

Netsmart Technologies



Innovation & Coordination: The Keys to Providing Accountable Care in a World of Integration

Dennis Morrison, PhD
Chief Clinical Officer
@DrDennyM

Netsmart at a Glance



- Founded in 1968
- Largest healthcare IT company serving Health and Human Services sector
 - 42 state systems; 20,000 provider organizations
 - 1,000+ clinics, hospitals
 - Serving 20,000,000 Americans
 - #1 in behavioral health

- Complete suite of solutions
 - Electronic Health Record
 - Patient Billing
 - Practice Management
 - Managed Service Offering
 - Connectivity/HIE
 - Health Home/Care Coordination Systems
- Broad range of Managed Services
 - IT Hosting/SaaS
 - IT Outsourcing
 - Revenue Cycle Management
- 650 Associates in 4 locations
 - New York, Kansas City, Chicago, Dublin





Approximately 4,000 psychiatric hospital beds have been eliminated since 2010

What Is Driving Hospital's Patient-Safety Errors?

DOV WISEROD

Like characters on the original *Star Trek* and, more recently, *South Park*, I often communicate only by indicating "Yes" or "No."

I have Lou Gehrig's disease (amyotrophic lateral sclerosis or ALS), a disability in which motor neurons die, muscles atrophy and complete paralysis ultimately occurs. I have had ALS for more than 12 years, and I rely on machines and tubes for eating and breathing. ALS rarely affects higher brain function, so although I can't move my limbs or speak, I can still be creative and manage my own care, as long as I communicate.

Communication is exceptionally essential, for people

ably well by typing slowly and having the computer speak what I type.

But there are times when my computer is inaccessible—for instance, when I wake in the morning, when I am in a hospital or when the computer inevitably crashes.

Without my facial expressions (raised eyebrows, mouth or head to side).

I can spell words, letter by letter, by answering "Yes" when the letter is spoken by another person. I don't use an alphabet board because I often need to communicate at night when my eyes are closed; I can still communicate with my eyebrows but not with my gaze on an alphabet board.

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the people I talk to.

First, without my computer, I can only answer questions to which "Yes" and "No" are the only possible answers. I can't answer multiple choice questions. "Do you want water?" is not sleep, sleeve or slide.

I choose my words carefully and with curt efficiency to convey the most meaning with the least effort. This is crucial when I have an urgent need, but it also minimizes the time and frustration of communicating.

When possible, I use short synonyms instead of longer alternatives, so that "strange" and "weird" become "odd." Also, I use American spellings to avoid the extra "u" ("color" instead of "colour"). I don't have the luxury of using "please" and other pleasantries. I trust the listener to recognize that my brevity is not impolite but just efficient.

Sometimes, however, I need to be verbose to be understood. When I have a conversation with more than one person, the others often proceed faster than I can type and speak my contribution to the discussion. I need to include in my comment a reference to the topic that the others have

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Make Patient Safety Goals Part Of Meaningful Use

Primary care teams that include behavioral health specialists manage both the mental and physical conditions of patients

DOV WISEROD

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not sleep, sleeve or slide.

At Long Last...Pay for Outcomes to Replace Pay for Performance

Privacy As An Enabler, Not Impediment: Building Trust Into Health Information Exchange

A RESTAURANTEUR had to have his lip reconstructed by plastic surgeons after a gang of youngsters assaulted him last Wednesday evening.

The incident began at 8 p.m. in Spuds restaurant in Eden Street, Kingston, when the dishwasher was about to close for the evening.

The gang of more than ten teenagers entered the shop and began causing a nuisance until the owner managed to usher them out into the street.

One of the youths had picked up a ketchup bottle and had begun to smear it on the window when the man came out to get rid of them.

The gang began to push him around and a 12-year-old girl hit him on the back of the head.

A scuffle then followed from another gang member, but the incident took a turn for the worse when another youth picked up a road-side barrier

Outcome-based payment: a new beginning?

The Affordable Care Act Becomes Law

DOV WISEROD

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Communication is exceptionally difficult, yet essential, for people like me.

Maintaining the ability to have a conversation and interact socially is vital to quality of life as my body deteriorates. There are a wide variety of means for alternative and augmentative communication (AAC), including technical devices (like Stephen Hawking's computer) and non-technical methods (like following a person's gaze on an alphabet board). I use one of each type of AAC to communicate.

I operate my computer using a single sensor taped to my toe. When I

ably well by typing slowly and having the computer speak what I type.

But there are times when my computer is inaccessible—for instance, when I wake in the morning, when I am in a hospital or when the computer inevitably crashes.

Without my software, I resort to facial expressions that signify "Yes" (raised eyebrows) and "No" (eyes, mouth or head moving slightly side to side).

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If I want to inject tone into my speech, such as sarcasm or optimism, I need to be abundantly clear or exaggerated. Even people who know me well can misunderstand and take my words at face value or, worse, interpret what they are predisposed to. In the right context, on the other hand, humor is relatively easy. During my latest hospital visit, I walked in agape in triage while I watched several gunshot trauma victims pass me

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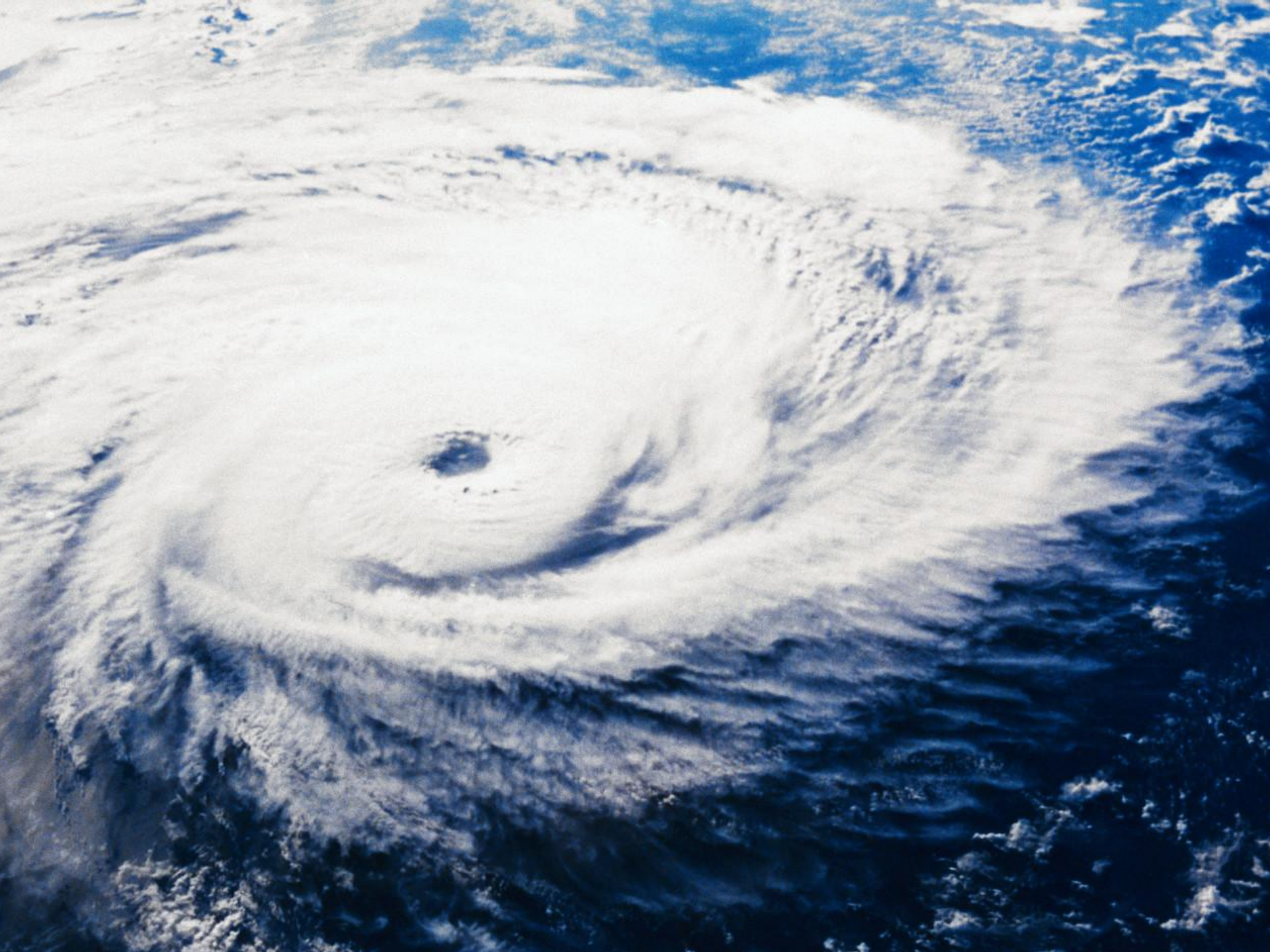
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PLAYING OFFENSE



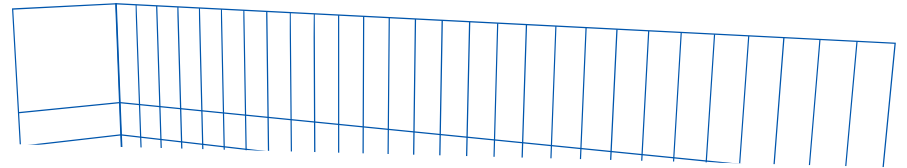
A large, 3D, gold-colored graphic of the words 'TOP 10' is positioned in the background. The letters are thick and have a metallic sheen, with shadows cast beneath them.

Revenue Generation



Revenue Generation

- Shifting socio-economics
- Push-pull on volume
- Decreasing reimbursement?



