

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

Presented By:

**Anya Eliassen, MBA
Nicole M. Lawson, PhD**



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

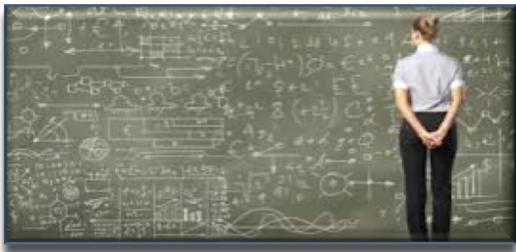
- Enhance service delivery
- Improve outcomes for people served
- Increase tracking of outcomes
- Eliminate rate variances among providers
- Increase efficiencies





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

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



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



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



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 disincentivize 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

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%

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

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



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

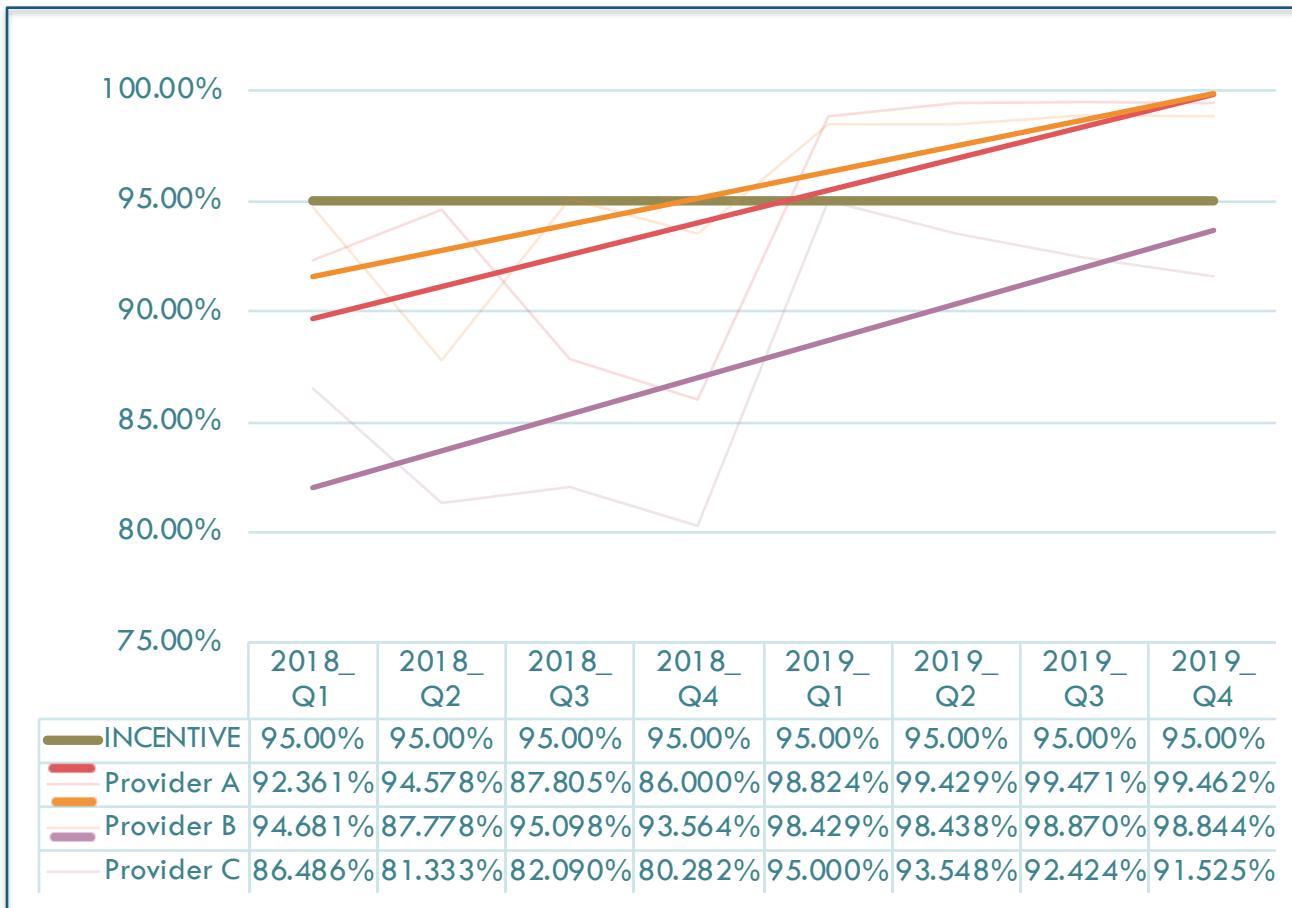
In order to ensure fiscal responsibility and the wise use of public funding, there will be a 2% profit cap placed on the ACT funding model outside of incentives. This will be measured during cost settlement based on all allowable expenses (per contract language and costing instructions) against revenue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

