1. A little history
2. Trending legislation
3. Topics we just need to talk about
4. Are we protecting, or learning/building, together as social businesses
5. Do we understand the workforce
6. Its hard to build with weak cultures
7. Ideas for innovation

My background & current

- Worked 35 years in Non-profit, For-profit and Public system
- Founded then sold large NC CABHA
- Consulting & Training (The Zorn Group)
- New Social Business
  - The SPARC Network, LLC
  - http://www.thesparcnetwork.net
Disclaimer

I do not represent any trade associations, regulatory authorities, consumer advocacy groups, other.

The slides presented here represent my opinion as a private citizen.

Context

• Active legislation models that could materially change our MCO system

• Providers continue to survive on low cash reserves

• Both continue to consolidate

Context

• Area Programs to
  • Local Management Entities to
  • Managed Care Organizations

• 10 year stretch of few (in many cases none) rate or inflationary increases

• 30 year stretch of policy and rule changes
Have we ever taken a breath?

- 1970’s Established Area Programs
- 1983 Mental Health Study Commission recommended reforming the system
- 1989 State attempted to further downsize Hospital system and decentralize services

It didn’t stop there

- 1993 Lawmakers commissioned studies recommending significant changes to state hospital system
- 1998 MGT–PCG published final report of State Hospital system recommending sweeping reforms to institutions and community
- 2001 House Bill 381 on MH Reform ratified

2000

North Carolina Area Mental Health Programs and their Member Counties

The counties within an area program share the same color. Programs with counties not based in the counties have data attached.
DHHS currently has -- Nine -- LME-MCOs operating under the 1915 b/c Waiver

- SM C now manages WHN catchment area
- Cardinal Innovations now managing Mecklenburg County catchment area
- Cardinal Innovations is the first of the four regions coming together

Future?

- CenterPoint Human Services (Pop: 541,198)
- CoastalCare (Pop: 633,580)
- East Carolina Behavioral Health (Pop: 612,824)
- Partn情绪 Behavioral Health Management (Pop: 909,286)

- Sandhills Center (Pop: 1,067,108)
- Eastpointe (Pop: 827,734)
Trending now

- New Bills S703, S696 and H372
  - "Transform Medicaid by Jan 2017"
  - "Enter into risk contracts with at least three statewide Medicaid Managed Care Organizations that assume full risk"
- "Create new Health Benefits Authority”
- "Modernize and stabilize NC Medicaid through Provider-Led Capitated Health Plans”

Be careful what you wish for

- Will the Commercials…?
  - Recognize our service products
  - Reinvest locally
  - Compare in admin %
  - Be standard in Rules, Policies
  - Negotiate rates
  - Understand local-regional flavor
  - Appreciate 30 years of context

Let it bake

- We’ve had over 3 DECADES of reform
- How would you report on the last 3-4 years?
  - More stable or less
  - Payments, UM
  - Quality of care
  - Innovations
  - Partnerships
To make it work we must talk about the tough stuff

Don’t go there!
- “Anything is better than what we have so bring on the commercial plans.”
- “Don’t request a rate increase minus quality improvement measures.”
- “Providers are chosen based on favorites and not who is best.”

Water cooler
- “Commercial option could take us back into repeated reform.”
- “Is it that hard to standardize?”
- “Too many providers soak precious dollars away from a quality network.”
Keeping it real

- "Winners pay for losers."
- "Appreciation is appreciated."
- "I'm excluded because of _____"
- "Trust is earned."

Baggage remains

- "Providers exist for services, not audits."
- "Smaller providers, including LIP practices, must adapt vs _____"
- "Ask us for what works for both sides, not just your own."

We tend to...

Plan + Complain + Protect

vs

Plan + Discuss + Build
What’s your posture?

• Are you litigating, or politically manipulating, to stay in business?

• Are you excluding others because of ________?

• Are you sharing info, IT ideas, program ideas or hoarding?

We are strengthened by

• Sharing technologies, program ideas, resources, other

• Taking risks internally & externally

• Learning together what Managed Care & Integrated Care is

Managed Care

Used to describe a variety of techniques intended to reduce the cost of providing health benefits and improve the quality of care.
**Integrated Care**

- Few really understand it...or if we do our definition defers
- Should it be about who has the money/ control...or more about how systems are linked
- Physical & MHSADD must plan 5-10 yrs out

**Physical health must catch up**

- Physical Health has not experienced capitation and Medical Providers do not yet understand the MHSADD system
- For us to reinvent payment structures, utilization management, care coordination, etc, etc. will cause damage

**Managed Care is a business**

*Yep, no matter how we slice it, the world is changing*

Public funds (Taxes, Medicaid, etc) continue to tighten, and as a result governments continue to look for creative ways to stretch limited resources through Management entities
Social business

• In our world, that means that the services we offer must have Value to both the consumer and the customers

• Translation: We must act as social entrepreneurs and embrace the concept of Value-Based Purchasing

Value-Based Purchasing

* is a strategy to measure, report, and reward excellence in health care delivery *

“Value-based purchasing involves the actions of coalitions, employer purchasers, public sector purchasers, health plans, and individual consumers in making decisions that take into consideration access, price, quality, efficiency, and alignment of incentives.”