Driving Health Care System Transformation



**Healthcare Delivery
System 1.0**

**Episodic Non
Integrated Care**

Fee for Service

**Healthcare Delivery
System 2.0**

**Accountable
Care**

Volume based
payments ->
performance-based
Payments

Continuous quality
improvement and
measurement

Transparency

**Healthcare Delivery
System 3.0**

**Integrated
Health**

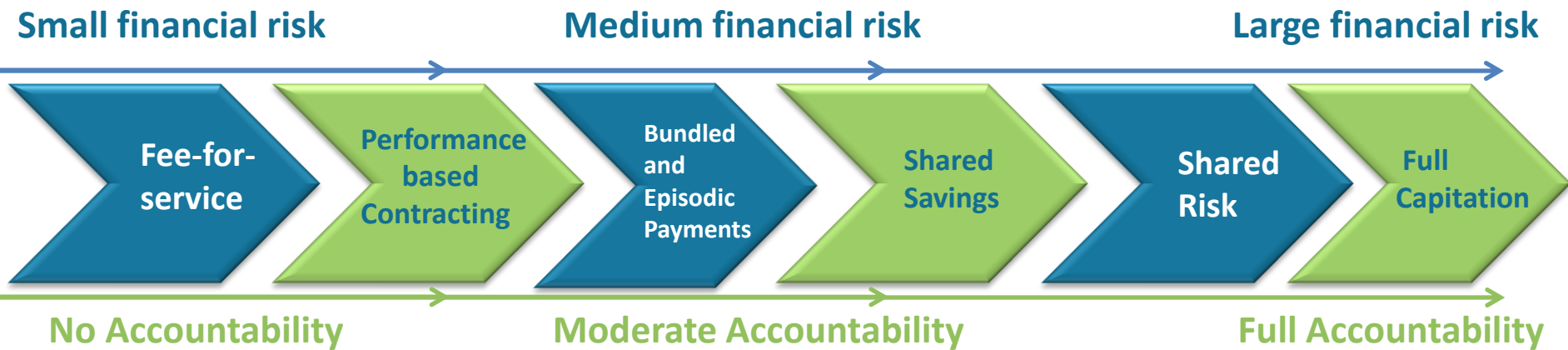
Full risk or capitated
payments

Bundled payments
across levels of care

Population health
focus



Risk & Accountability Continuum



REVENUE GENERATION

Market Share & Operational Costs



Market Share & Operational Costs

- Healthcare operating expenses & capital requirements will outpace payment increases
- Provider consolidation
- New forms of partnerships

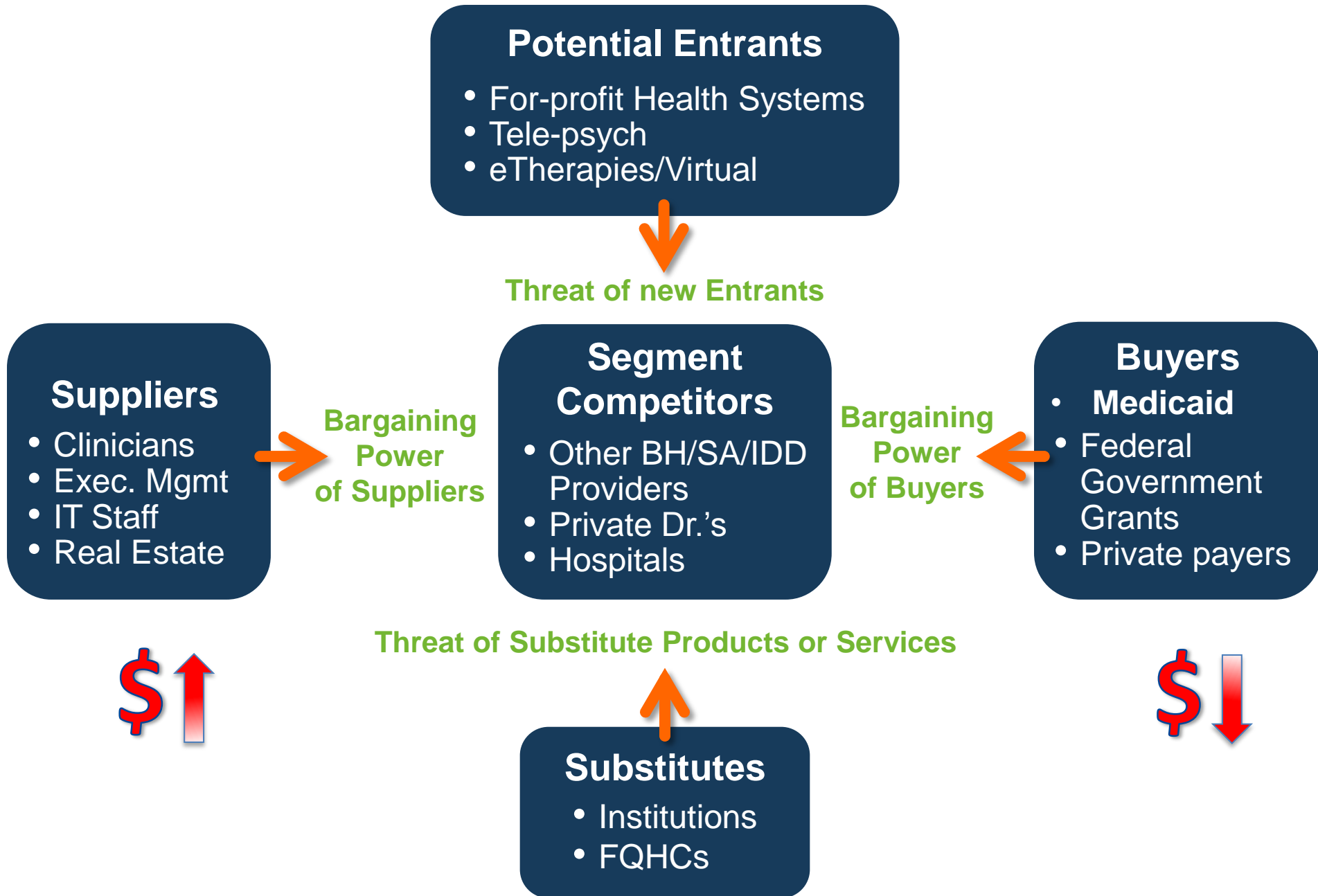




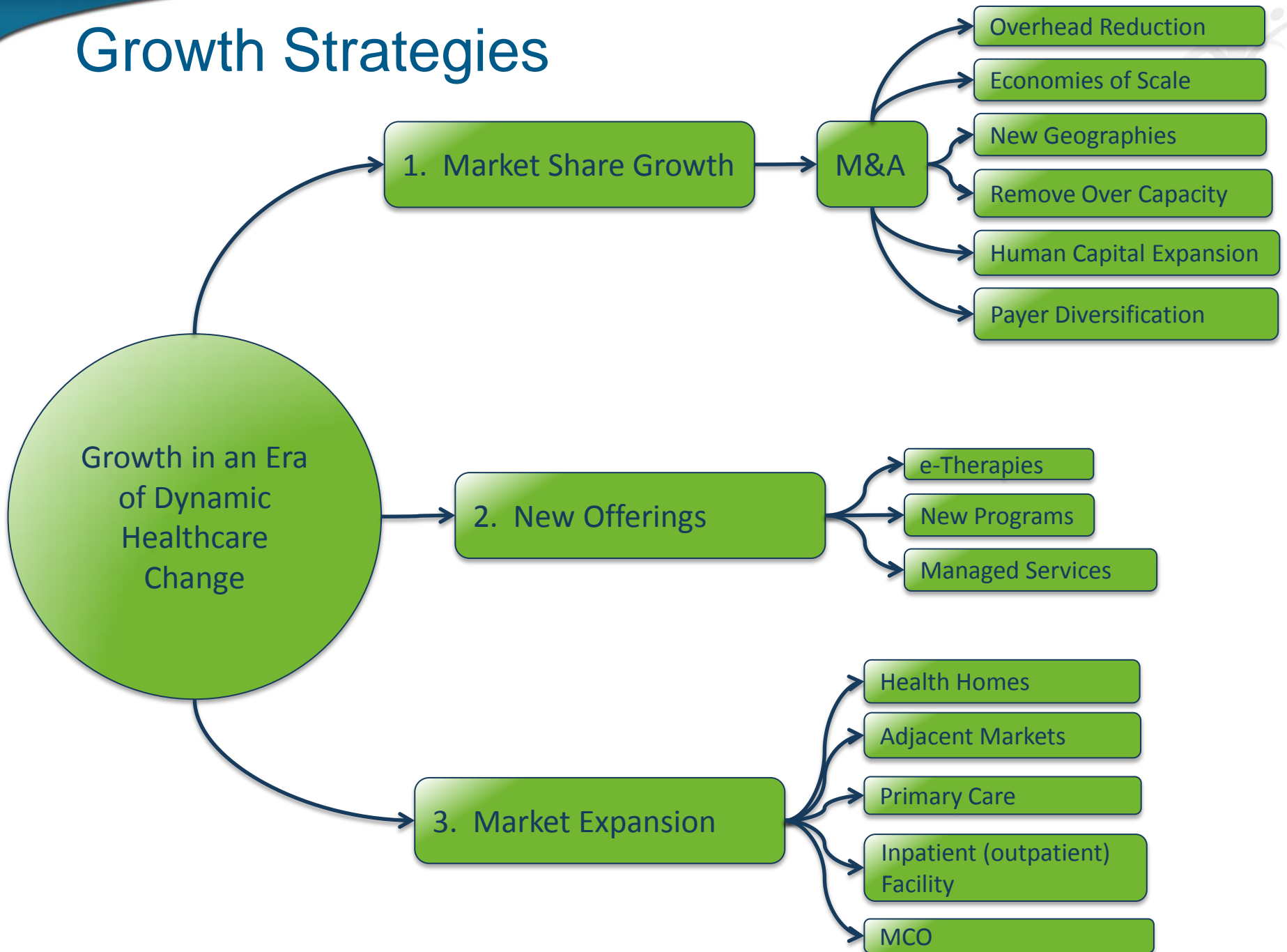
Operating Expenses & Capital

- Labor costs increasing faster than revenue
- Grow market share to drive revenue
- Technology & facility investments