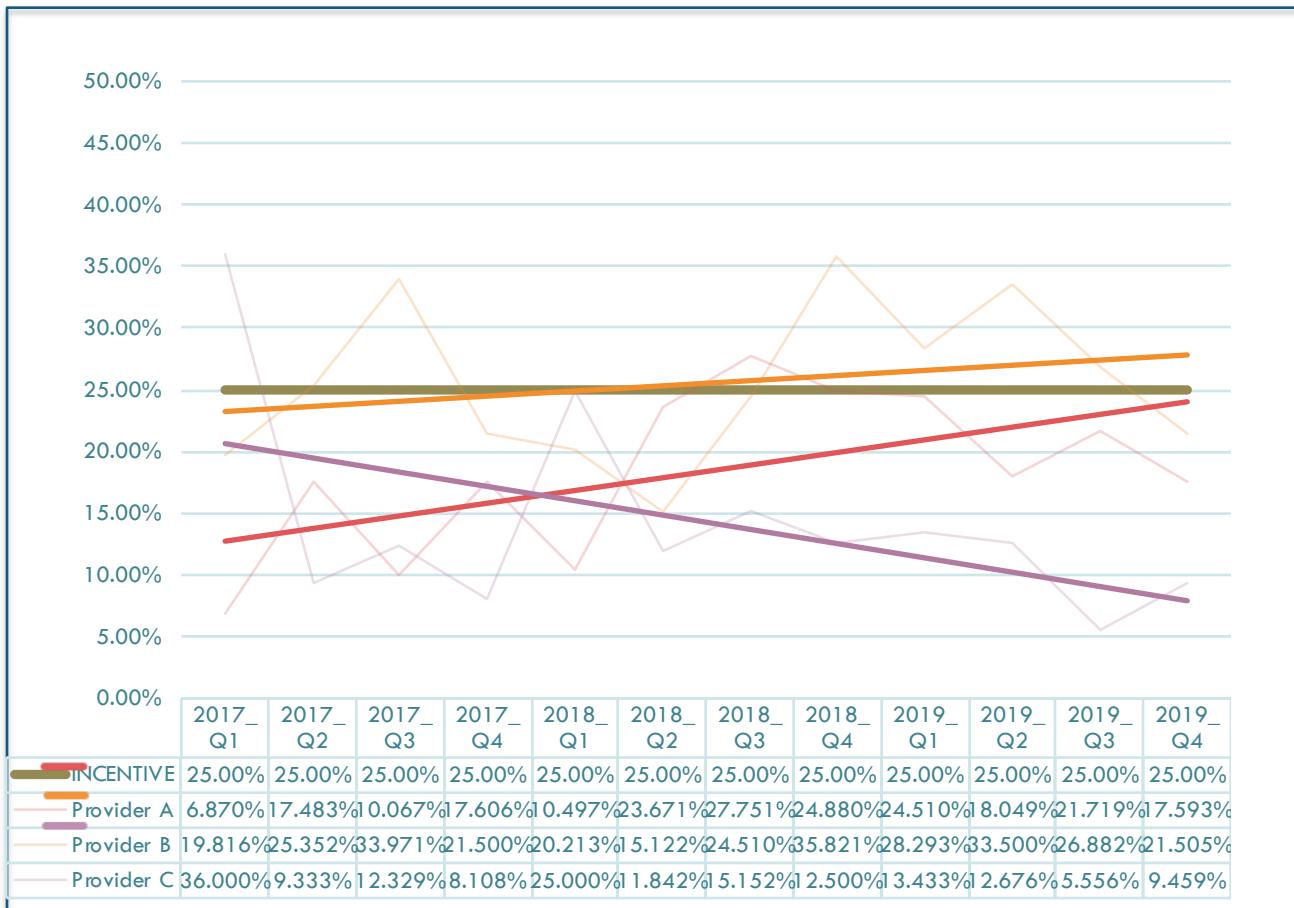
ACT Cost Analysis

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

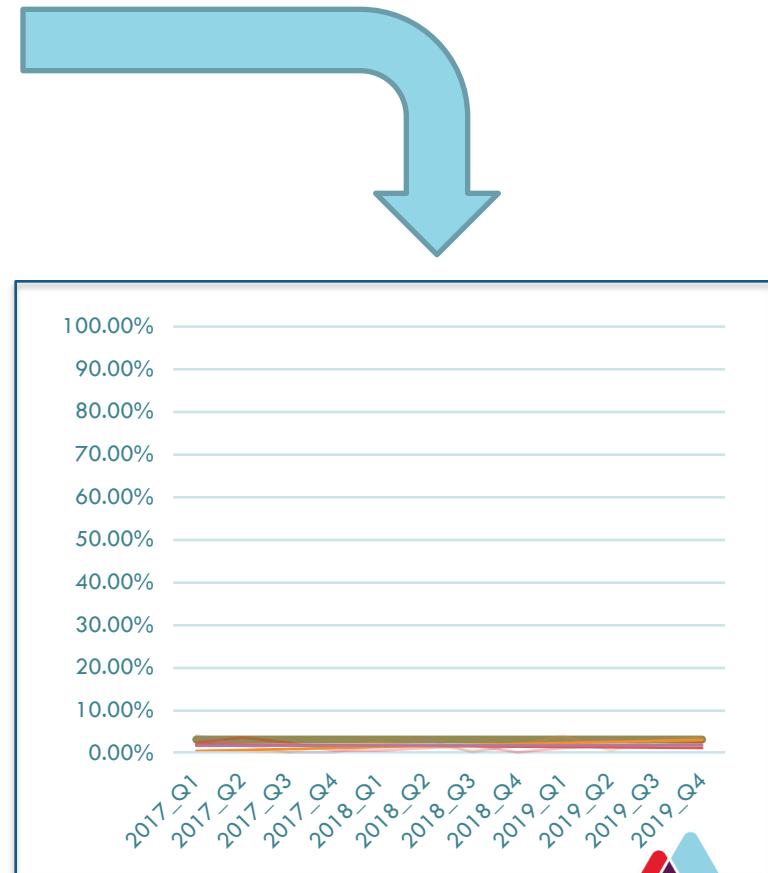