2011; National Business Coalition on Health.

Value-Based Purchasing

“Effective health care services and high performing health care providers are rewarded with improved reputations through public reporting, enhanced payments through differential reimbursements, and increased market share through purchaser, payer, and/or consumer selection.”

2011; National Business Coalition on Health.
Wait what?
Yep, someone else..."Purchaser, Payer, and/OR Consumer"...can select who provides what service based on some things we should pay attention to:

- Access
- Price
- Efficiency
- Quality of services
- Alignment of incentives

Access

- Do we have facilities, services and boots on the ground that can serve Consumers?
  - Near their homes?

- Is Intake-Assessment efficient?

- Do we cherry pick or do we take the most severe in need?
  - Provide niche services to niche Consumers?

Pricing

- Do MCO’s, DMA and/or Providers have the internal ability to identify costs of services and set appropriate rates?

- If this process is not collaborative, and accurate, everyone suffers
How would you spend?

- MCO’s have the right, and responsibility to narrow their networks in a manner that can best sustain their systems of care
- How would you spend limited funds?
- MCO’s have a responsibility to choose providers based on criteria that is understood and measurable

Making money ain’t evil

- Not many MD, NP, PhD, LIP, BA, Managers, etc…work for free
- Labor, Rent-Utilities, Insurance, Legal, Finance, Fleet, IT, etc cost $

Quality Services

- Evidenced-Based
  - SAMSA: [http://nrepp.samhsa.gov/Index.aspx](http://nrepp.samhsa.gov/Index.aspx)
- Independent clinical review and/or evaluation
- Promising practice or niche
Alignment of Incentives

MCO’s need:
- Value for their dollars
- Proof through Data
- Genuine feedback and planning
- Integrity in rate request
- Taking EBP’s seriously
- Plan for the greater good

Alignment of incentives

Providers need:
- Appropriate rates
- Regulation that makes sense
- Consistency in Q&A
- A steady path (stability)
- Agreement around EBP’s
- No more gotcha

Adaptable?

- Are we a company willing to look in the mirror and honesty reflect on strengths/areas of growth?
- Can decisions be made quickly or are we a battleship turning in a bathtub?
- Do we have the systems needed to thrive?
Highest reward--Highest pain

• Labor is one of the (if not #1) highest cost within our agencies. It is staff that can reap our greatest rewards or cause us the most significant pain.

• Therefore, I suggest that our staff should be given our greatest attention.

Lose and Pay

For all positions except executives and physicians—jobs that require very specific skills—across the remaining 27 case studies, the typical (median) cost of turnover was 21 percent of an employee’s annual salary.

"There Are Significant Business Costs to Replacing Employees," Center for American Progress; Heather Boushey and Sarah Jane Glynn | November 16, 2012

That much?

• Yep, do the math…21% of every worker’s salary out the door when they leave

• Imagine what agencies-companies can do with that $

• Added Services, Salaries, other
Strange but normal

It's amazing how much energy goes into Advertising-Recruiting, Screening, Hiring, Training, Supervising people…but much less energy in sustaining quality staff

Average lengths of stay

- Group Home: 1 year*
- Crisis Worker: 1.3 years*
- Licensed Clinician: 2 years*
- Food Preparation workers: 2.2 years**
- Across all jobs: 4.6 years**

*Informal study of NC Medicaid service staff, June 2012
**Dept. of Labor Employee Tenure, September 18, 2014

Why?

- “People quit their bosses, not their jobs.”

- If you want to keep the most talented members of your team, it’s time you started looking internally at things that can be amended to create that unique environment
Stay or Go

• #1 Advancement and opportunity to grow
• #2 Work culture and balance
• #3 Money

Behavioral Health Staff “Wants”
Surveys say?

• Provide high quality care to our consumers
• Be able to move up in my agency/company
• Have a balanced work & personal life
• Earn a reasonable living
• Have a great boss
• Retire secure
• Live happy

What Managers-Execs say

• Remain highly competitive 5 years out
• Be able to forecast the future land mines
• Be able to offer the best pay/benefits
• Provide the best mission, & highest quality of care
• Avoid disaster related to personal injury, audits, finances, other
• Reduce turnover
Low turnover = happy Millennials

18-38 year olds can have different values than baby boomers. This is important to consider as they are our future leaders (rule makers, revenue generators, etc) in managed care and behavioral health

http://www.businessknowhow.com/manage/millenials.htm

Who are these people?

