

COLLABORATIVE OPPORTUNITIES FOR BH PROVIDERS

(E.G., CONSOLIDATIONS/
INDEPENDENT PRACTICE
ASSOCIATIONS)

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Department of Health Care Finance, Health Care Reform, and Innovation Administration.



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If we take as a given the integration of behavioral healthcare with the medical system, what can we identify as our priorities for the transition?

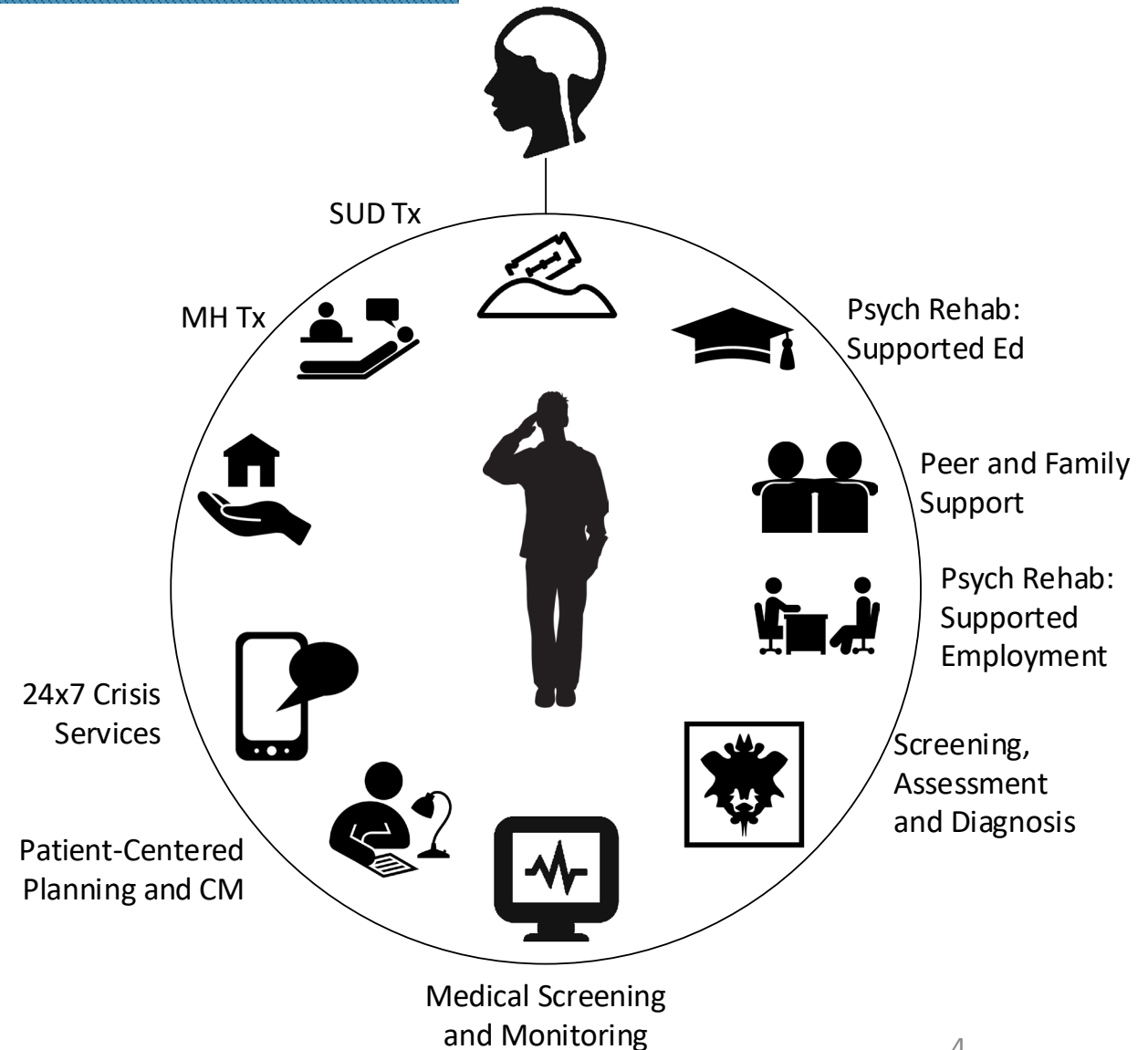
SIZE/SCALE/SCOPE

WHAT SERVICES NEED TO BE IN THE SPECIALTY BEHAVIORAL HEALTH PORTFOLIO?