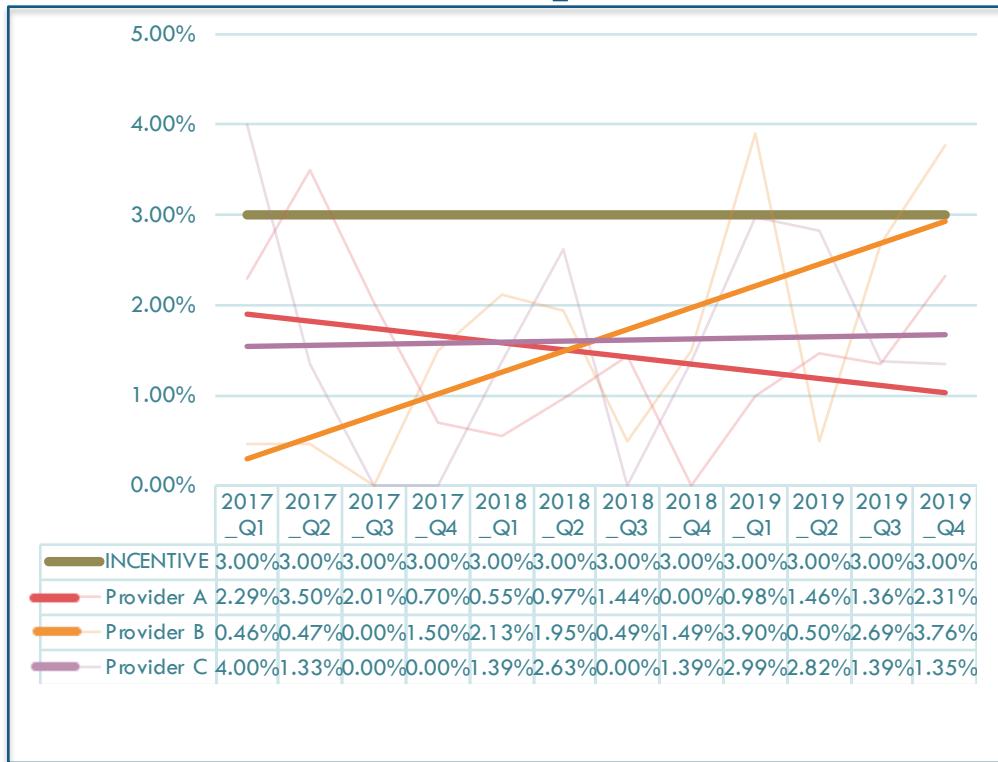
Assertive Community Treatment: Healthcare Coordination



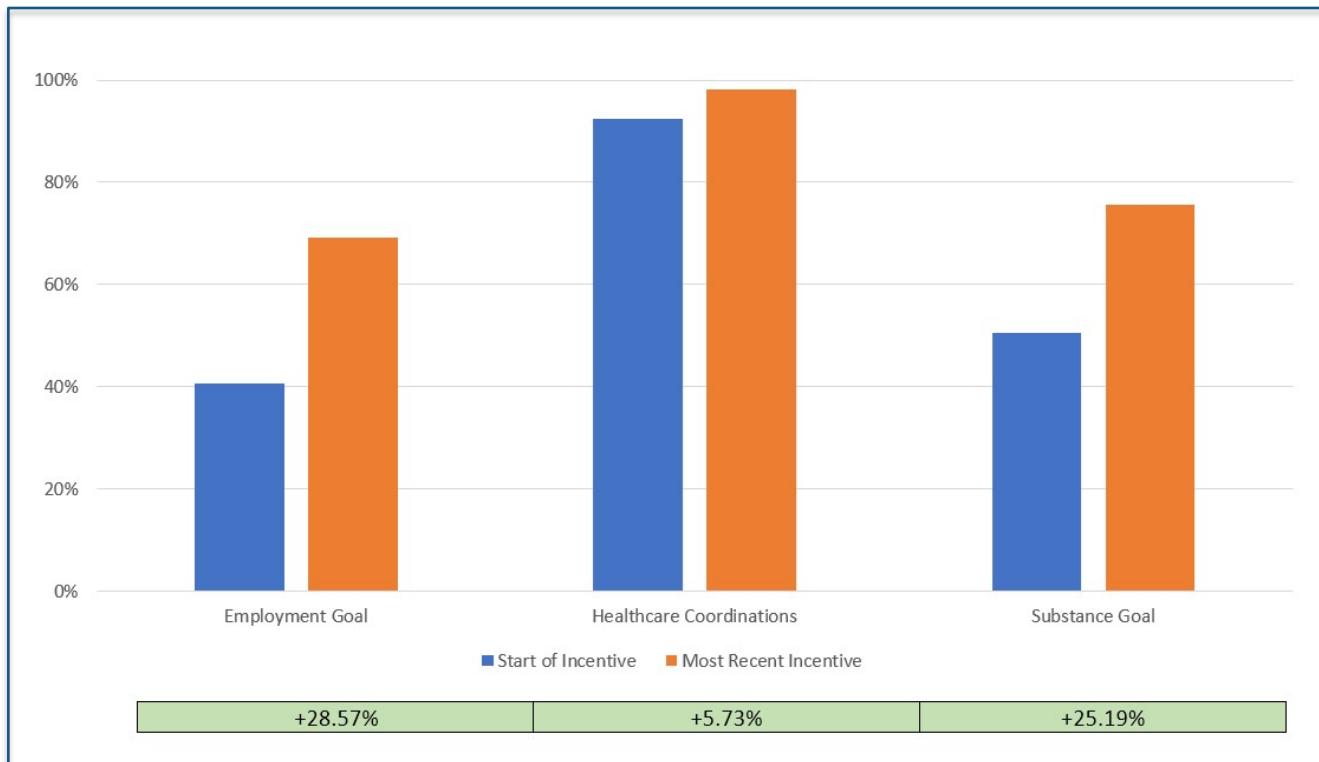
Assertive Community Treatment: Crisis Contacts