Competitive Strategy

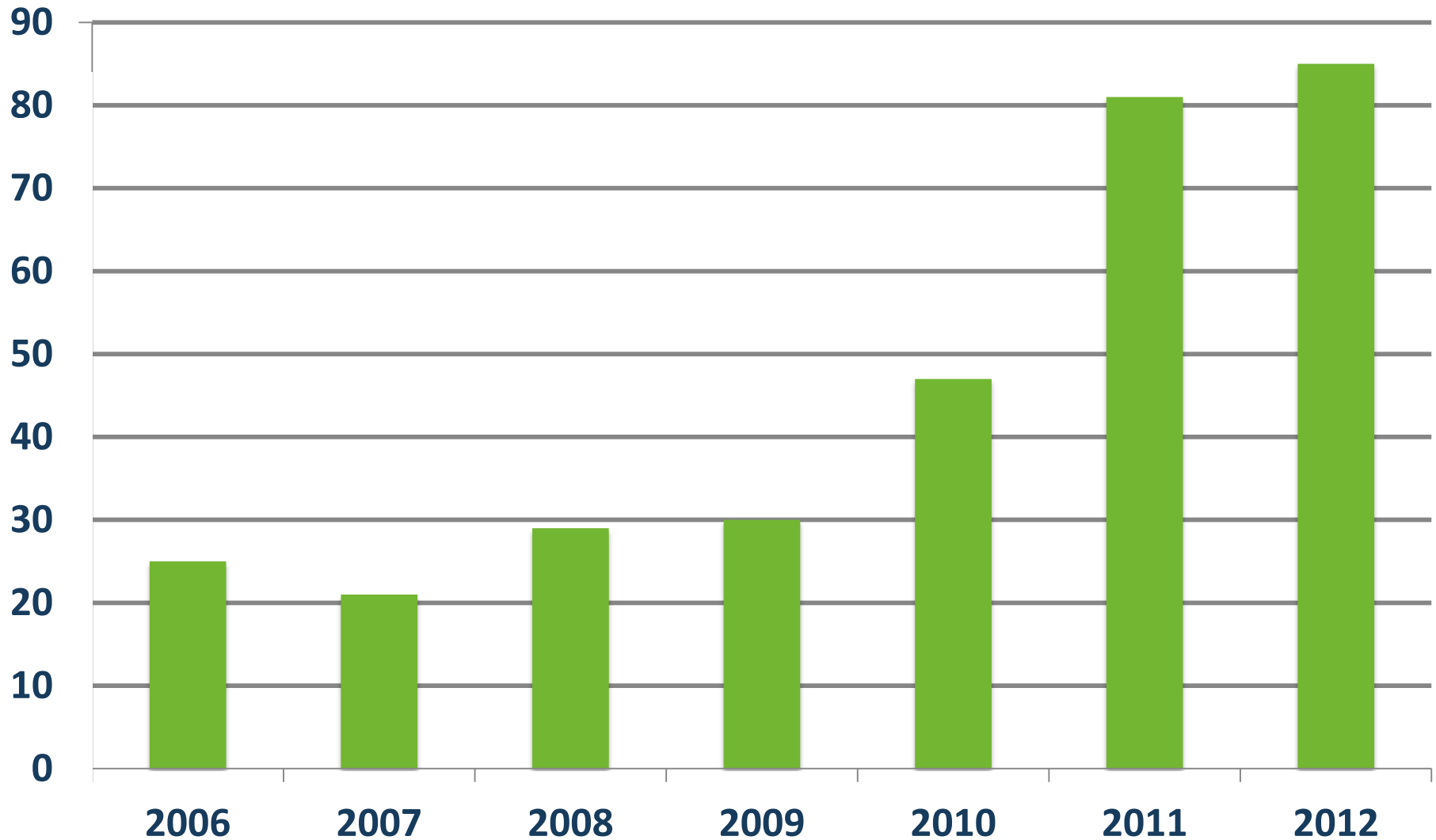


Growth Strategies





Behavioral Health M&A Trends

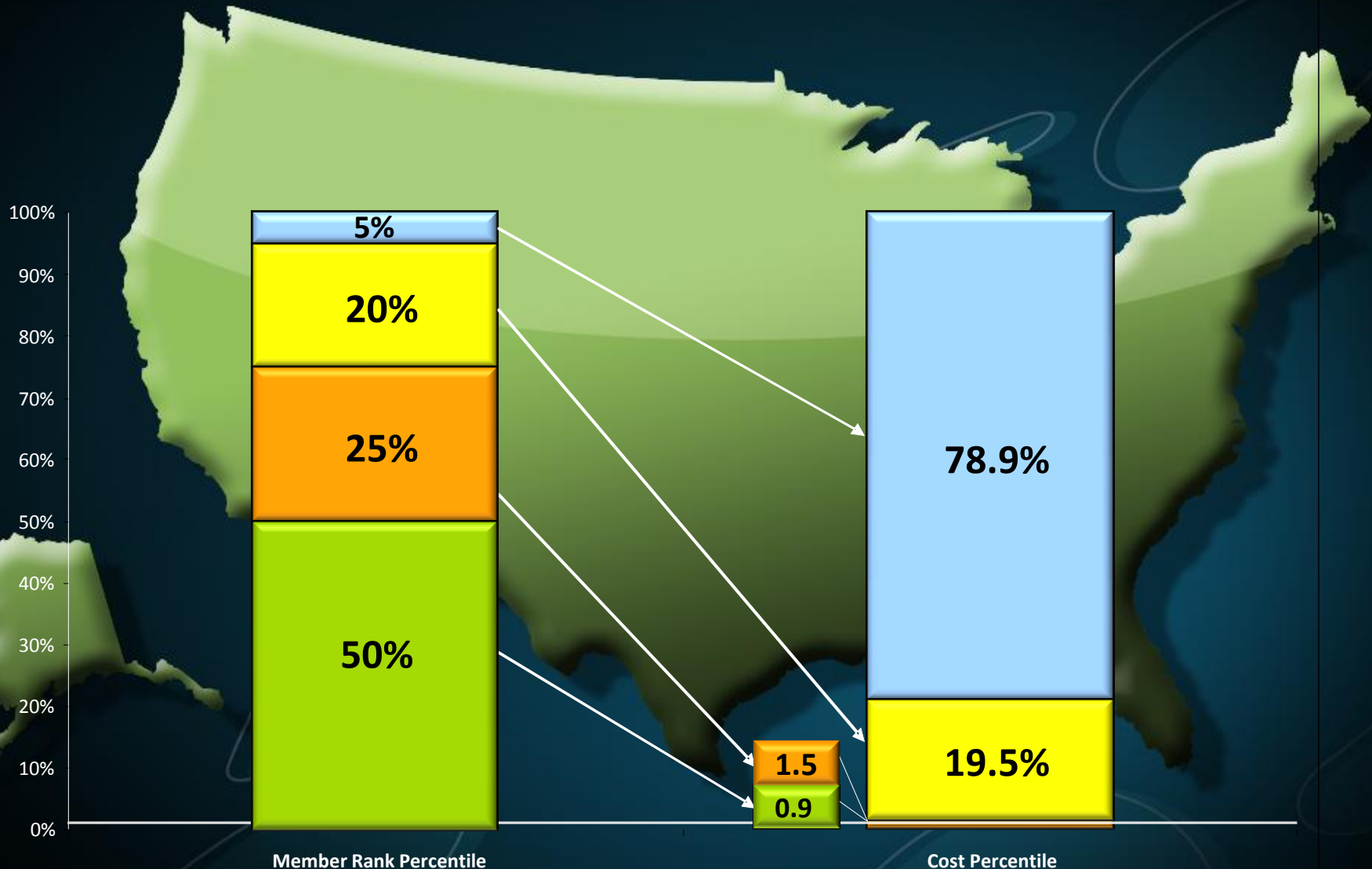




REVENUE GENERATION • MARKET SHARE & OPERATIONAL COSTS

Care Coordination

Disproportionate Cost for Members with Behavioral Health Comorbidity







Dual Eligibles

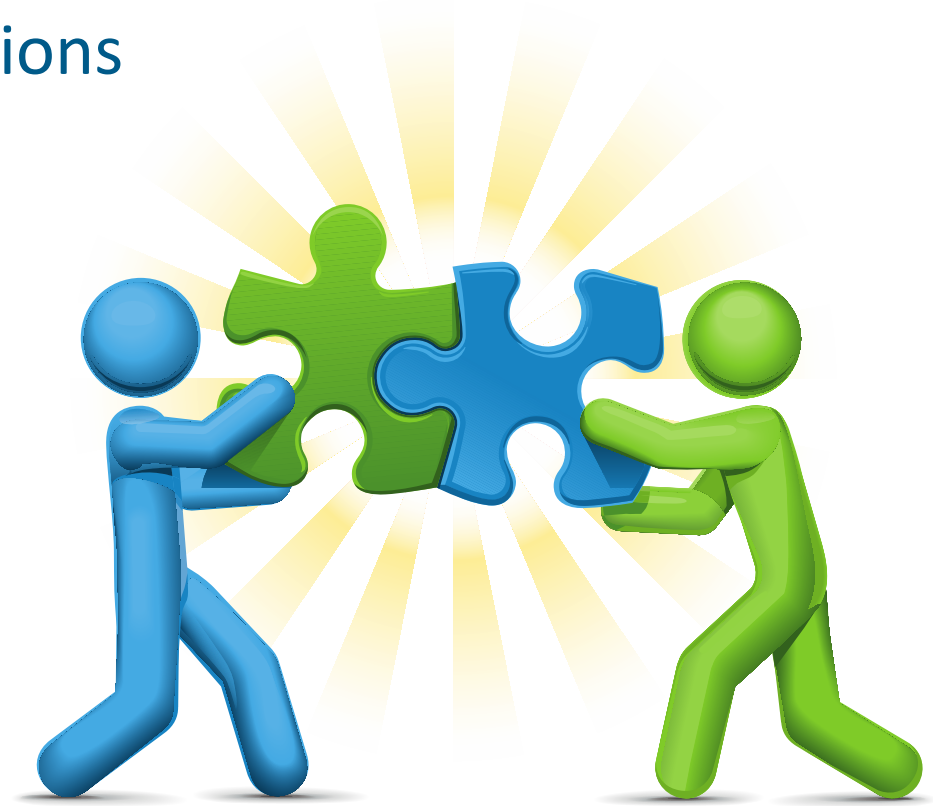
- **8.1 million people**
- 18% of Medicaid pop., 46% of expenditures
- 16% of Medicare pop., 27% of expenditures
- 50% carry a diagnosis of SMI



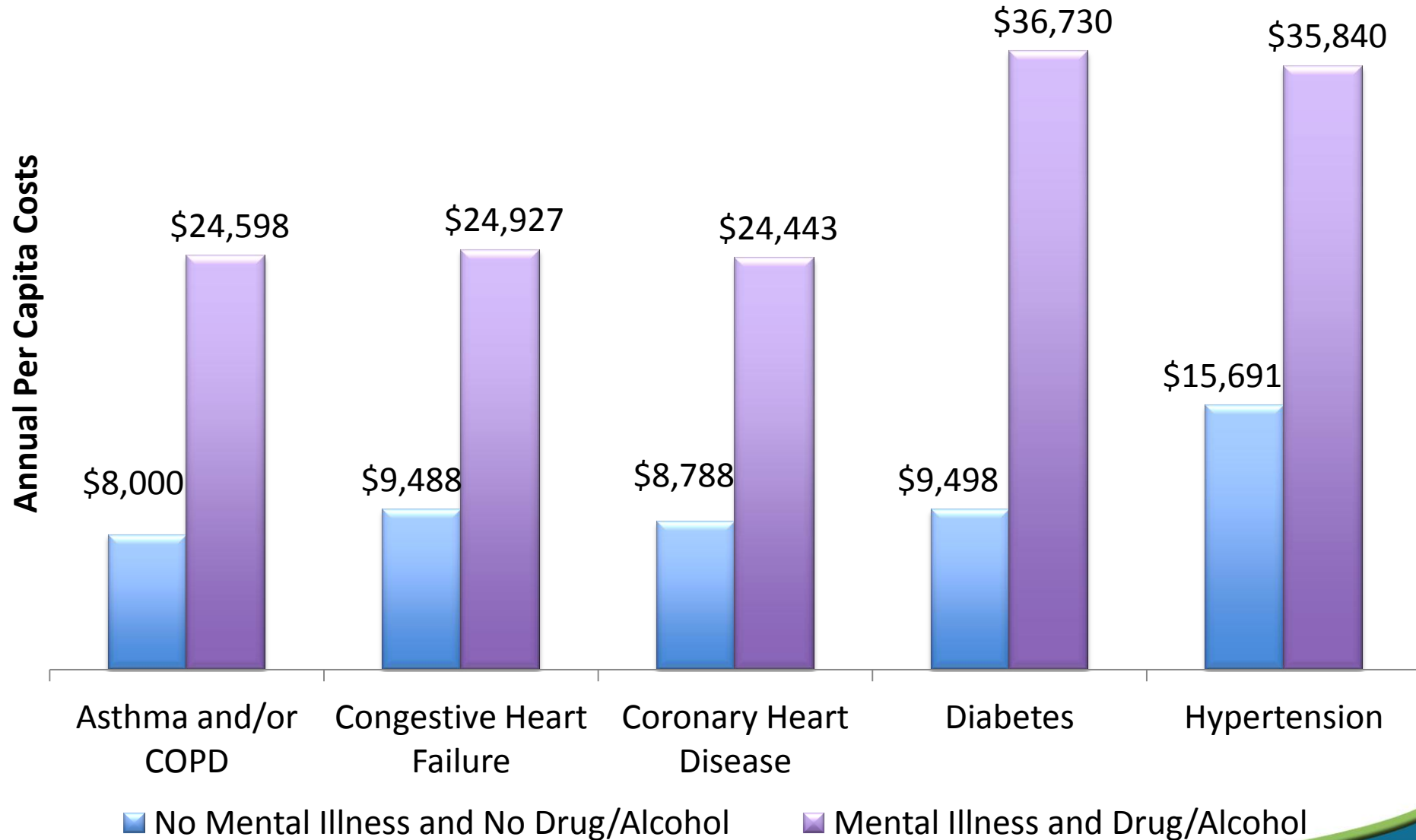
Innovations Designed To Improve Care & Reduce Costs