INTEGRATED CARE DC
A learning community for District of Columbia Medicaid providers

**Basically, CCBHC
plus housing**



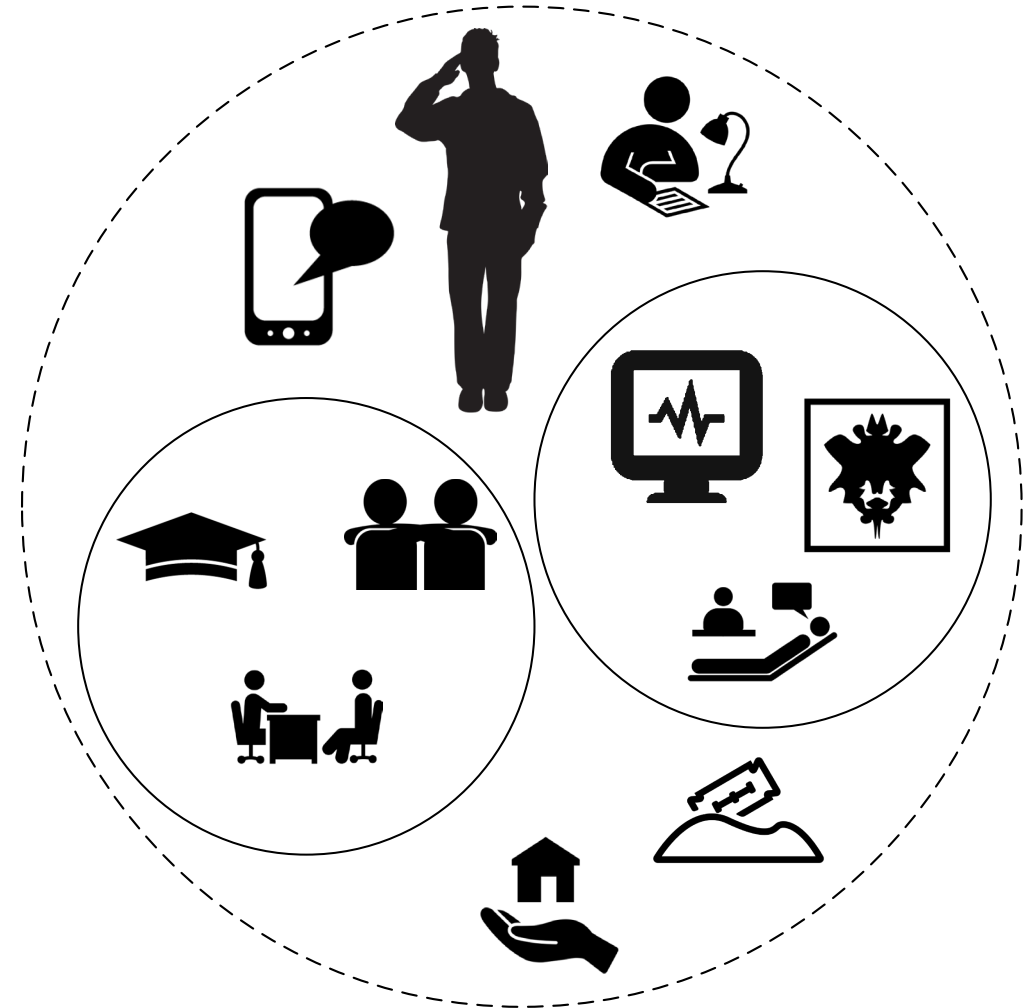
>> Get big

- Vertical integration and expansion can be effectuated either directly through growth or acquisition or partnership