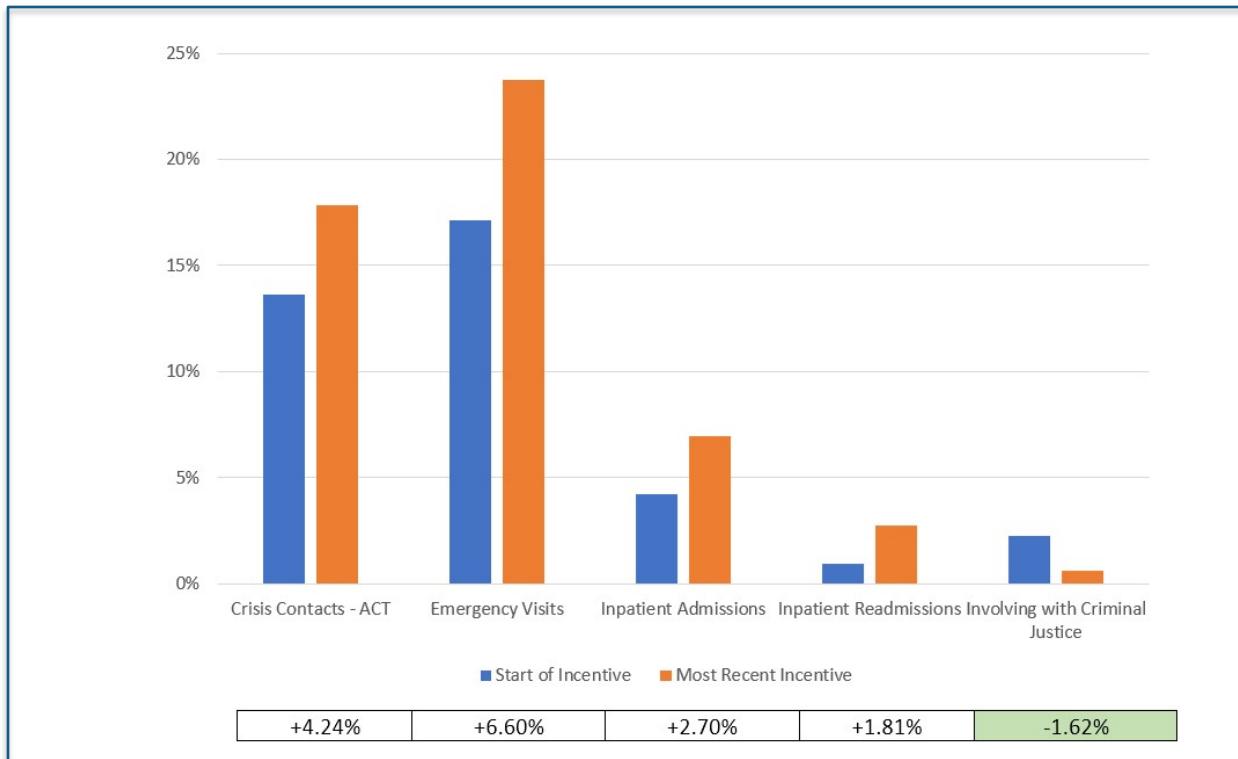
Assertive Community Treatment: Impatient Readmissions