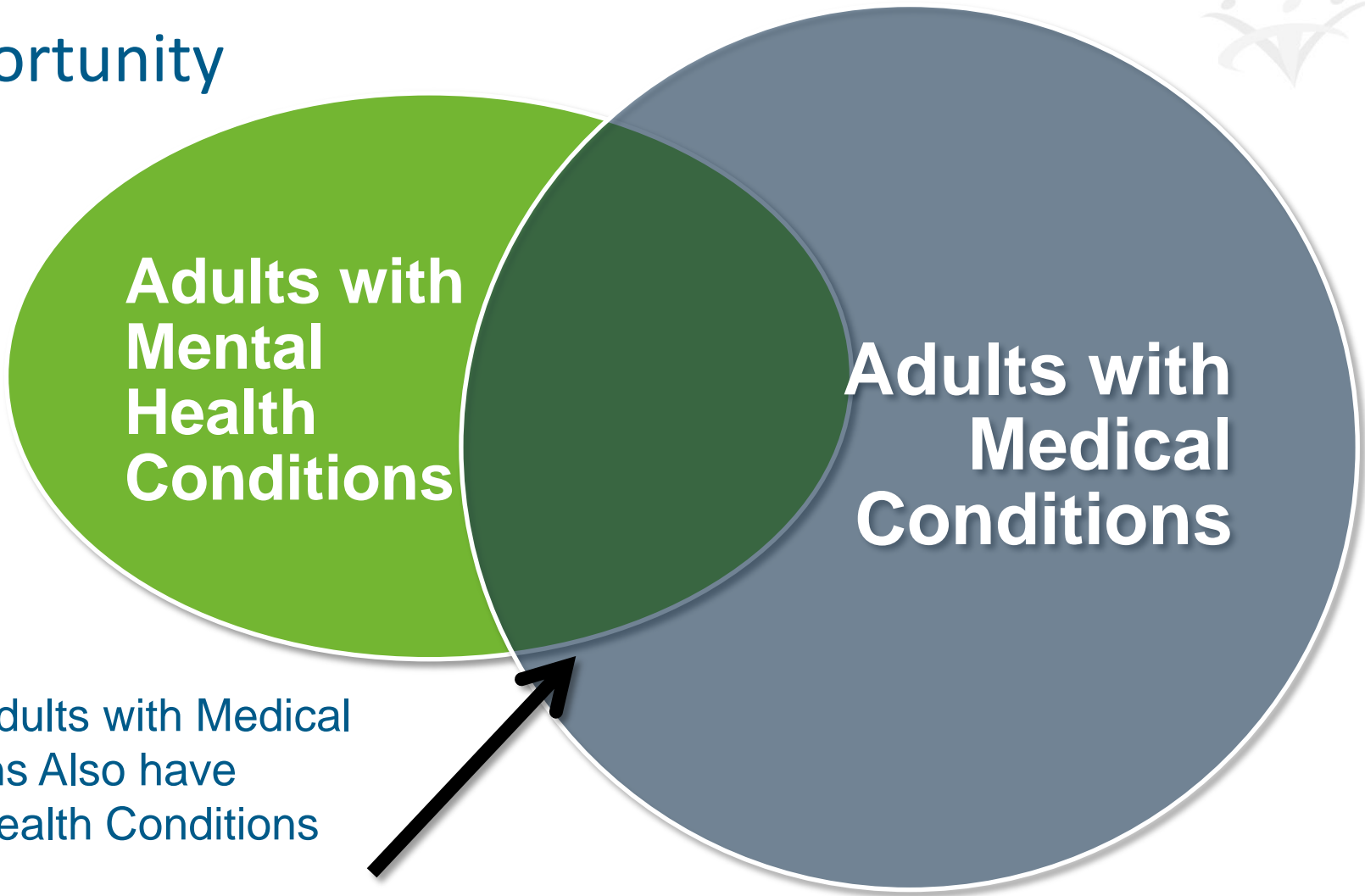
- Health Homes
- Integrated Care Organizations
- Dual Eligibles
 - BH
 - Elderly
 - Physically disabled
- I/DD Care Coordination
- Managed Foster Care



Impact of Behavioral Health Co-Morbidities on Medicaid Costs



Opportunity



29% of Adults with Medical Conditions Also have Mental Health Conditions

68% of Adults with Mental Health Conditions Also Have Medical Conditions

Robert Wood Johnson, 2011 –Mental Health Comorbidity

Care Coordination



- Providers will adopt new care models
- Health system alignment for continuum of care will be key
- There will be a changing landscape for physicians
- Prevention
- Growth in long-term care and skilled nursing facilities
- Transparency of cost and outcomes is critical

Potential Savings

- **\$580 billion** over 25 years
- **\$1.27 trillion** for Dual Eligibles



Source: UnitedHealth Group Center for Health Reform and Modernization



Implications

- Care management a major core competency
- Care and services will be fully integrated
- Coordination will be essential with hospital networks and provider networks
- Increased emphasis on population data analytics
- Sharing of health information through HIE
- Capitated payments



What Is A Health Home?

- Not a residence or building, but a care management model
- A formal integrated network of providers
- Provider network is linked by IT
- Takes primary responsibility for a client for health and social needs
- Care coordination is the one Medicaid Funded Service



Health Home Services

- Defined by Section 1945(h)(4) of ACA:
 - Comprehensive care management
 - Care coordination and health promotion
 - Comprehensive transitional between LOC
 - Individual and family support
 - Referral to community/social support services
 - Use of HIT to link services



Health Homes

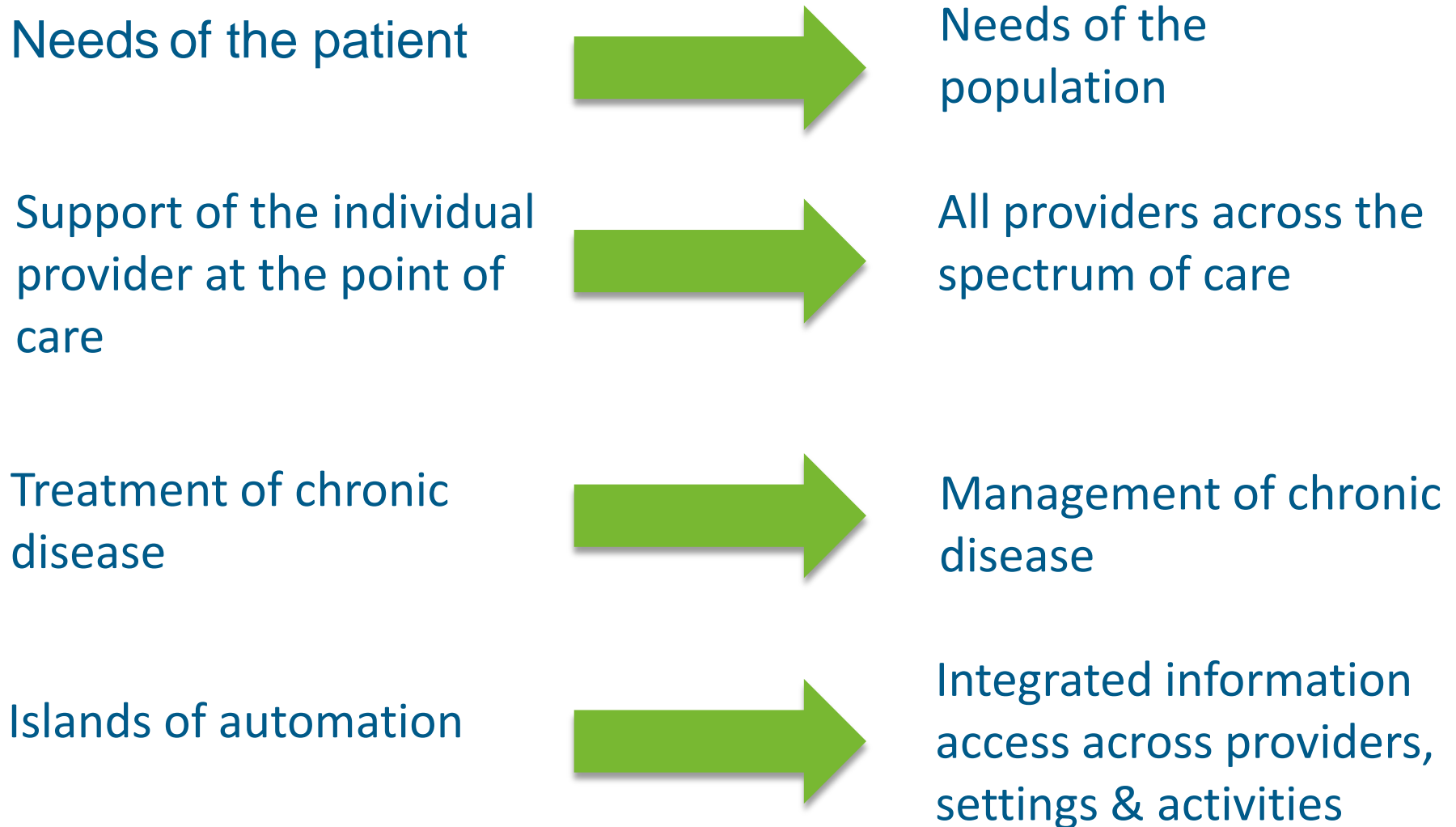
- Created by Section 2703 of ACA
- Eligibility:
 - Medicaid eligible
 - Two or more chronic conditions, or
 - One chronic condition and at risk for another, or
 - A serious and persistent mental health condition



Eligible Conditions

- Mental health disorders
- Substance use disorders
- Asthma
- Diabetes
- Heart disease and overweight (BMI>25)

