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Value Based Payments Require a Value Based Business Model

Many providers today find themselves amid shifting tides. Though local markets are at different stages in this process, the trajectory away from fee-for-service and toward value-based payment (VBP) is well under way, with strong policy tailwinds and buy-in from commercial payers. Prudent health care enterprises are embracing transformation, restructuring their business models and care models, and realigning their organizations towards a new strategic vision. These strategies aim to release the organization from the constraints of the fee-for-service model and prepare for population health management and risk-bearing. One such strategy is the incorporation of community-based organizations (CBOs) and non-clinical services into network and shared services development.

Historically, contracting entities have not extended their focus beyond clinical providers, treating non-clinical services as non-essential or commodities to be purchased as needed. Today, we better understand that these services are an integral part of improving health care outcomes. As noted by the [Kaiser Family Foundation](#), a growing body of evidence substantiates the importance of social determinants in health outcomes, including a 50-study meta-analysis revealing that social determinants cause up to a third of annual deaths in the U.S. CBOs offer services that directly impact social determinants of health, which have been shown to strongly influence health outcomes and cost of care. Unlike commodities, CBOs are highly variable in delivering quality and convenience – two key value drivers. With increasing market penetration of VBP models and the migration of care into outpatient and community settings, contracting entities and providers will need to expand their scope of influence beyond clinical levers.

Identifying the right CBO partners requires an established and measurable definition of quality. In this article, we will discuss the roles CBOs can play in the network to improve patient outcomes, curb costs, and capture value.



CBOs Can Reduce Barriers and Enhance Outcomes

Innovation and experimentation are occurring across the value chain as the entire industry employs a mix of traditional strategy and multiple pilot programs in an effort to land on their position in the new VBP world. Community-based organizations are no different; they are innovating and repositioning themselves as essential stakeholders in successful population health management. Of the myriad services CBOs offer, they can be broadly placed into two key categories. The first is to mitigate barriers to care (e.g. transportation, insurance enrollment). The second is to provide wraparound services that magnify the impact of existing clinical services (e.g. food pantries, housing). Innovation is happening in these spaces as well, as personalization, convenience and on-demand services become the norm across industries.

Example one: Reducing the Barrier to Care – Transportation Services

Often, patients with the highest need for care face logistical barriers. One common barrier is the ability to travel to appointments. Transportation services have long been contracted to assist with specific patient populations. Optimizing a service like transportation does more than connect patients to their care; it enables streamlined care coordination. Establishing standards around timing, patient satisfaction and ease of scheduling will get patients where they need to be and also ease strain on provider capacity by reducing no-shows and delays. Contracting entities should be selective about which CBOs they partner with to provide transportation services. Digital disruption also expands the scope of potential partners and raises the bar on what quality service looks like. Uber provides some interesting examples.

In January, Uber partnered with Columbia, MD-based MedStar Health to provide transportation services to patients to and from appointments in the greater Washington, D.C. area. Patients who access MedStar's website can select a "Ride with Uber" link. There, they will find a web-based service through which they can set up text reminders to leave for appointments, designate a pick up address and choose a MedStar Health location as their destination.

In early April, Uber partnered with Hackensack University Medical Center (UMC) to streamline transportation services for staff, students and patients. For some patients, UMC will even support the cost of the ride. Uber has integrated their app with UMC's technology for a tailored experience. Patients can receive reminders, preschedule pick up times and select their exact location on the medical campus through the Uber app. When discharging patients, UMC will use Uber as their primary transportation service.

In July, Uber partnered with Relatient, a web-based patient engagement platform. Relatient will integrate Uber transportation requests directly into the text and email correspondence sent to patients. This includes appointment reminders and other prompts. While riding in an Uber, patients will receive messages from Relatient to check in with the provider and a link to a patient satisfaction survey on their way home. This partnership links nudges that promote patient compliance with the elimination of the barrier to follow through.

These case studies illuminate the beginning of a range of possibilities for integrating transportation into care management and patient navigation. This is an opportunity for systems to raise the bar on the patient experience, eliminate barriers to care and capture value. It does not end with transportation.

Example two: Enhancing Clinical Outcomes – Transitional Housing

Once a patient receives care, they are able to return to their daily lives. For many, this means returning to circumstances that cause their illness, prevent their healing or both. One such

circumstance is inadequate housing. This is particularly important for hospitals as it also poses a barrier to discharge, disrupts access to follow up care, and drives readmission rates. One tactic might be to work closely with a transitional housing organization. Another might be to take a more integrated approach and co-locate housing and other wraparound services into the medical campus. Pilots have launched across the country since the inception of the Affordable Care Act. A growing body of evidence shows the viability of housing as a medical intervention for frequently hospitalized patients, who on the whole exhibit high rates of homelessness, mental illness and substance abuse.

This July, a large public hospital system received approval from the City Council to develop supportive low income housing on the campus of one of their hospitals. The system plans to lease over 10,000 square feet of unused parcel to a CBO, who will develop the building as well as provide social services on-site to residents. This CBO already serves the local community, offering social support services to those living with HIV/AIDS and mental illness. The development of the proposed structure will offer low-income housing to both patients and members of the local community. About half of the units will be designated for those living with mental illness. Income eligibility requires that occupants earn less than 60 percent of the area's median income, which today is \$36,000.

Opportunities like these offer innovative ways to address multiple concerns – driving down hospital utilization while repurposing existing land and infrastructure is a win-win for a hospital. In this case, the city is leveraging the public hospital to address lack of affordable housing, another city priority. The CBO has an opportunity to scale its service offerings and expand its impact on the population it serves. Co-location of wraparound services creates a one-stop shop for members and discourages leakage.

Bringing it Together – Breaking the Cycle of Illness

CBOs intervene at two inflection points in the patient journey. They can reduce or eliminate the barrier to care, preventing delays in access. They can also buffer the patient from harsh realities after receiving their care, easing the transition back into the community setting and mitigating the impact of social conditions that undermine health and recovery. Intervening at these inflection points can put the patient on a path that captures more value by improving patient health, reducing frequency and acuity of care, and reducing operational inefficiencies. Transportation and housing are only two example of such services. Insurance enrollment, legal assistance and patient education are just a few more examples. Contracting entities stand to enhance their VBP initiatives through the thoughtful incorporation of CBOs into their strategies. Patients, the most important stakeholder, have everything to gain.

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