Change Statistics for Assertive Community Treatment

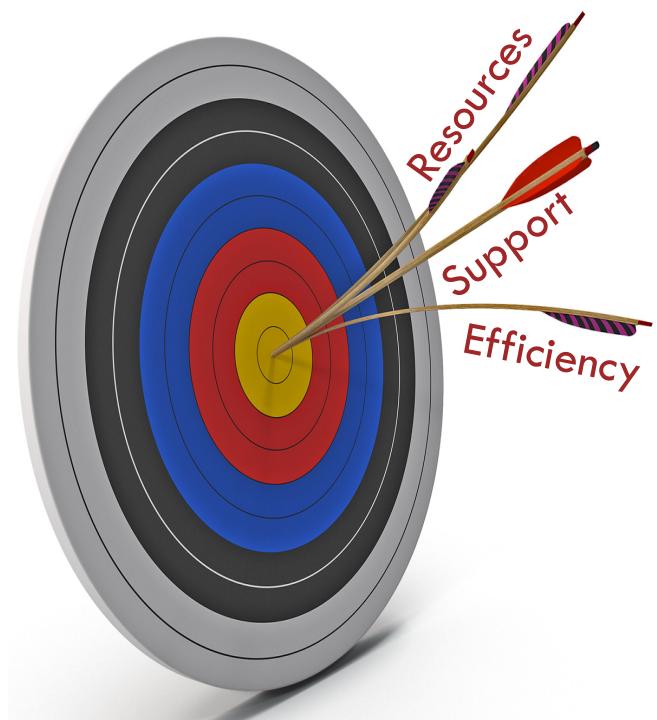


Change Statistics for Assertive Community Treatment



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

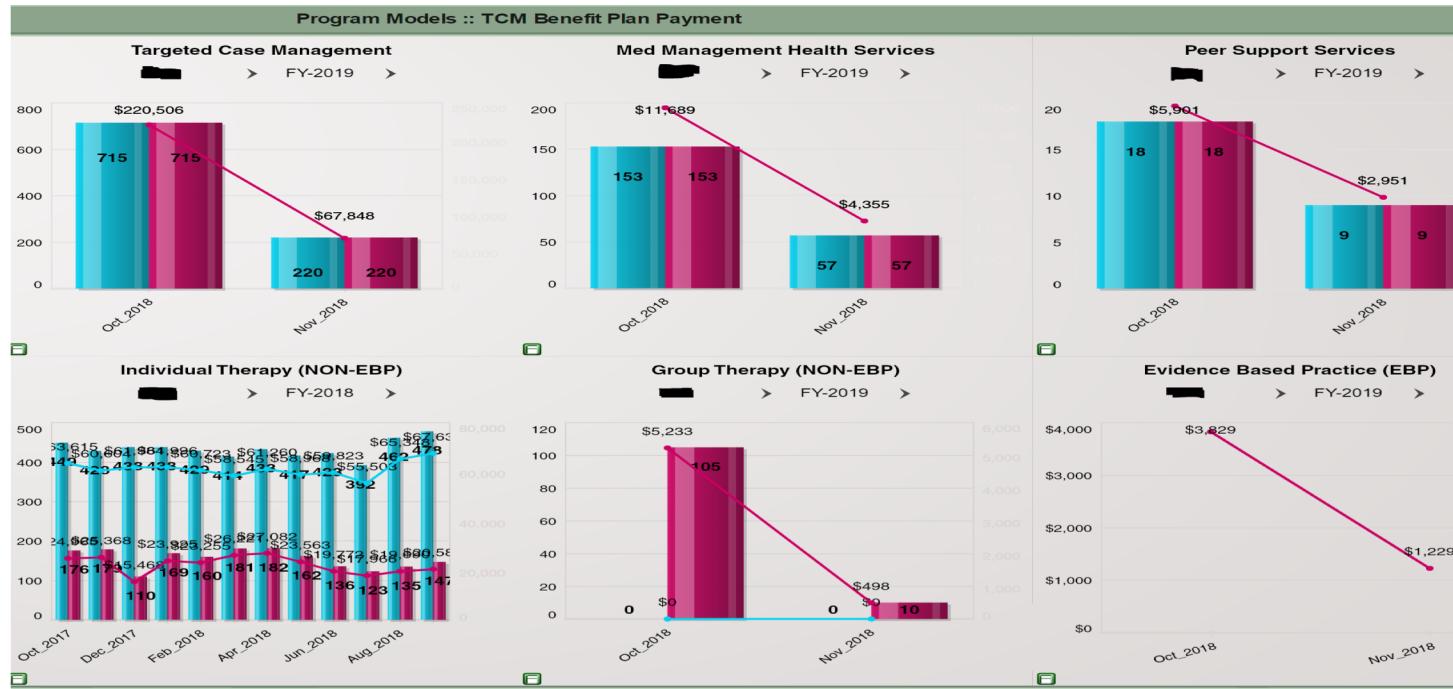
EFFECTIVE CASE LOAD	T1017	H0031	H0032	H0001	T1001
Salary & Benefits	\$56,280	\$73,700	\$56,280		
Overhead / Administration	50%	50%	50%		
Salary, Benefits & Administration	\$112,560	\$147,400	\$112,560		
Caseload Size	33				
Engagement Factor	0%				
Days Per Month		21			
Assessments Per Day		5			
Face 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%				

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	H00	H003	H00	T10	01	1	32	01				
Community Integration Supports	1	Historical average provider cost	H2014	H20	H202			15	3						
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	S94	S944	T10		45	6	02					
Medication Management	1	Historical average provider cost	90791	907	9637	992		92	2	01	99	99	99	99	99
Therapy - Group	6	Historical average provider cost per unit, based on 20 units per EOC	90853	H00				05							
Therapy - Individual	6	Historical average provider cost per unit, based on 20 units per EOC	90806	908	9083	908		32	4	37					
Therapy - EBP	6	Group or Individual Case Rate plus EBP Add On	G0177	H20	H201	S51	T10	19	9	TT	10	15			

