Understanding and Adjusting Business Practices based on the Changing Healthcare Environment

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Begin with the End in Mind

Behavioral Health

Merging with

Medical Health

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Merging....

Of clinical care and administration, not corporate entities

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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

Labor and Operations

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

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Labor and Operations

"The Bernie Sanders Effect"

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

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Capital and Organization

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

- Financing new infrastructure
- Establishing new programs
- Replacing plant

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Capital and Organization

Most Common Potential Lenders

- Banks
- Revenue Bonds
- USDA
- FHA
- HUD

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Capital and Organization

Healthcare Entity Consolidation

- US Hospitals 1975 6,774
- US Hospitals 2013 5,473

- IN CMHCs 1975 30
- IN CMHCs 2016 25

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Capital and Organization

Hospital Consolidation:

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

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Capital and Organization

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

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Healthcare Payment

New payment methods are relevant to all types of entities:

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

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Healthcare Payment

Population Health Management

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

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Healthcare Payment

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

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Healthcare Payment

Leveraging Programs

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

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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

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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

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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?

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Merging of Behavioral Health and Medical Health

Behavioral Health

Merging with

Medical Health

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Solutions To Consider

Embedding of resources with hospital:

- Emergency room
- Clinics
- Practices

Establish clinics:

- FQHCs
- RHCs

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Solutions To Consider

Alternative payment mechanisms

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

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Solutions To Consider

Joint Venture Partners:

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

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Questions and Comments