Understanding and Adjusting Business Practices based on the Changing Healthcare Environment











Begin with the End in Mind

Behavioral Health



Merging with



Medical Health







Merging....

Of clinical care and administration, not corporate entities





Major Topics to Discuss

- Labor and Operations
- Capital and Organization
- Payment

Merging of Behavioral and Medical Health

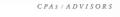


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Labor and Operations

- Physicians
 - Psychiatrists
 - Psychologists
 - General Practitioners
 - Extenders
- Availability
- Cost





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Labor and Operations

- Technical Staffing
 - Therapists
 - Nursing
 - Support
- Availability
- Cost





Labor and Operations

"The Bernie Sanders Effect"

- Minimum Wage to \$15/hour
- Increased Time Off
 - Pregnancy
 - Death Benefit
 - "Recharge"
- Extended Discharge Periods Europe Model





In general, capital has not been an issue in healthcare. Principal needs:

- Financing new infrastructure
- Establishing new programs
- Replacing plant







Most Common Potential Lenders

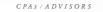
- Banks
- Revenue Bonds
- USDA
- FHA
- HUD





Healthcare Entity Consolidation

- US Hospitals 1975 6,774
- US Hospitals 2013 5,473
- IN CMHCs 1975 30
- IN CMHCs 2016 25







Hospital Consolidation:

- Urban
- Rural
- Specialty
- Not-for-profit
- For-profit





- Impact of State-owned facilities
- Group home strategy
- County governance
 - Leverage program availability





New payment methods are relevant to all types of entities:

- Payment per discharge
- Percentage fee-for-service
- Leveraging programs





Population Health Management

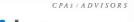
- Accountable Care Organizations
- Preferred Provider Organizations
- PPO Narrow Networks
- Health Maintenance Organizations
- Bundled Payment
- Direct Contracting





Quality Payment Incentives

- Inpatient Readmissions
- Hospital Acquired Conditions
- Recovery Audit Contractors
- Value Based Purchasing



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Healthcare Payment

Types of Entities

- Hospital
- CMHC
- FQHC
- FQHC Look-alike
- RHC
- Practitioner Office vs. Provider-Based





Leveraging Programs

- Basic Medicaid payments (HAF)
- Disproportionate Share Hospital payments
- Rehab Option
- Administrative Outreach





Historical Payment Methodologies

Medicare IP - DRG/per discharge

Medicare OP – PPS/ fee schedule

Physician – Fee for service screens

Medicaid – W/expansion

Commercial – Denial management, ACOs, partnerships, narrow networks





Other Funding Sources

- Government county and state
- Grants
- Research





Healthcare Conundrum

#1 and #2 Problem areas cited by acute care hospitals to their legislators:

- 1 Dealing with opioid and substance abusers showing up in Emergency Room
- 2 Spousal and family abuse presented in the Emergency Room





Healthcare Conundrum

There are numerous additional behavioral health issues in our hospitals and medical practices which most are not equipped to address. How can we start to have an impact?





Merging of Behavioral Health and Medical Health

Behavioral Health



Merging with



Medical Health





Solutions To Consider

Embedding of resources with hospital:

- Emergency room
- Clinics
- Practices

Establish clinics:

- FQHCs
- RHCs





Solutions To Consider

Alternative payment mechanisms

- Commercial insurers
- Medicaid
- Leverage issues
- Direct contracting/EAP
- Population health managers

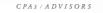




Solutions To Consider

Joint Venture Partners:

- Acute care hospitals
- Local business
- Government
- Commercial carriers
- Practitioners







Questions and Comments