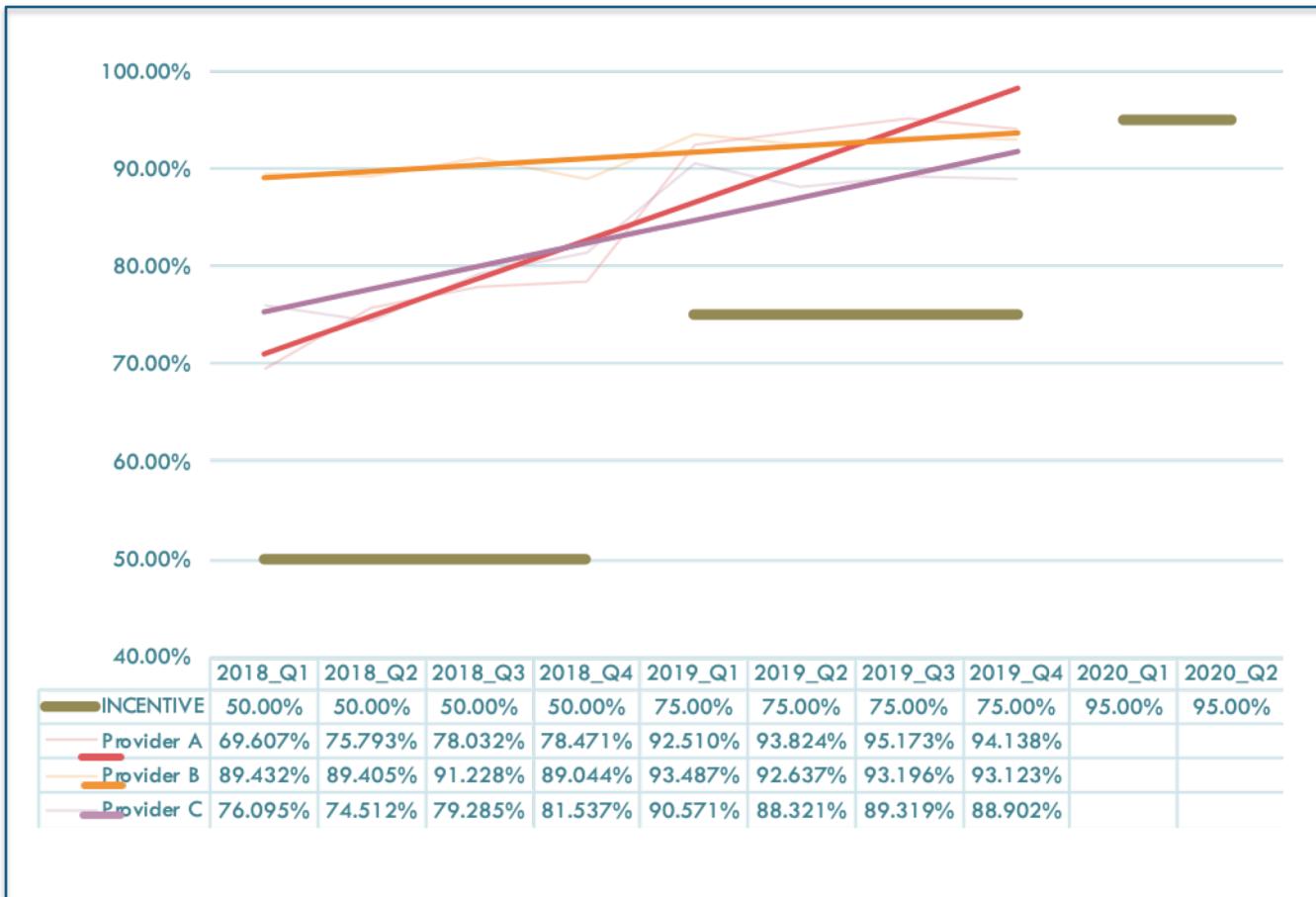
TCM Cost Analysis

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

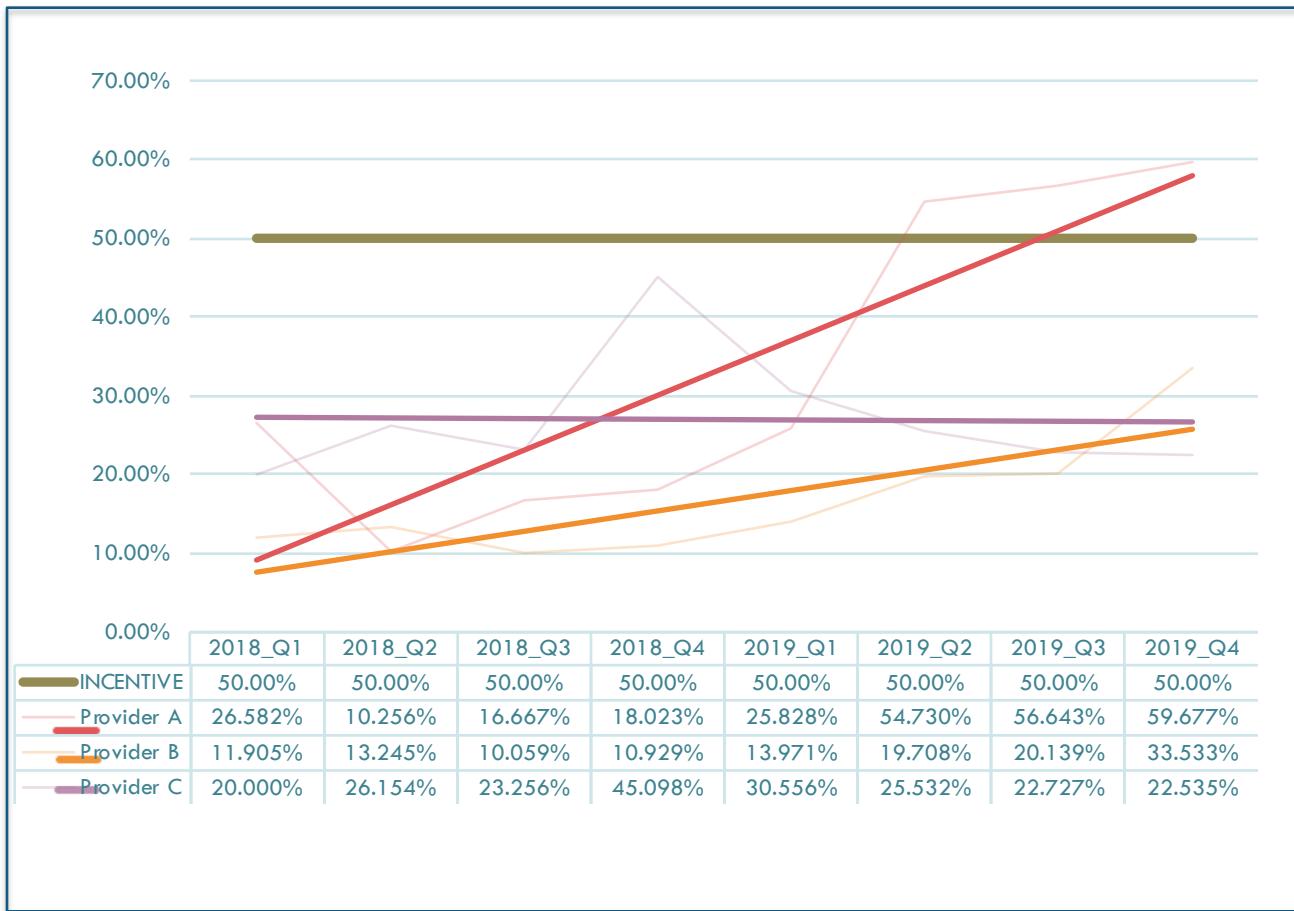