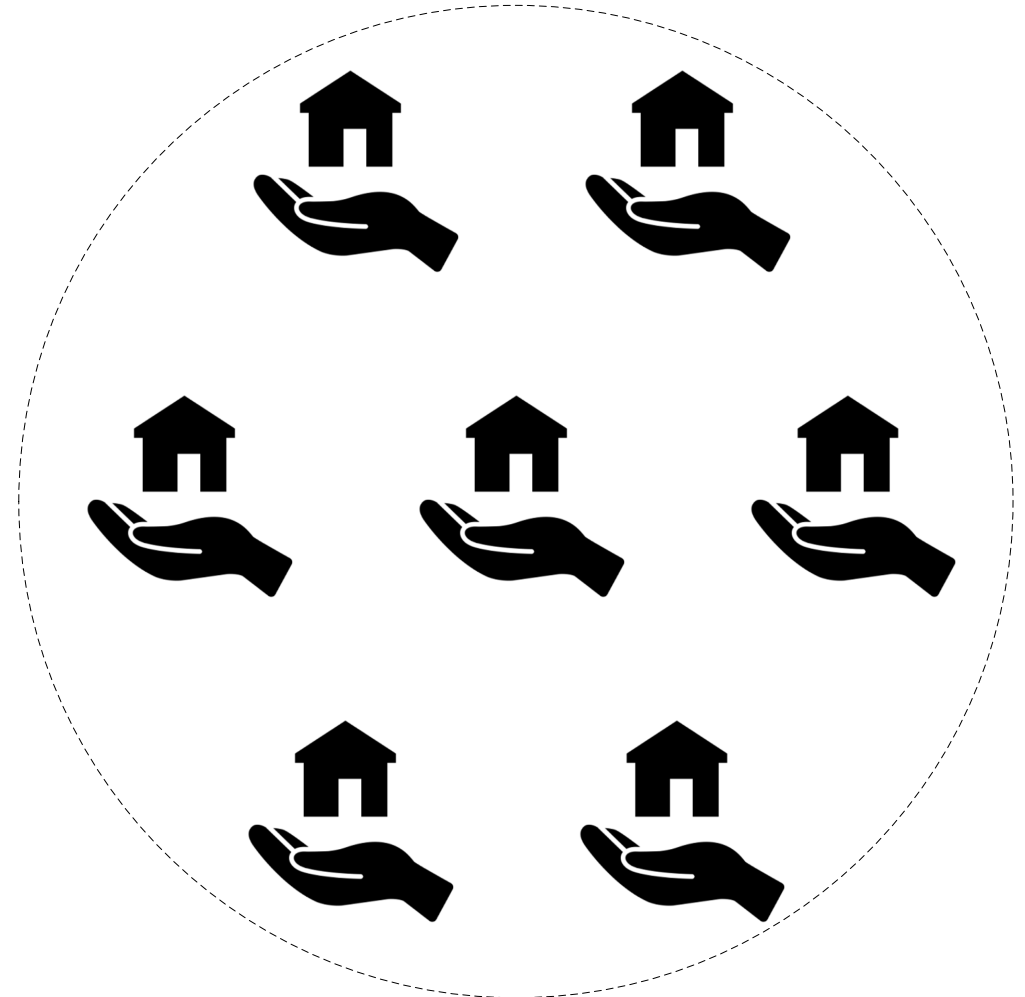
>> Seem big

- Independent Practice Associations (IPA) are a way to partner with other agencies in order to offer comprehensive, integrated services



>> Become unavoidable

- BH providers can establish partnerships that corner the market and increase leverage for negotiations



Like a Matryoshka doll, IPAs are sometimes made of other IPAs



TWO PRIMARY OPTIONS

There are a lot of variations on two main themes:



Mergers

**Platform-driven
partnerships**

BUILD NEW SERVICES TO FILL GAPS

Pros	Cons
Complete control over the entirety of the service continuum	High percentage of the program portfolio may be prototypes
No need to spend the time, money, and energy with mergers and/or IPA affiliations	Reliant on the development of new services, and funding for them. Made more challenging by the need to win procurements for services with which you don't have a history
Able to offer a purchaser a comprehensive, integrated service	Development time could be substantial
	No administrative efficiencies
	No opportunity for collective bargaining with purchasers

