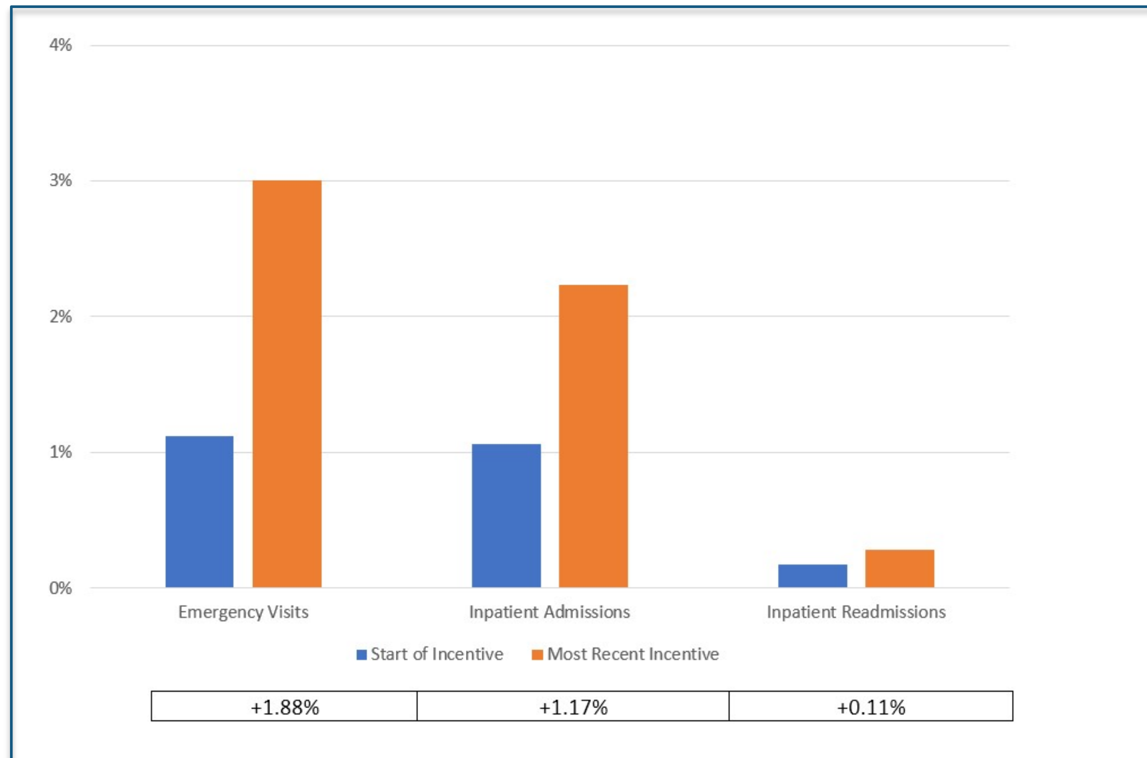

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Lessons Learned

- Communicate EARLY and OFTEN
- Logic for Incentives –Simple is best!
- Use of existing or easily created data points
- Incentives / Outcomes: Less = More

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Thank you

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