TCM Dashboard Example



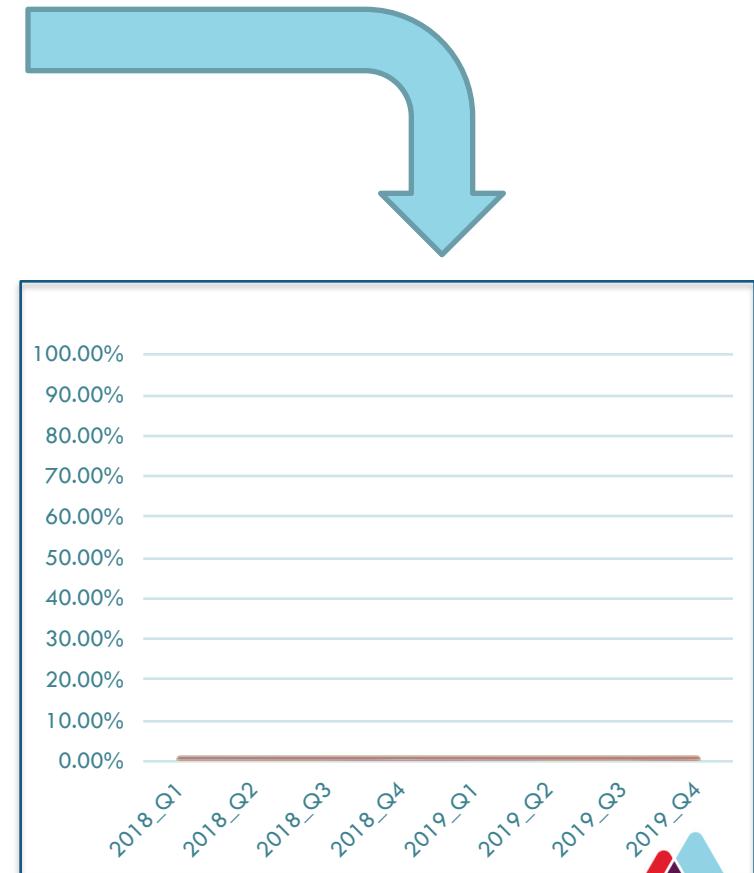
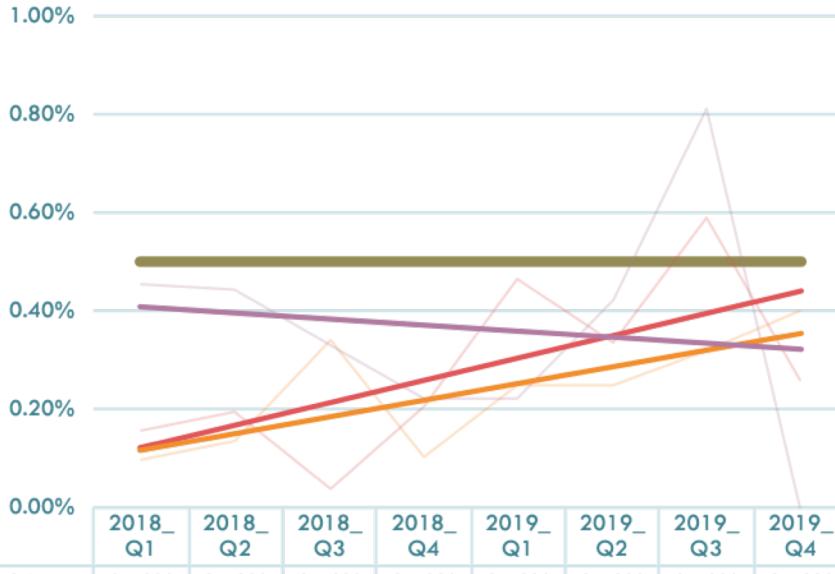
Targeted Case Management: Healthcare Coordination