Fundamental Change in Orientation

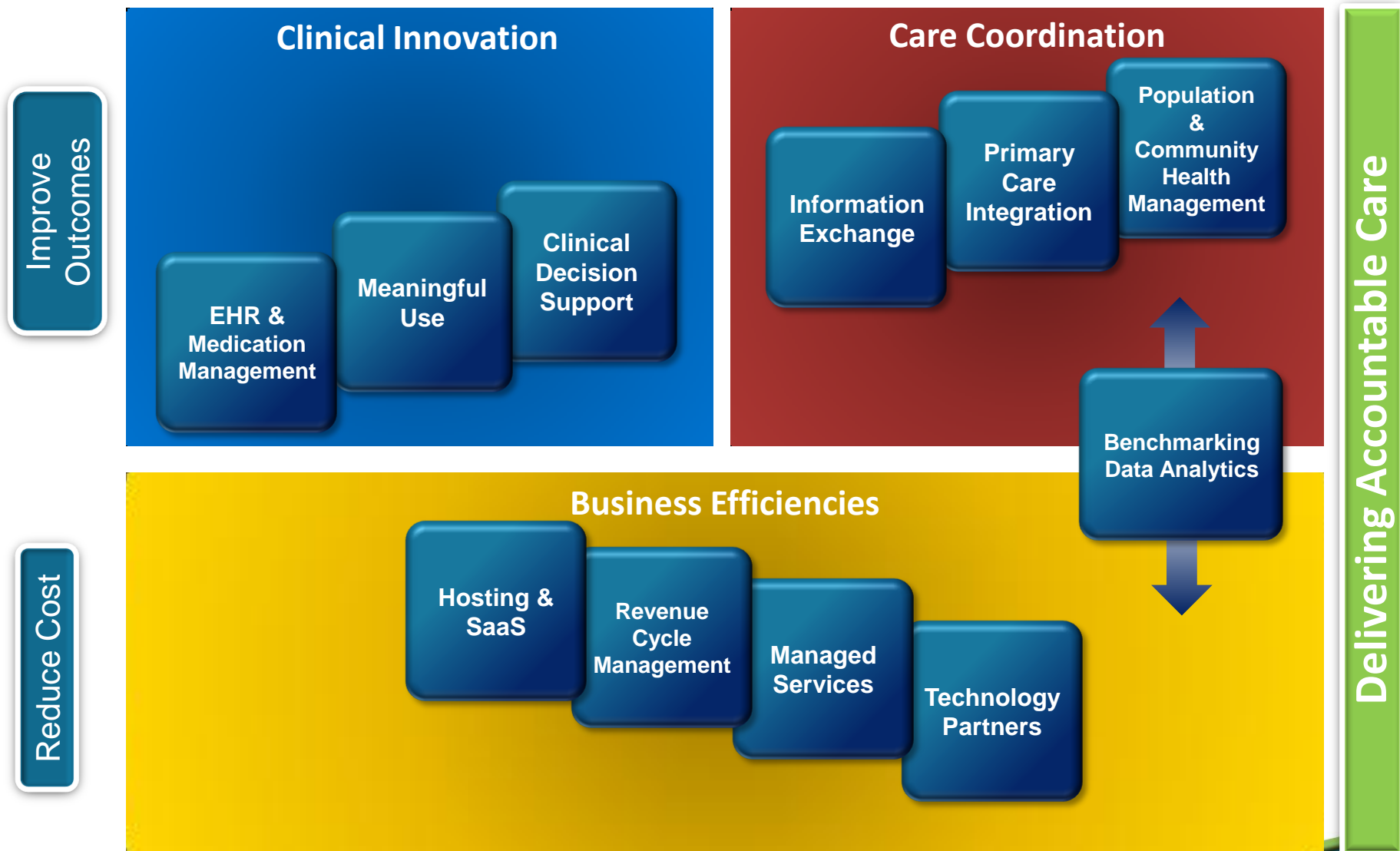


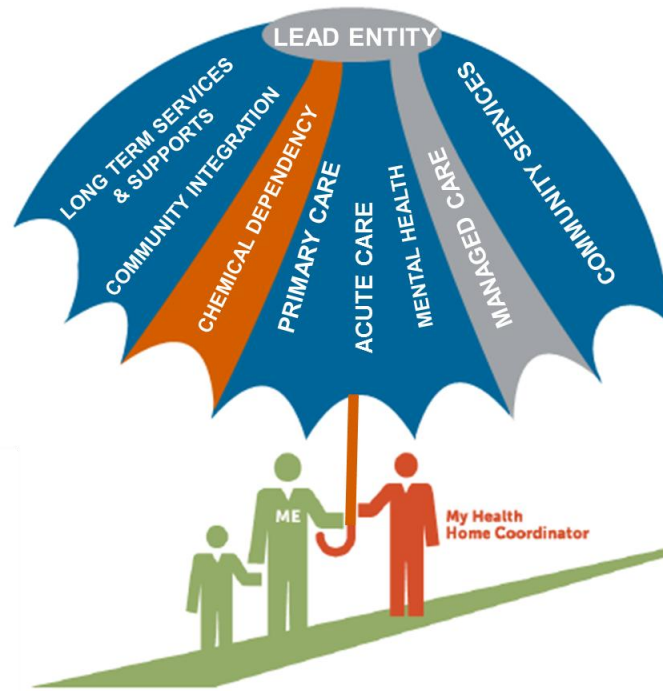


Change Of Focus Required

| Element of Change | | Today | Future |
|-----------------------|---|-------|---|
| Care focus | Sick care | | "Healthcare" wellness and prevention, disease management |
| Care management | Manage utilization and cost within a care setting | | Manage ongoing health (and optimize care episodes) |
| Delivery Model | Fragmented/silos | | Care continuum and coordination (right care, right place, right time) |
| Care Setting | In office/hospital | | In home, virtual (e-visits, home monitoring, etc) |
| Quality measures | Process-focused, individual | | Outcomes-focused, population-based |
| Payment | Fee-for-service | | Value-based (outcomes, utilization, total cost) |
| Financial incentives | Do more, make more | | Do better, make more |
| Financial performance | Margin per service, procedure (bed, clinician, etc) | | Margin per life |

Steps to Driving Accountable Care

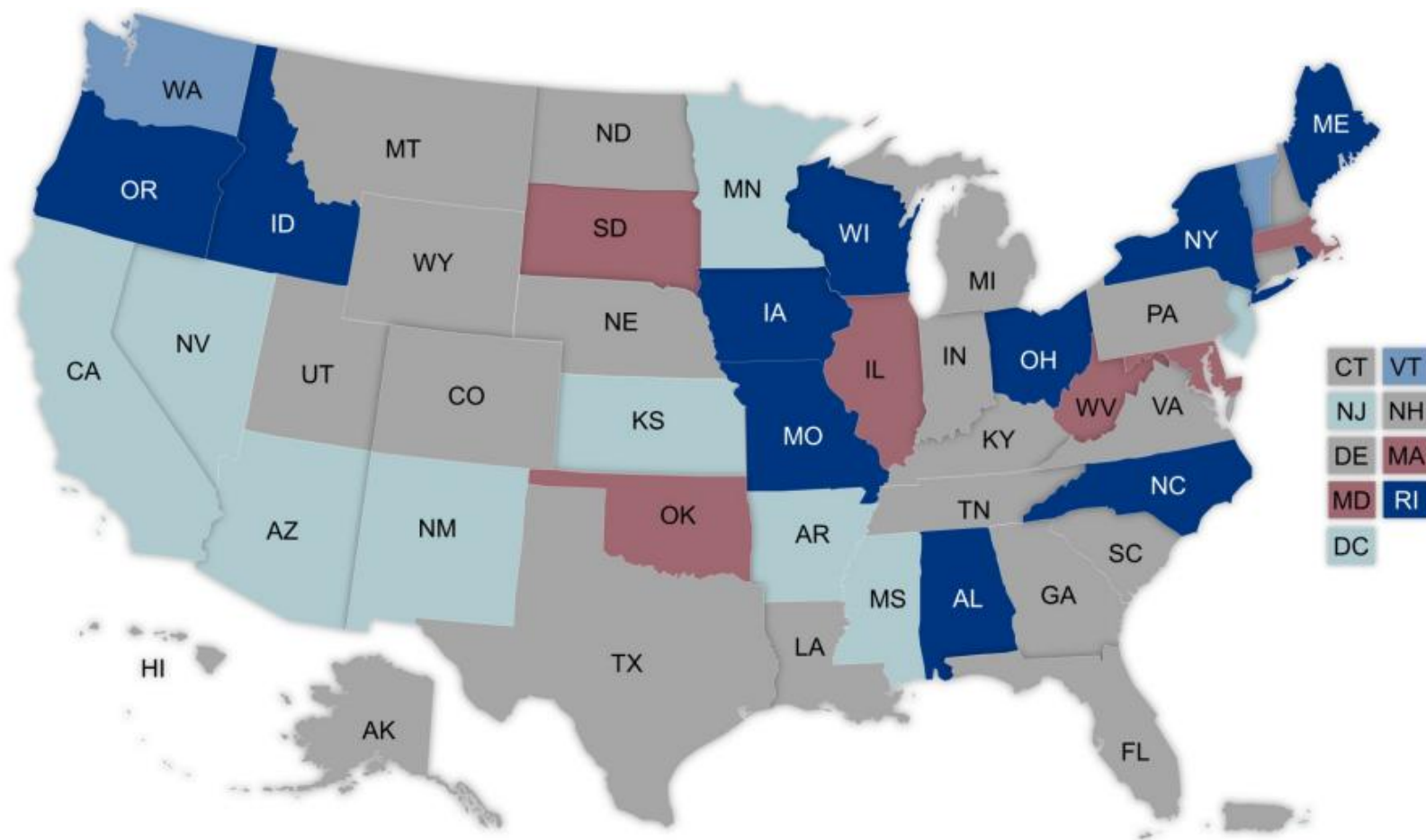




The Same Challenge...Different Approach

INTEGRATED CARE: HEALTH HOMES

State Health Home CMS Proposal Status



| | |
|--|--|
| Approved Health Home State Plan Amendment (SPA) | Alabama, Idaho, Iowa, Maine, Missouri, New York, North Carolina, Ohio, Oregon, Rhode Island, Wisconsin |
| Health Home SPA "On the Clock" (officially submitted to CMS) | Iowa (2 nd SPA), Vermont, Washington |
| Draft Health Home SPA Under CMS Review | Illinois, Maryland, Massachusetts, Oklahoma, Rhode Island (3 rd SPA), South Dakota, West Virginia |
| Approved Health Home Planning Request | Alabama, Arizona, Arkansas, California, District of Columbia, Idaho, Kansas, Maine, Minnesota, Mississippi, Nevada, New Jersey, New Mexico, North Carolina, West Virginia, Wisconsin |
| No Activity | Alaska, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Indiana, Kentucky, Louisiana, Michigan, Montana, Nebraska, New Hampshire, North Dakota, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Wyoming |

