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
Labor and Operations

• Physicians
  – Psychiatrists
  – Psychologists
  – General Practitioners
  – Extenders

• Availability
• Cost
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
Capital and Organization

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

- Financing new infrastructure
- Establishing new programs
- Replacing plant
Capital and Organization

Most Common Potential Lenders

• Banks
• Revenue Bonds
• USDA
• FHA
• HUD
Capital and Organization

Healthcare Entity Consolidation

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

Hospital Consolidation:

- Urban
- Rural
- Specialty
- Not-for-profit
- For-profit
Capital and Organization

• Impact of State-owned facilities
• Group home strategy
• County governance
  – Leverage program availability
Healthcare Payment

New payment methods are relevant to all types of entities:

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

Population Health Management
  • Accountable Care Organizations
  • Preferred Provider Organizations
  • PPO Narrow Networks
  • Health Maintenance Organizations
  • Bundled Payment
  • Direct Contracting
Healthcare Payment

Quality Payment Incentives
• Inpatient Readmissions
• Hospital Acquired Conditions
• Recovery Audit Contractors
• Value Based Purchasing
Healthcare Payment

Types of Entities

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

Leveraging Programs

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

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
Healthcare Payment

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