Pros	Cons
Requires less time, expense and burden than merging	Requires significant time, expense and effort
Enables each agency to maintain its own identity, Board, fundraising base, etc.	Does not generate the same kind of economies of scale and efficiencies as a merger
Clinical integration leads to better outcomes for consumers	Governance can be challenging and time consuming
Enables collective bargaining with purchasers	In order to provide comprehensive and integrated services, other providers would need to be brought in, especially primary care
If coupled with an MSO, there can be administrative efficiencies generated	IPA members are liable for the quality of care provided by other members of the IPA, which can be problematic

MERGE INTO A LARGER BH AGENCY

Pros	Cons
Consistency of mission	Mergers are costly, time consuming, emotionally challenging and difficult
Enhancement of the service continuum for your clients	Loss of control
Access to a much larger and mature infrastructure	Loss of organizational identity
Straightforward decision-making and governance process	May generate acrimony among your staff because of a feeling of having been 'acquired'
Programmatic economies of scale	Likely no access to attribution
May obviate the need for potential additional mergers	
Creates negotiating leverage	

MERGE WITH A SIMILAR BH AGENCY

Pros	Cons
Consistency of mission and culture	Mergers are costly, time consuming, emotionally challenging and difficult
Programmatic economies of scale	No significant enhancement to the existing continuum of care for your clients
Less likely to generate acrimony among the staff because no agency has been 'acquired'	One merger may be insufficient to generate critical mass
Straightforward decision-making and governance process	Likely no access to attribution
Doubles the resources available for infrastructure	

MERGE WITH A HEALTHCARE ORGANIZATION

Pros	Cons
Substantial enhancement of the service continuum for your clients	Mergers are costly, time consuming, emotionally challenging and difficult
Access to a much larger and likely more mature infrastructure	Loss of control
Straightforward decision-making and governance process	Loss of organizational identity
Obviates any need for potential additional mergers	May generate acrimony among your staff because of a feeling of having been 'acquired'
Creates negotiating leverage	Inconsistency of mission
Potential access to attribution in a VBP environment	No significant programmatic economies of scale

WHILE THERE ARE NO RULES RE MERGERS WITH MCOS...



...there are some basic guardrails

>> Attribution matters a lot

>> FQHCs have some big advantages

- PPS
- 340b
- HRSA grant opportunities

>> And some disadvantages

- Board requirement
- New Access Point (NAP) requirements
- Grant restrictions

>> They need you

What types of movement toward
size/scale/scope most benefit the
people we serve?

What types of movement toward
size/scale/scope most benefit
our agencies?

What, if anything, is lost by the move toward size? What can we do to minimize the loss?

LEVERAGE

LEVERAGE COMES IN MANY FORMS

- >> Size/scale/scope
- >> Service value (ability to impact outcomes)
- >> Cash
- >> Essentiality for network adequacy
- >> Attribution
- >> Population (relationships, community credibility)
- >> Data



What types of leverage are most accessible to you?

What are the most effective ways
for BH providers to gain the
leverage we will need?

In some ways, the question of when to integrate with the medical system is a question of when we have sufficient leverage to achieve our priorities.

How will we know when that is?

There is a tension between the value of getting in early and the value of waiting for better leverage.