NYS High Needs Population



Developmental Disabilities

52,118 Recipients
\$10,429 PMPM

Total Complex
N=976,356
\$2,338 PMPM
32% Dual
51% MMC

Mental Health and/or Substance Abuse

408,529 Recipients
\$1,370 PMPM

Long Term Care

209,622 Recipients
\$4,509 PMPM

\$6.5 Billion
50% Dual
10% MC

\$10.7 Billion
77% Dual
18% MC

\$6.3 Billion
16% Dual
61% MC

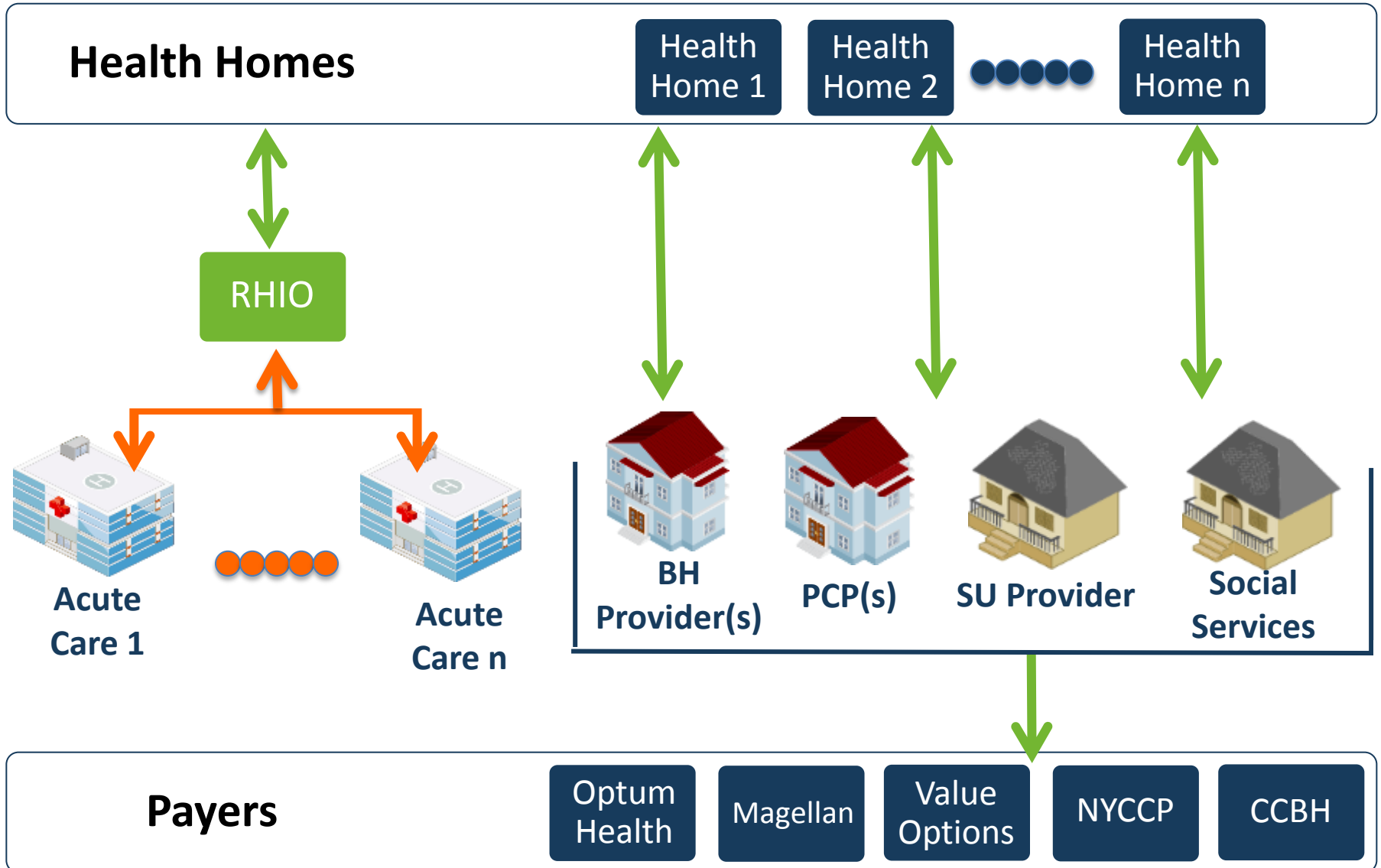
\$2.4 Billion
20% Dual
69% MC

All Other Chronic Conditions

306,087 Recipients
\$698 PMPM

FEGS HEALTH & HUMAN SERVICES

New York Approach



Coordinated Behavioral Care in New York



Care Management Agencies

*Assessments | Notes |
Care Planning*

Brooklyn

Queens

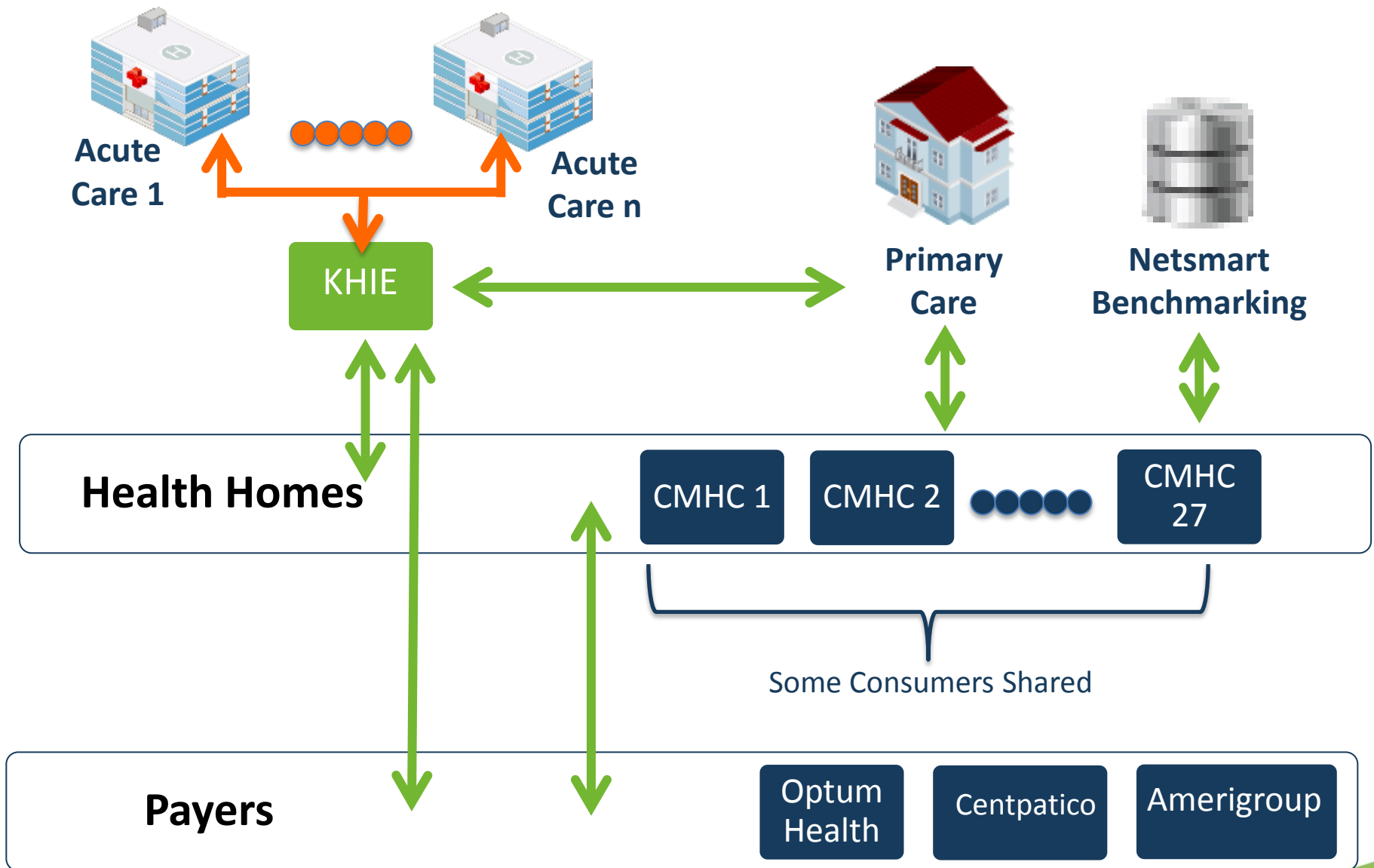
Manhattan

Bronx

Staten Island



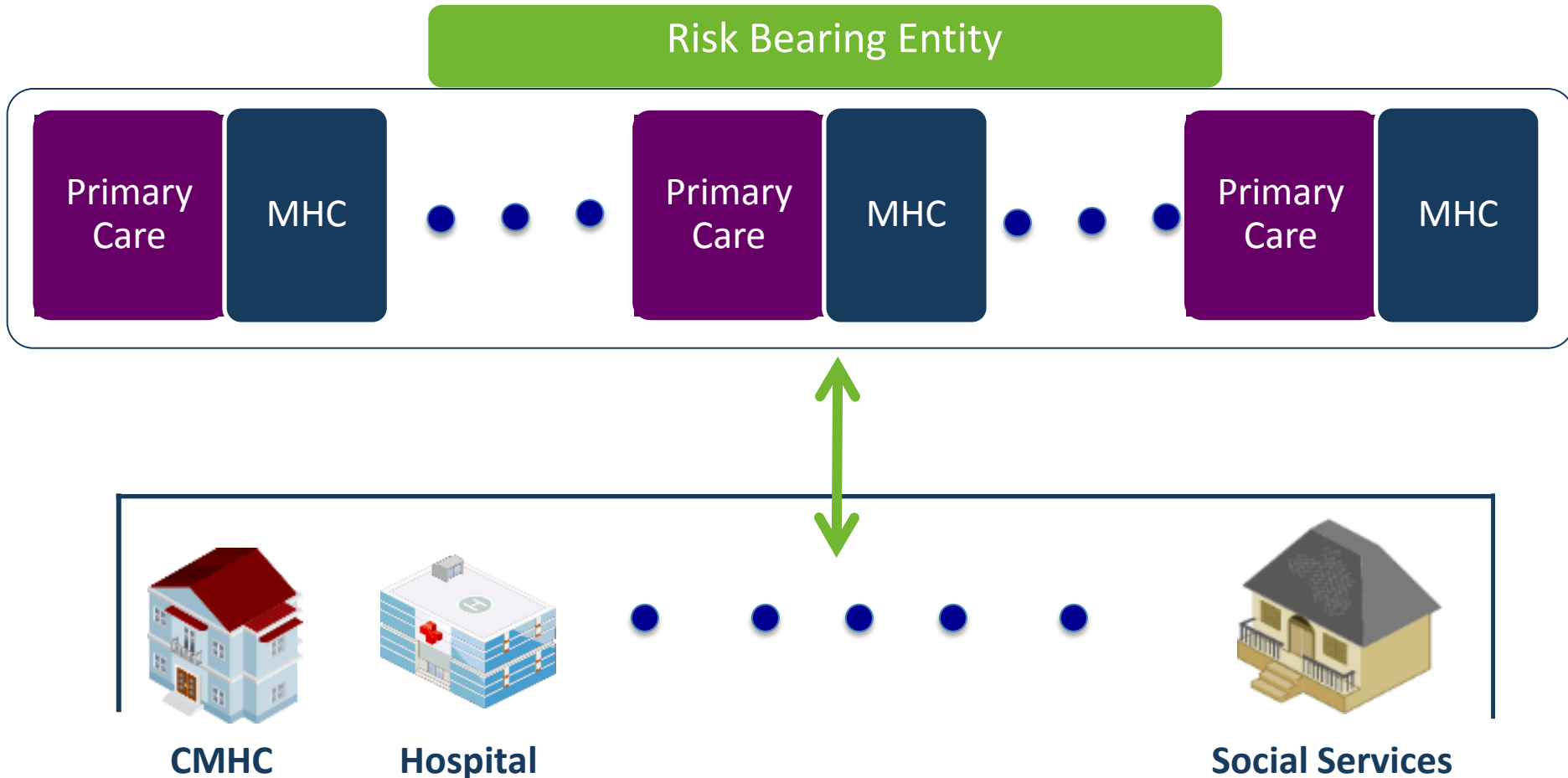
Kansas Approach



Massachusetts Approach



Integrated Care Organization





Technology To Support New Models

Behavioral Health, Public Health, I/DD



Acute Care Hospitals and Ambulatory Practices



Allscripts™





Healthcare Costs

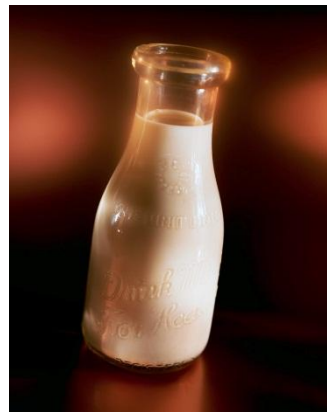


If other prices had followed the same trend as healthcare...