"Helicopter parents" who doted on them, giving them an ample supply of attention and validation

Because they were heralded with high expectations, Millennials tend to display an abundance of self-confidence and believe they are highly valuable to any organization from day one

Self + confidence

• They are extremely focused on developing themselves and thrive on learning new job skills, always setting new challenges to achieve

• They are also the “can do” generation, never worrying about failure, for they see themselves as running the world or work environments
Parents rule

- Unlike other generations, the Millennials are overly connected to their parents. As they move through their twenties, they still speak to their parents frequently and turn to their parents for personal and career advice.

- Some are still living at home, not uncomfortable with the arrangement.

Balance

They choose careers that allow them to live the life they desire, busy with after-work activities, including philanthropic involvement.

They grew up with little unstructured time as their parents carefully selected their life choices. The result of their minimal “down time” is that they are highly comfortable going from activity to activity in their adult world.

Team oriented

In school, this generation was taught lessons using a cooperative learning style.

They believe that a team can accomplish more and create a better end result. They also grew up in a multi-cultural world which enables them to work well on a team with diverse co-workers.
Media savvy
They communicate in snippets through instant messaging, texting, Facebook and e-mail
Quick and efficient communication is the way Millennials choose to interact, not necessarily face-to-face
Spending lots of time on phone not first choice

Slightly odd
They are typically unaware of their non-verbal cues. As a result, this generation tends to have more miscommunications between friends, co-workers and bosses
They forget that words only account for a small part of the communication

Need reassurance
They need constant feedback and in particular, praise
They were reassured daily of their achievements and were recognized with stars and trophies for those successes. Whether or not the trophy was deserved for each individual, the entire team received the positive reward
Need to be heard

It is a generation that needs to continue feeling valuable, while adding their opinions and ideas to every company decision. They want to be heard.

In giving critical feedback, managers will need to first compliment Millennials before they will listen to any criticism.

Lording or Micro-management will fail.

If you buy them in...

- Incredibly loyal
- Hard working
- Team oriented
- Mission-based
- Productive
- Trusting...if they believe leadership

Leadership: Top 6 traits

- Honest
  - *Tell me the truth*
- Forward thinking
  - *Have a clear vision*
- Competent
  - *Has the skills the get us there*
Leadership

• **Inspiring**
  • *Excites us about the mission*

• **Fair**
  • *Treats me fairly and is consistent*

• **Supportive**
  • *Listens and has empathy*

Leadership

Want leaders to be courageous and make tough decisions...but also be vulnerable. Are they authentic to say when they don’t know

Empathy for Labor

• If Leadership is going to set a stage for organizational success then we must understand our emerging workforce

• We don’t necessarily see life the same

• A solid internal culture is critical if we are to keep the best and brightest
Clubs

- Managed Care Organizations
- Provider Associations
- State Entities
- Advocacy Groups
- Legislators
- Committees: Formal-Informal
  - Who is talking to who?

Clubs

- Have self awareness and be transparent
- Perception has (and continues to be) that folks are excluded from the process

Clubs

- "Inclusion" doesn't have to be clumsy nor a waste of time
- Consolidation is happening everywhere to meet efficiencies…so maybe Clubs should consider same for the greater good
Over a decade of crazy

- There is more than enough blame to go around, but now it's time to stabilize
- We can now correct:
  - Service Definitions
  - How we use & manage Data
  - Cost-Rates
  - Outcomes

Lessons learned

- Chaos is normal so...in crisis there is opportunity
- Internal culture means everything
- Real Data must drive Outcomes and strategic planning

Strategize 2-5 years out

- Avoid victim headset
- Differentiate from other agencies/companies
- Learn to use Data to prove or disprove operating assumptions
- Listen to what the customers want
  - DSS, DJJ, Schools, Public Health, LME/MCO, DMH, DMA, DHHS
- Position for other markets & funding
New Opportunities

- New Service Delivery vehicles
- Shared Risk—Performance contracting
- Genuine Evidence + Data

Going forward

- Our agendas and incentives must align or our collective risk of failure increases
- Managed Care is here to stay and Integrated Care is the future
- Our workforce is changing in a way that to keep the best, requires us to maintain strong internal cultures and empathy

Other Zorn Group 2015 Workshops

- Successful Planning Under Managed Care
- Billing and Other Administrative Services
- Service Definition Compliance Review
- System Evaluation and Support
- Values Installation and Support
- Teamwork Development
- Management Training
- Legal and Accounting
- Train The Trainer
Articles on Culture

http://www.forbes.com/sites/ericjackson/2014/05/11/the-top-8-reasons-your-best-people-are-about-to-quit-and-how-you-can-keep-them/print/


http://businesspaths.net/Articles/12/people-quit-their-boss-not-their-job

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