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An Ohio AAA reveals lessons learned from decades of managed care

Editor's note: The John A. Hartford Foundation, Administration for Community Living (ACL), The SCAN Foundation, Gary and Mary West Foundation, Marin Community Foundation and Colorado Health Foundation have united to fund a three-year grant to develop and establish the Aging and Disability Business Institute, led by the National Association of Area Agencies on Aging (n4a). Under the grant, ASA and n4a (goo.gl/nz7ykU) are collaborating on a series of articles and case studies in **Aging Today** that will help prepare, educate and support community-based organizations (CBO) and healthcare payers to provide quality care and services.

This **Aging Today** supplement features four organizations that have been selected to participate in a Trailblazers Learning Collaborative (TLC), convened by n4a and funded by ACL. They are the “front runners” from the Aging and Disability Networks, the first group of CBOs to tackle CBO–healthcare partnership issues. They will serve as a “think tank” for prototyping and collectively work toward solutions to address next-generation challenges and opportunities in contracting with healthcare entities, through in-person and virtual meetings.

Gary Cook has learned quite a bit in his more than two decades working in partnership with healthcare facilities in and around Akron and Canton, Ohio. As president and CEO of Direction Home Akron Canton Area Agency on Aging & Disabilities, he says Ohio has been at the vanguard of states changing the way long-term services and supports are provided, serving as an example of how to develop relationships with healthcare providers and navigate the contracting process. He is pleased at the prospect of participating in the n4a Trailblazers Learning Collaborative, as he says it has always been Direction Home's practice to provide assistance to others.

Direction Home is a private nonprofit covering Ohio's Summit, Stark, Portage and Wayne counties, providing managed long-term services and supports (MLTSS). The organization also serves as the nursing home ombudsman—“the elder rights advocate for nursing homes,” Cook says, for 20 Ohio counties, essentially overseeing a quarter of the state.

Playing to Their Strengths

Direction Home's first foray into working with healthcare systems began almost 20 years ago with partnerships to provide community assessments directly in the hospital. In this collaboration, nurse assessors from Cook's Area Agency on Aging (AAA) would meet with patients and families to determine the level of care needed for an older adult, and specifically what supports were required around activities of daily living. From there, assessors would evaluate a family's financial situation and assess its ability to cover costs of necessary services and supports and then develop an actionable care plan. Up to this point, this was a free service to the community, funded by the Ohio Department of Aging PASSPORT Medicaid Waiver, but not routinely accessible in the hospital itself.

Direction Home decided years ago that if one of their main missions was to keep people who were transitioning from hospital settings out of nursing homes, it would make sense to base their community assessors within hospitals. Direction Home now has assessors in 12 hospitals, representing four health systems in the Akron-Canton area.

The hospitals provide offices, telephones and access to patients and staff. AAA assessors are part of the discharge-planning process, taking care of such details as determining whether patients are eligible for Medicaid waiver home- and community-based services, which can eventually help patients when they transition to their home from the hospital or from rehabilitation facilities. Connecting patients to community services bolsters their care plans, thereby reducing hospital readmissions. Having assessors as such an intrinsic part of hospital transition protocols also means that Direction Home can facilitate access to the Medicaid waiver program for more people.

When the Centers for Medicare & Medicaid Services (CMS) put up a \$500 million pilot program to test the premise that CBOs could play a role in reducing hospital readmissions through the Community-based Care Transitions Program, one of the first agencies to receive funds for the project was Direction Home.

Culture Change a Key Partnership Strategy

Such strategies for partnering with healthcare entities need to be a part of an organization's long-term objectives, and require thinking way ahead, says Cook. Direction Home made a conscious effort to slowly woo healthcare executives and practitioners into vacant seats on their board of directors, as part of a method they call IDEA: Identify stakeholders, Develop relationships, Explore common interests and Align activities. "It really works, it's an evolutionary process that's strategic in nature," says Cook. Through board membership, healthcare executives and physicians were able to see in detail how Direction Home ran its agency.

These close relationships helped immensely for future partnering, but by an overwhelming margin, the biggest key to partnering success for Direction Home was culture change. AAAs, Cook says, have traditionally acted as extensions of government, with virtually all contracts flowing through local, state and federal governments. In the new managed care world order, these contracts are risk-reward based, meaning the AAAs need to become more entrepreneurial and all staff, from the top down, need to approach partnerships as they would in a for-profit business framework.

When first researching best business practices, a board member who was a hospital CEO suggested reading Fred Lee's 2004 book, *If Disney Ran Your Hospital: 9 1/2 Things You Would Do Differently* (Bozeman, MT: Second River Healthcare), and Direction Home adopted the "Disney culture" as its model. Direction Home sent top staff to the Disney Business Institute in Orlando to be trained in this customer-oriented culture, and still continues this practice. The main lesson of the training, beyond embracing a customer-oriented culture, is how to run the AAA more like a business, and less like an extension of the government.

As Ohio increasingly employs a managed care model to operate what had previously been state government-operated Medicaid systems, it has established relationships with Managed Care Organizations (MCOs), which in turn use Direction Home as a subcontractor that takes over the long-term care portion of their services. When offered the choice of building an MLTSS infrastructure from scratch or buying services from Direction Home and the Ohio Aging network, Cook says they have convinced MCOs in northeast Ohio that it's preferable to buy long-term care management services, leaving the MCOs to do what they do best, which is acute care management.

Direction Home and the Ohio AAAs already knew how to run long-term care services, being familiar with all the necessary daily details to provide clients with the help and supports that allow them to successfully live in their community. "We've been doing this for 30 years under the PASSPORT Waiver," says Cook. "So the MCOs can start with the assumption that the product [we provide] is good, then there's a compelling argument to ... buy it from us."

Lessons Learned

Much of the process of evolving into a more business-like, outcomes-directed organization centers around practical challenges like quantifying risk and true-cost accounting, says Cook. Direction Home must accurately evaluate the true costs of providing services, in order to charge the right amount and ensure their agency's financial sustainability. There is a degree of specificity and a much smaller margin of error to running a business this way, when compared to the previous government-dominated model of "spend the dollars now or risk not getting them the next year," says Cook. Any monies made over and above expenses are channeled back into the business to further its mission and improve its services.

Effecting a culture change that emphasizes this business model is the biggest takeaway lesson from his work with managed care, Cook says. "Everything depends upon your corporate culture. Many boards of directors resist rather than move with change. If you see changes coming down the pike as a threat, you won't position yourself to survive. But, if you see changes as opportunities, then you can figure out how to make it work."

A second lesson lies in the value of data. This can also be a part of evolving corporate culture because data analysis, computer programming and financial analysis are not in plentiful supply at AAAs, says Cook, so such experts may have to be hired on staff or as contractors. But the data need to exist and must be mined. This also applies to the healthcare side: MCOs and healthcare systems have to be willing to collect and share their data on outcomes and other commonly agreed upon performance metrics such as hospital admissions, emergency department visits and readmissions.

The third lesson relates to language. "Hospitals and MCOs are not going to learn your language," says Cook. It is up to the CBO to learn the health-care lexicon.

Finally, resting on one's laurels is not an option. Cook is currently working through the Ohio Association of Area Agencies on Aging, figuring out how to carve out a role for Direction Home within a new Ohio state proposal that would take what remains of the old Medicaid waiver system and turn it all over to managed care.

It's likely Cook's experience helping to secure a new role for his organization with the state will serve as valuable fodder for imparting wisdom through the Trailblazers Learning Collaborative. ■