One dozen eggs would cost \$55

A gallon of milk would cost \$48

A dozen oranges would cost \$134



Source: The Healthcare Imperative. Institute of Medicine



Payers

- Health plans are very active in strategic initiatives as they define their future
 - Acquisition of providers
 - Focus on population health
 - Consolidation of Medicaid plans
 - Self-insured population management
 - Partnering with providers





Payers Will Be Looking For...

- Comprehensive providers for high-risk populations
- Cross level of care accountability
- Incorporation of community services into delivery system
- Sharing accountability/risk/leveraging incentives
- Creative contracting
 - Pay for Performance
 - Shared Savings Models
 - Partial capitation
- Facilitator of transparency of performance

Government

REVENUE GENERATION • MARKET SHARE & OPERATIONAL
CARE COORDINATION • PAYORS



Government

- Keep an eye on the government
 - State budgets still a mess
 - Focus on reducing Medicaid costs
 - Medicaid expansion will exacerbate above
 - Regulations changing quickly; need to move fast





HITECH Legislation Update

- H.R. 2957 Behavioral Health Information Technology Act of 2013
 - CMHCs, inpatient psychiatric hospitals eligible for incentives under the facility definition
 - Adds psychologists to EP list
- Senate version introduced recently
 - Same as above but also adds LCSW

Track at:

www.ntst.com/legislation

Regulatory Change

REVENUE GENERATION • MARKET SHARE & OPERATIONAL EFFICIENCY • CARE COORDINATION • PAYORS • GOVERNMENT



Regulatory

- ICD-10
- DSM-5
- Meaningful Use Stage 2, Stage 3...
- Move to behavioral and I/DD managed care
- Evolution of privacy & transparency
- Access to more HITECH funding



Privacy And Transparency

- Control over release of information
 - Transparency of provider outcomes
 - Transparency of provider price
- Health Information Exchange
- 42CFR Part 2



Consumer Centricity

REVENUE GENERATION • MARKET SHARE & OPERATIONS • COSTS • CARE COORDINATION • PAYORS • GOVERNMENT



Consumer Centricity

- Changing demographics
- Condition self-management
- Clinical social media



What Can We Learn From These Guys?



Digital Natives... want it their way





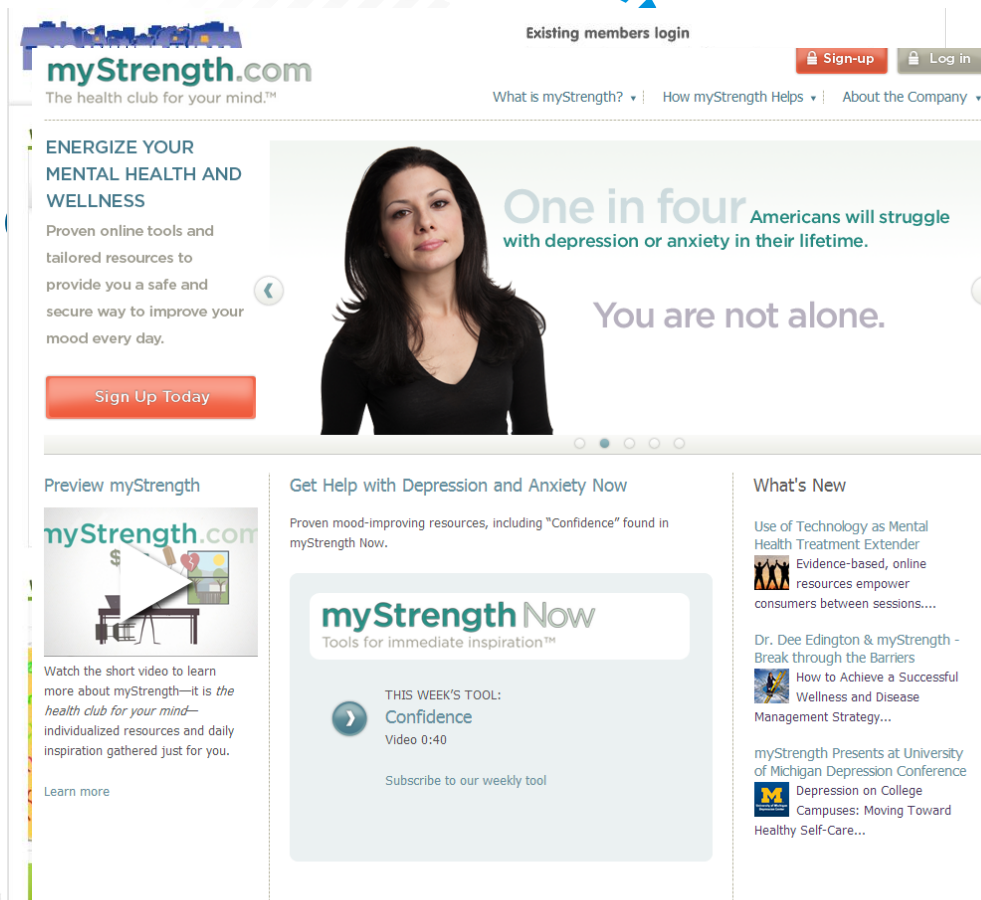
Condition Self-Management

- Smart homes
- Wireless devices
 - Glucometers
 - Scales
 - Blood pressure
 - Medication devices
- Tele-health
- CCBT



Clinical Social Media

- Patients Like Me
- Big White Wall
- My Strength
- Will require regulation of capitated systems



The screenshot shows the myStrength.com website. At the top, there's a navigation bar with 'Existing members login', 'Sign-up', and 'Log in' buttons. Below this is a header with the myStrength.com logo and tagline 'The health club for your mind.™'. The main banner features a woman's face and the text 'One in four Americans will struggle with depression or anxiety in their lifetime. You are not alone.' with a 'Sign Up Today' button. The left sidebar has a section 'Preview myStrength' with a video thumbnail and text: 'Watch the short video to learn more about myStrength—it is the health club for your mind—individualized resources and daily inspiration gathered just for you. Learn more'. The right sidebar has 'Get Help with Depression and Anxiety Now' with text: 'Proven mood-improving resources, including "Confidence" found in myStrength Now.' and a 'myStrength Now' section with 'THIS WEEK'S TOOL: Confidence Video 0:40' and a 'Subscribe to our weekly tool' link. The bottom right has a 'What's New' section with links to 'Use of Technology as Mental Health Treatment Extender', 'Dr. Dee Edington & myStrength - Break through the Barriers', and 'myStrength Presents at University of Michigan Depression Conference'.

Existing members login

Sign-up Log in

What is myStrength? How myStrength Helps About the Company

ENERGIZE YOUR MENTAL HEALTH AND WELLNESS

Proven online tools and tailored resources to provide you a safe and secure way to improve your mood every day.

Sign Up Today

One in four Americans will struggle with depression or anxiety in their lifetime.

You are not alone.

Preview myStrength

myStrength.com

Watch the short video to learn more about myStrength—it is the health club for your mind—individualized resources and daily inspiration gathered just for you.

Learn more

Get Help with Depression and Anxiety Now

Proven mood-improving resources, including "Confidence" found in myStrength Now.

myStrength Now

Tools for immediate inspiration™

THIS WEEK'S TOOL:
Confidence
Video 0:40

Subscribe to our weekly tool

What's New

Use of Technology as Mental Health Treatment Extender

Evidence-based, online resources empower consumers between sessions....

Dr. Dee Edington & myStrength - Break through the Barriers

How to Achieve a Successful Wellness and Disease Management Strategy...

myStrength Presents at University of Michigan Depression Conference

Depression on College Campuses: Moving Toward Healthy Self-Care...





Technology

- Technology and care
- Meaningful Use
- \$1000 Genome
- Technology integration and mobility
- Consumer portals to access EHRs
- Data Management/Analytics
- Telemedicine
- IT will continue to consume a greater part of budget

**Have An EHR-
*Now What?***



IT Spend By Industry

| Industry | IT Spend | Percent of Standard |
|------------------------------------|----------|---------------------|
| Commercial Businesses ¹ | 5.9% | 100% |
| General Healthcare ² | 3.5% | 59.3% |
| Behavioral Health ² | 1.8% | 30.5% |
| Substance Use | 0.7% | 11.9% |
| Public Health | 0.5% | 8.5% |

¹ Gartner: 2008/2009

² SATVA: 2009





Employees

- Difficult employer-employee relations are coming
- Increased focus on engagement and culture
- Leadership is key for retention
- Growth helps solve problems
- Clinician's traditional roles challenged