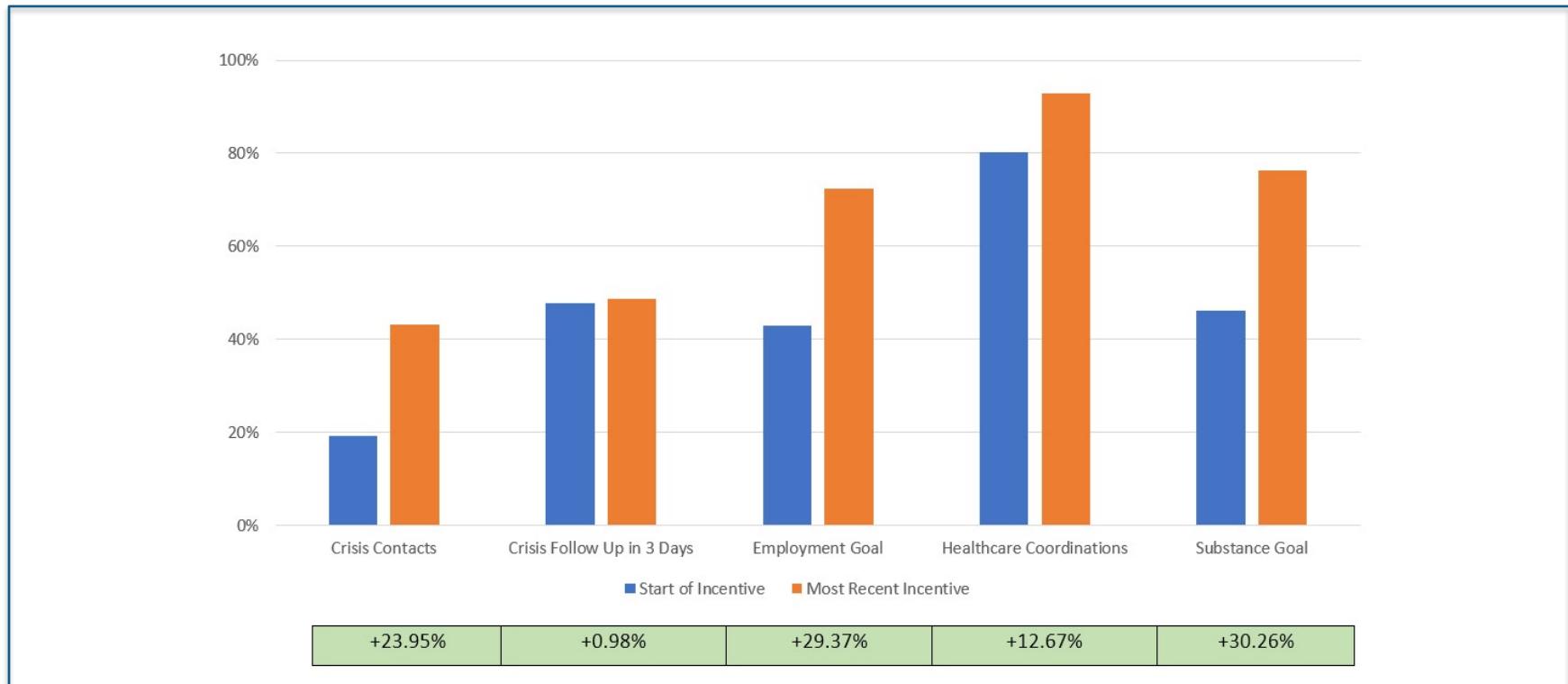
Targeted Case Management: Crisis Plan



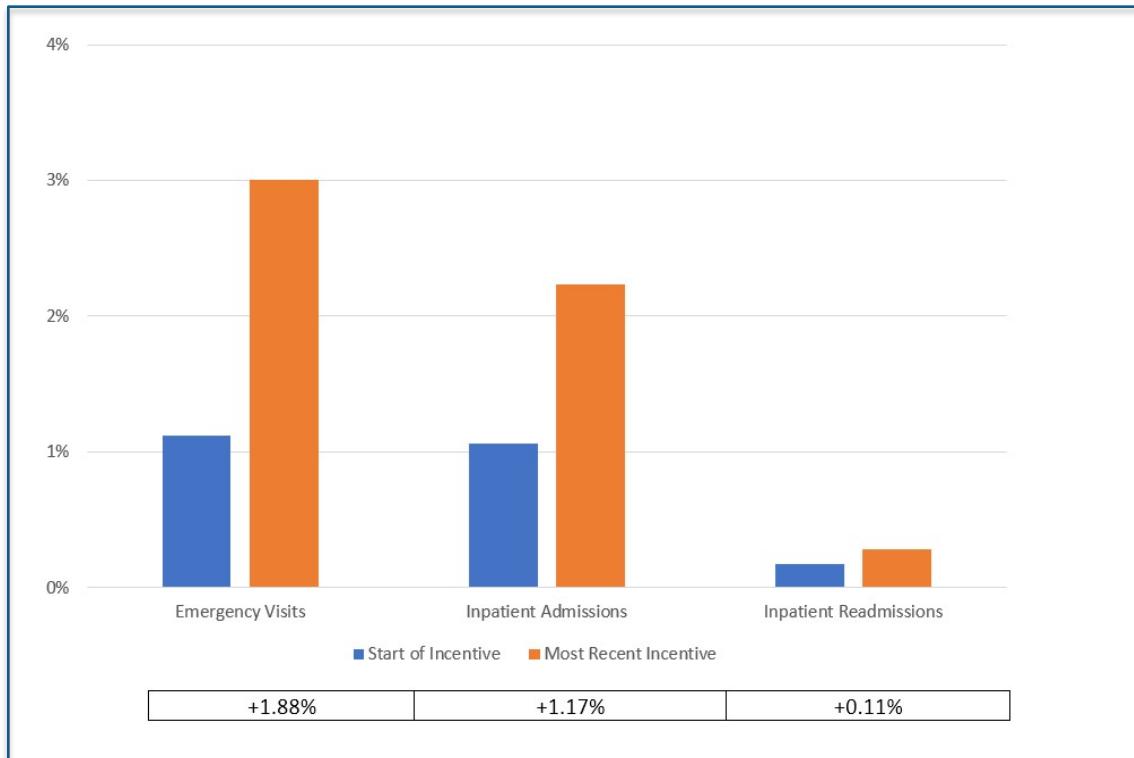
Assertive Community Treatment: Impatient Readmissions



Change Statistics for Targeted Case Management



Change Statistics for Targeted Case Management



Lessons Learned

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

Anya Eliassen:

eliassena@oaklandchn.org

Nicole Lawson:

lawsonn@oaklandchn.org



Thank you

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please visit our website:

deltacenter.jsi.com

For questions, please email:

deltacenter@jsi.com



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