

Report from the Open Minds Strategy and Innovation Institute

I recently had the pleasure of participating in the Open Minds Strategy and Innovation Institute held in New Orleans from June 3rd to June 6th. Given the shift from paying for volume to paying for value, the Institute focused on the strategy, program development and innovative management tools executive teams need to move their organization from the concept of value-based reimbursement, to success in the new payment environment. Some of my take aways are:

Innovation Adoption

Each year Open Minds conducts a National Innovation Survey to understand how organizations are implementing new ideas that create value. Some of the top ten innovations being adopted are: hiring and deploying peer support specialists, implementing readmission prevention programs, and starting medication assisted treatment for addictions. The survey also pointed to the increased use of technology for communicating with consumers, use of consumer-directed support tools, and technology supports for medication adherence. It is interesting that sometimes we feel like we can hardly keep up with the changes that are occurring in our field, but on average there is a 15 to 20-year lag between the development of a practice and its common use in community-based programs.

Building an Infrastructure for Data Driven Performance

It is expected that long-term sustainability in our changing market will come down to in part performance management. Health plans and payers will begin looking for high-value services and will continue transferring risk to the providers. These market shifts will require innovation in clinical operations, financial management and program development. These shifts will require us to evaluate our infrastructures related to gathering, analyzing and visualizing our data to support decision making and performance management. The key is creating data-driven cultures and developing new leadership competencies in this area.

Alternative Payment Models: Bundled Payments

As we transition from volume to value, we continue to see new payment models emerge that lie on a continuum of very small financial risk (fee for service) to high levels of financial risk (capitation and performance-based contracting). Bundled models are payment for a specific “episode of care” for a specific treatment or services during a defined period that represent a moderate level of provider risk. Some providers who provide Assertive Community Treatment or Health Home Case Management are already familiar with these models. To be



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successful in these models, it is critical for organizations to fully understand the services they are providing, accurately capture all their costs and calculate their unit costs. On the clinical side it is important that you identify your high utilizers of service and assure that you are providing the scope and frequency of services that they require.

Building Scale Without a Merger: Independent Practice Associations (IPA)

As we are aware the changes in the service delivery models and the movement towards value-based payments has put a strain on individual organizations to control costs, improve quality, measure impact and prove value. For many organizations the infrastructure, skill sets and specialized staff that are necessary to be successful are out of reach. As a result, many organizations are looking for new vehicles to partner and collaborate with other providers to gain the resources they need at a price they can afford. One of the vehicles that continue to gain traction both in NYS and around the country is the development of IPAs. IPAs can bring together a group of providers to share valuable and scarce resources, create cooperative and integrated service delivery systems and gain bargaining power with payers.

Our ability to think strategically, support innovation, and gain the resources we need will be the cornerstone of our success in this new environment.

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