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Local CBO learns to balance its mission with business acumen

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 (goo.gl/45uLBU), housed within the National Association of Area Agencies on Aging (n4a). Under the grant, ASA and n4a 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.



San Francisco's Institute on Aging (IOA) began in 1985 as a nonprofit providing multiple services to older adults, and is best known, locally, for its Friendship Line, a volunteer-staffed suicide prevention hotline serving older adults. Dustin Harper, IOA's vice president of Strategic Partnerships, has been with IOA for nine years, previously as vice president of Community Living Services, which was a hybrid position combining business development and operations. As IOA's geographic footprint expanded, the nonprofit split this role into two.

In his new role, Harper focuses on building organizational relationships with other entities interested in addressing the same needs and gaps in service in which the IOA specializes. He also helps to develop sustainable funding streams and revenue models for programs such as IOA's Friendship Line, the Multipurpose Senior Services Program, Community Living Solutions and the other 20-plus programs IOA offers. This role makes sense in the new world of integrated care, in which having an M.B.A. (as Harper does) may be as critical for working in a nonprofit serving elders as is possessing a background in social work and an empathy for older adults.

"We see ourselves as a research, advocacy, and services organization. As funding has become more lean, we're seeking additional opportunities to demonstrate the value of our services."

Partnering with a Local Health Plan

Since 2007, IOA's Community Living Fund program has been working with the City of San Francisco to transition older adults and individuals with disabilities out of Laguna Honda Hospital and Rehabilitation Center and back into the community using a combination of intensive care

management and purchased services. The collaborative partnership includes Brilliant Corners, a nonprofit supportive housing agency that creates affordable, community-based housing for people with developmental disabilities and other special needs in the San Francisco Bay Area and Los Angeles County.

In 2012, the Health Plan of San Mateo (HPSM) contacted IOA, seeking information on how it had successfully managed these transitions. The biggest skilled nursing facility in San Mateo County was at risk of closure, and HPSM was anticipating assuming financial risk for long-term care through the Cal MediConnect program. HPSM was considering developing its own nursing home transitions program and requested feedback on its ideas.

Following a year of market research, HPSM concluded in 2013 that they would be better served by contracting out this function. They issued a request for proposal for the Community Care Settings Program (CCSP). IOA and Brilliant Corners submitted a joint proposal and were selected to launch the program in 2014.

The CCSP has three goals: to develop community-based alternatives to nursing home placement for 10 percent to 30 percent of the long-term-care population; to integrate housing, home- and community-based services into a health plan system of care; and to fill systemic gaps and break down unnecessary barriers to accessing long-term supports and services.

IOA provides the care management services necessary to transition people back into the community. Care managers, physicians, nurse liaisons and occupational therapists all work as part of an in-house multi-disciplinary team. IOA staff work with CCSP participants throughout the program's life cycle, from referral to intake through to transition from long-term care and discharge from the program. HPSM and IOA together perform outreach to local skilled nursing facilities and community-based organizations (CBO) to identify people who would benefit from transitional case management and housing services. IOA staff assess client needs, develop Community Living Plans and present the individual to a multi-agency, interdisciplinary Core Group for placement recommendations.

"I've been fortunate to be surrounded by some of the best clinicians in the Bay Area at transitioning individuals out of nursing facilities," says Harper. "Together we were able to demonstrate the value—particularly financial savings—of what they were doing."

Outcomes Positive, but Barriers Remain

In 2013, HPSM's annual long-term-care spending topped \$100 million. In 2016, that number was \$65 million. Based on third-party claims analyses, monthly spending per member drops by nearly 50 percent after transition to the community.

"Going in, we felt fairly confident that we could reduce costs on the long-term-care side, but the ultimate question was whether or not these individuals would become high utilizers of healthcare resources once they were back in the community," says Harper. "We've been very pleased to see lower utilization and per member, per month healthcare costs for individuals in the community compared to when they were in the nursing facilities."

Harper points out, however, that there are two primary barriers for the program's successful widespread replication: rate structures and housing funding.

The IOA is meeting with state officials this fall to try to address the systemic barriers to replication in other regions of the state.

Harper says HPSM continues running the program because they believe it is the right thing to do, regardless of whether or not they're making money. There are multiple benefits to the overall system of care if patients' hospital stays are shortened and nursing home resources are freed up.

IOA continues to pursue program expansion elsewhere in the state; they are currently in contract negotiations with Inland Empire Health Plan (IEHP) in Riverside and San Bernardino for a similar partnership with services provided through IOA and Brilliant Corners.

“IEHP sees the need for a program like this for their members. They’ve adopted a similar philosophy to HPSM, where their priority is to demonstrate the potential impact of investing in community-based alternatives to nursing homes,” says Harper. “I think they will be strong allies in our efforts to make this more of a norm across the state.”

The second barrier is housing, as healthcare reimbursement dollars cannot be used for housing in the community. “If you talk to key stakeholders up and down the state, everyone generally agrees that the most effective solution is to provide a combination of housing and intensive care management,” says Harper.

“The current system allows Medicaid dollars to be spent on housing when you’re in a nursing home. Without the latitude to invest in housing alternatives in the community, how can a health plan be expected to manage a long-term-care population?”

Making the Business Case

The IOA participated in The SCAN Foundation’s Linkage Lab, a leadership and management development program geared toward select California CBOs seeking to deliver care coordination services for effective partnership with healthcare entities through management education and on-site technical assistance.

“One thing Linkage Lab pushed us on was making sure we could develop a method to quantify the value we’re creating,” says Harper. “Historically, CBOs have advocated for funding primarily with social and ethical arguments. In today’s environment, we have to be able to add [in] that business case element.”

But until an organization can figure out how to quantify the expected impact its programming is having on reducing undesirable healthcare expenditures, it is difficult to make a financial proposition.

For CBOs, the idea that you are the expert compared to a much larger health plan can be intimidating. “So, a key component of developing a business case is explaining why you’re the right entity to provide the given service,” says Harper. “Inherent in that is an expectation that you provide a level of expertise. Our successes in San Francisco and San Mateo have allowed us to demonstrate that expertise and quantify the value we’re creating.” ■