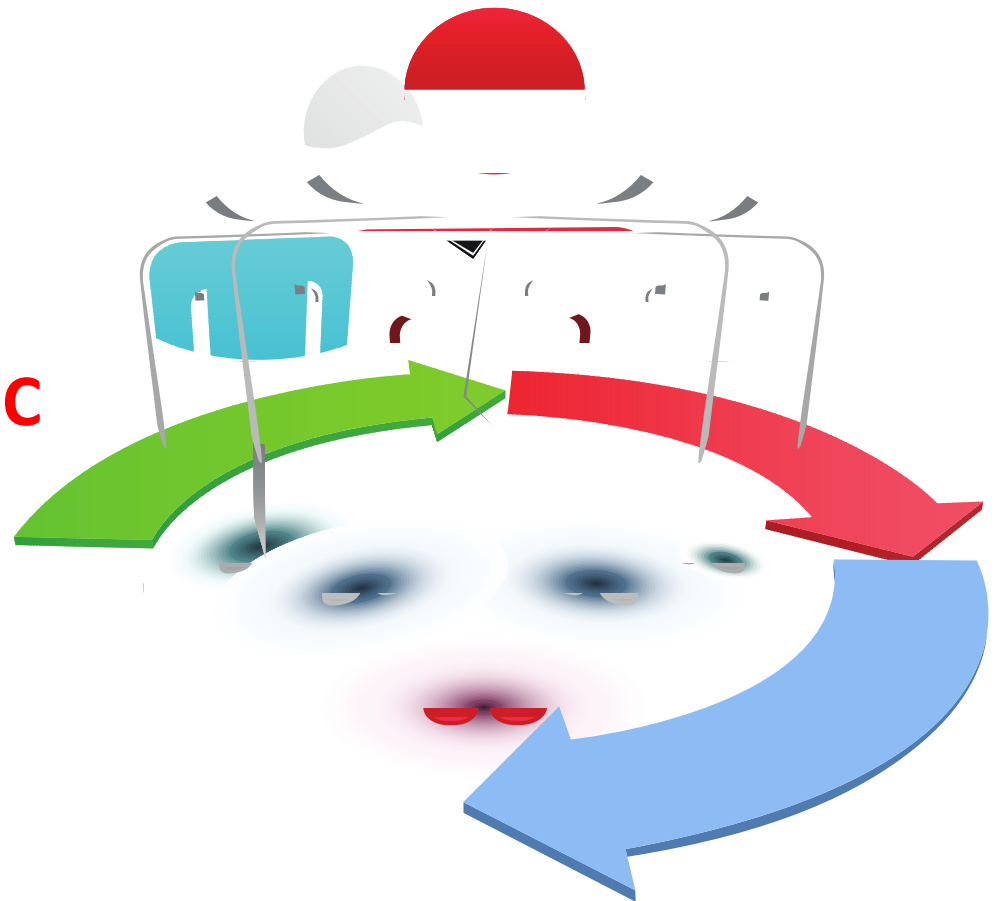


Leadership



- Evolving leadership roles
- Talent gap
- Retention

NOT your father's CMHC



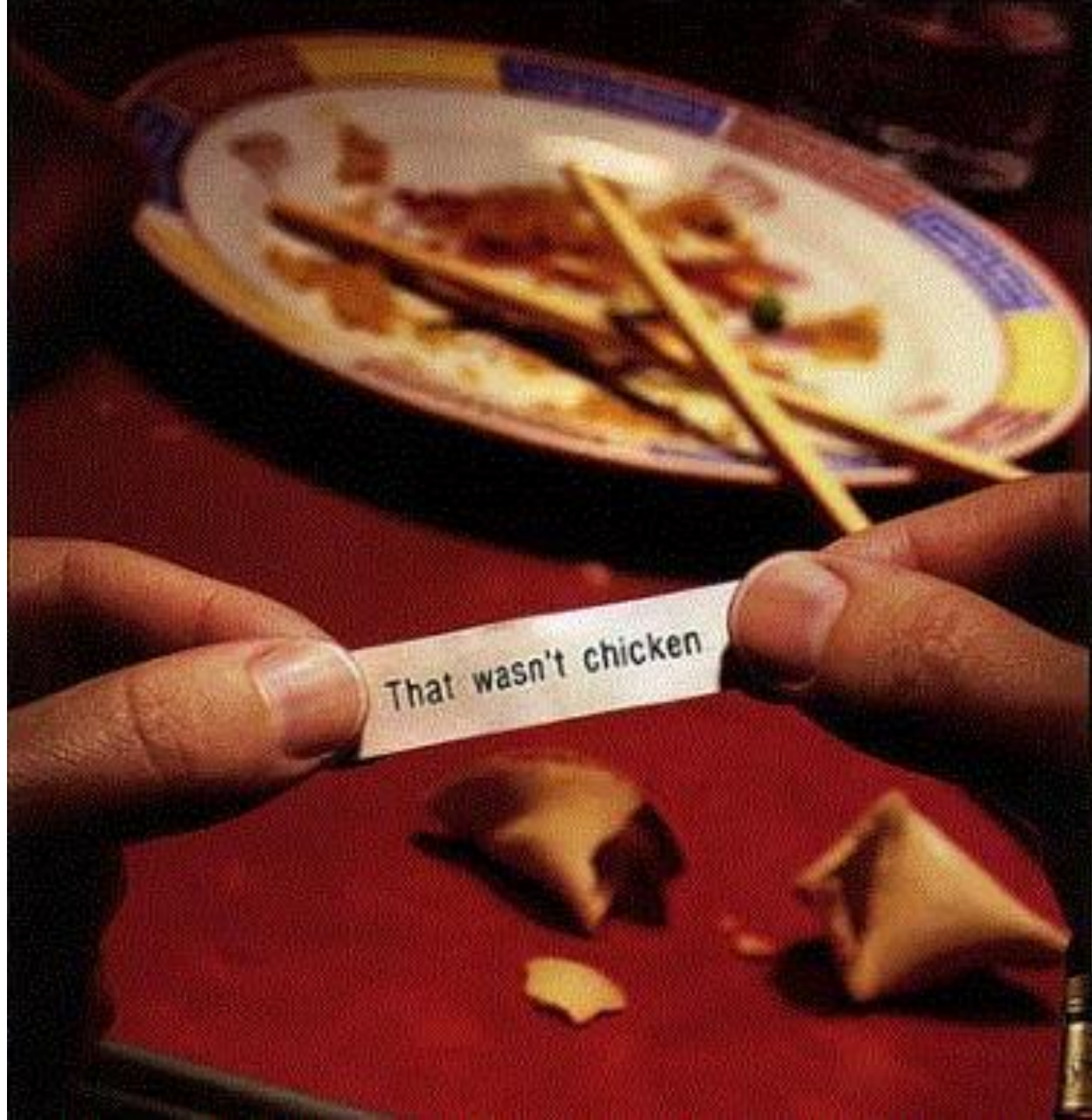


Are You Ready?



**“In the midst of chaos,
there is also opportunity”**

— Sun-Tzu



Summary



- Consolidation has begun
- Already one of the lowest cost parts of the healthcare ecosystem
- Already work in multi-disciplinary teams
- Have field staff to lead health homes/ICOs
- Live through regulatory change with every change in Governors
- Include consumers, peers and families in consumer's recovery
- Have dedicated, consumer-focused staff



Learn to Pivot



Pivot

(piv·ot /'pivət)

When used in relation to entrepreneurship, pivot generally refers to the right business model for a customer segment.

Verb:

Pivots in *Turn on or as if on a pivot.* e as you shift the other in a new direction.

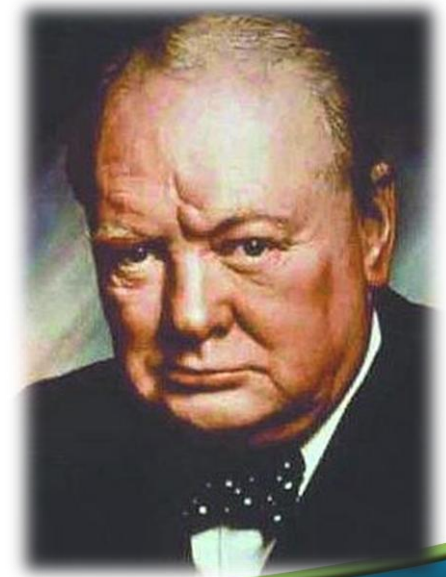
In this way, new ventures process what they have already learned from past success and failure and apply these insights in new areas.



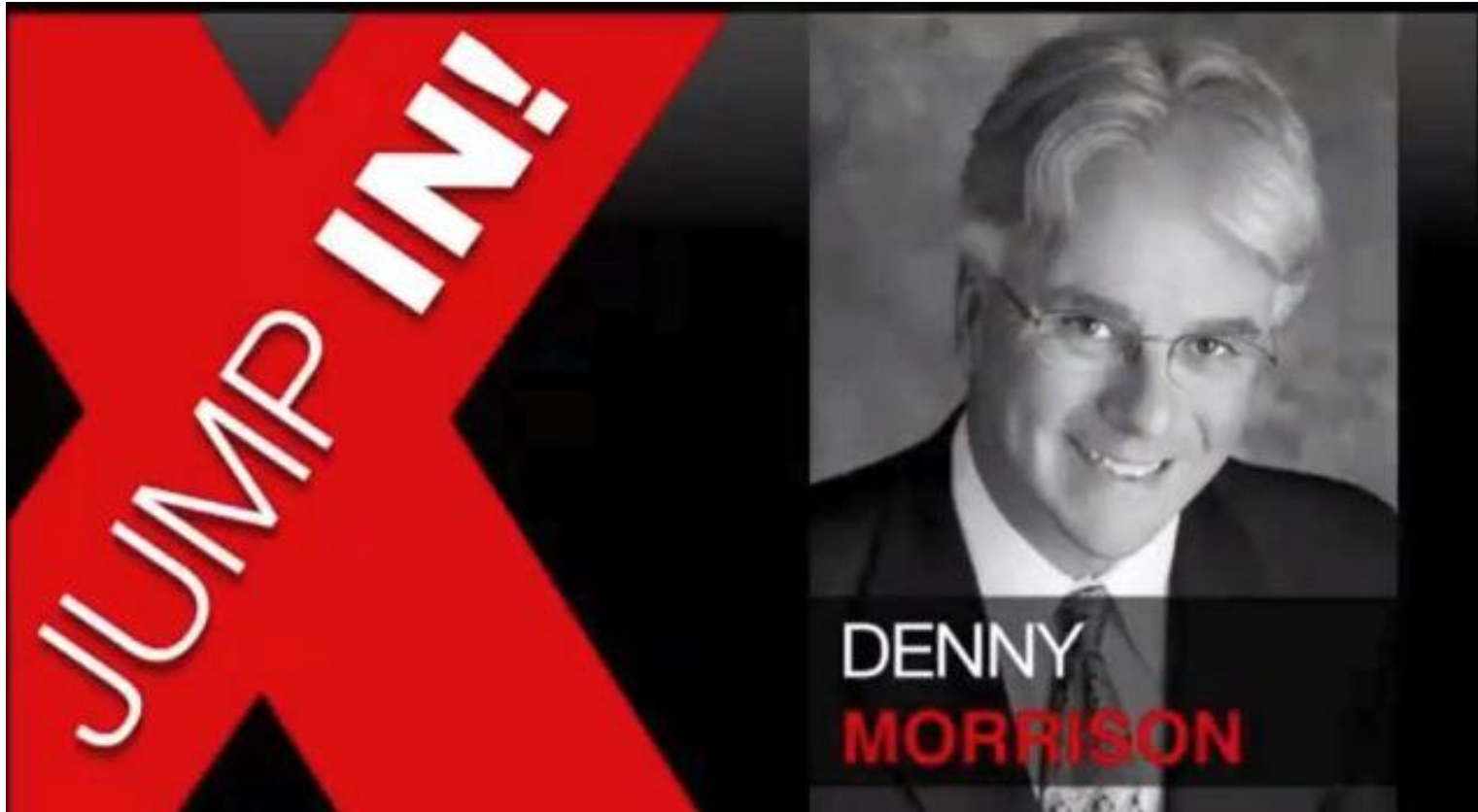
Americans

I love the American people, they always
do the right thing
after they have tried everything else.

Winston Churchill



In Case You Haven't Had Enough...



[YouTube TEDxBloomington](http://www.youtube.com/watch?v=zQbtDaJCi0M)
<http://www.youtube.com/watch?v=zQbtDaJCi0M>



Thank You

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