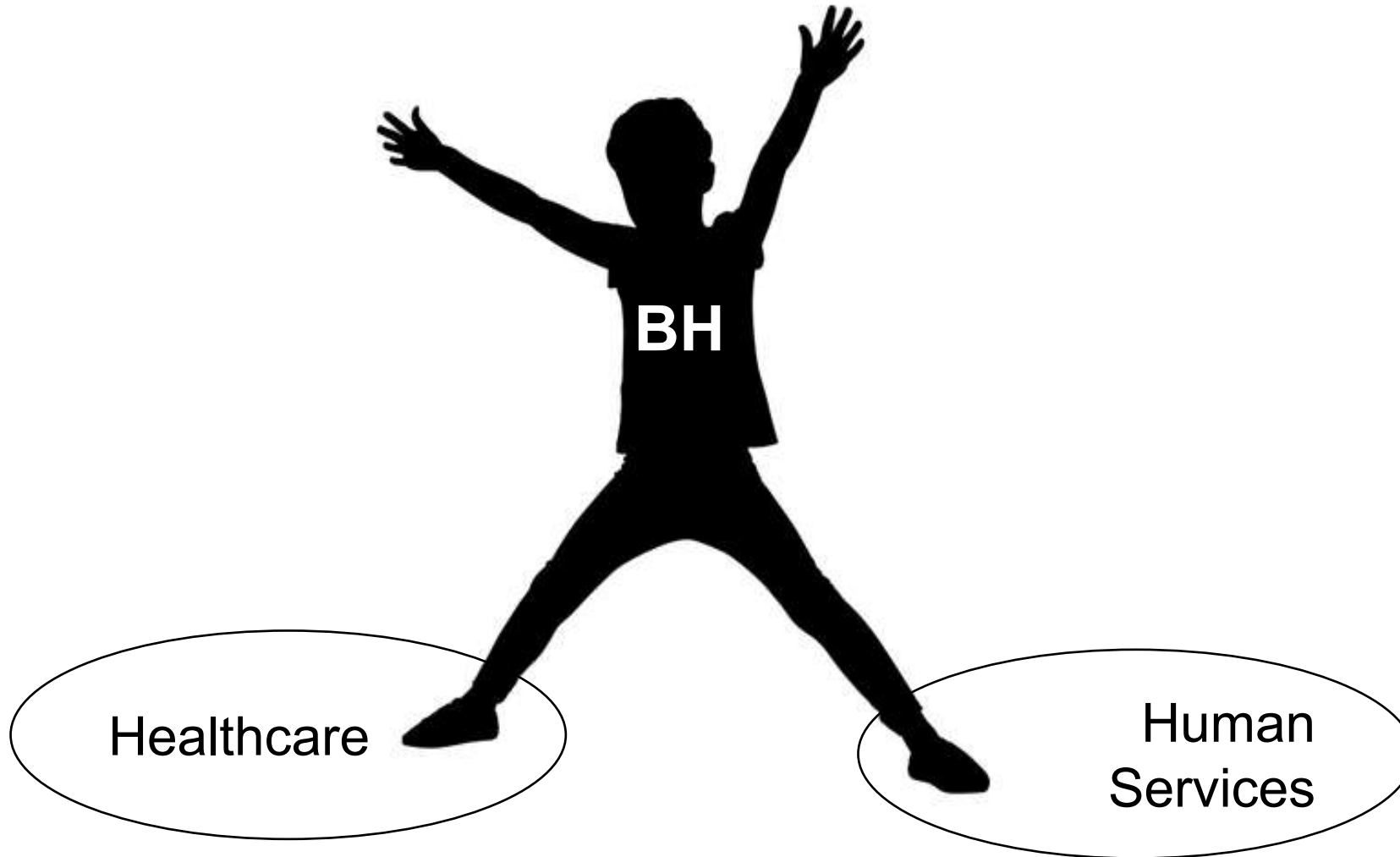
How do we know we are not waiting too long?

ATTRIBUTION

How can you be part of an organization that has attribution, infrastructure, and scale in a way that enables you to access integrated medical care and human services for your clients, and provide behavioral health care to a broader population, while maintaining your focus on the population about which you are most concerned?

SOCIAL DRIVERS OF HEALTH

BH PROVIDERS HAVE A UNIQUE OPPORTUNITY TO HELP INTEGRATE HUMAN SERVICES & HEALTHCARE



If the BH system spans the boundary between the medical and human services systems, how can we leverage that capability to benefit both consumers and providers of behavioral health services?

What is standing in your way?

What are the impediments preventing you from addressing your priorities?