LinkageLab

Preparing California's Community-Based Organizations to Partner with the Health Care Sector by Building Business Acumen:

Case Studies from the First Cohort of Linkage Lab Grantees

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Executive Summary

The *Affordable Care Act* created many new care delivery opportunities that are best achieved through strong linkages between services provided in a medical setting and long-term services and supports (LTSS) provided in the community. However, formalized contractual partnerships between the health care sector and community-based organizations (CBOs) are currently uncommon. Most CBOs lack the required business acumen and need to develop a variety of internal organizational capabilities before they are able to enter into mutually beneficial contractual partnerships with the health care sector.

In 2013, The SCAN Foundation (Foundation) developed *Linkage Lab* to help bridge this gap by providing capacity-building support to California CBOs that primarily serve older adults with chronic health conditions and functional limitations. Over a two-year period, six CBOs participated in Linkage Lab, gaining capacity-building skills and organizational transformation through regular seminars and on-the-ground technical expertise. The Foundation also provided modest financial support for critical infrastructure needs associated with developing contractual relationships with the health care sector.

As of early 2015, the first Linkage Lab Cohort signed 27 contracts with health care providers with potential to serve over 16,000 clients annually.

This report provides case studies of the first six Linkage Lab grantees. The case studies show the progress made and challenges faced toward achieving their goal of meaningful partnership with the health care sector:

- Bay Area Community Services, Oakland

- Camarillo Health District, Camarillo

- Institute on Aging, San Francisco

- Jewish Family Service, Los Angeles

- Silicon Valley Independent Living Center, San Jose

- St. Paul's Senior Services, San Diego

About St. Paul's

St. Paul's Senior Services (St. Paul's) is a full-service, non-profit retirement community in San Diego. It includes independent, assisted living, and skilled nursing communities, as well as an intergenerational day care program and a Program of All-Inclusive Care for the Elderly (PACE). The mission of St. Paul's is to provide a continuum of innovative and comprehensive programs in a secure, interfaith environment, with great value placed on optimal independence at all stages of life.

Why St. Paul's Joined Linkage Lab

St. Paul's initially identified a number of issues and opportunities they needed to address in order to successfully contract with the health care sector. A key external issue was that state and federal entities had not yet provided regulations for payers and providers on liabilities or reimbursement rates for dual eligibles (persons eligible for both Medicare and Medicaid [Medi-Cal]). This was preventing payers/providers and community-based organizations (CBOs) from negotiating CBO rates for services. Internally, St. Paul's lacked the IT and communication systems needed to enter into successful relationships with payers and providers, as well as the financial resources to cover start-up costs for such relationships. In addition, although the organization had a basic pricing structure for services, it did not have a strategy for addressing services needed by patients but not covered by payers. Through the Linkage Lab, St. Paul's sought to address these challenges.

Key Objectives

St. Paul's sought to build a financially sustainable relationship with four managed care organizations (MCO) under California's duals demonstration (Cal MediConnect) and the Coordinated Care Initiative, by offering these plans innovative solutions for post-acute care and the health and social needs of patients. Specifically, it wanted to implement a plan to coordinate social and medical needs of older adults in advance of leaving the hospital so that at least 90% would not return to the hospital for the same diagnosis within 30 days. To accomplish these aims, St. Paul's sought to develop a model of service, establish a memorandum of understanding with other community providers, develop a budget for services, negotiate a rate structure with the health plans, finalize subcontracts with community providers, and hire and train case management staff.

Key Strategies and Processes

The St. Paul's team began by leveraging the organization's existing competencies as a PACE provider and exploring a variety of home- and community-based models and services that could be packaged for health care payers and providers. Next, the team created a menu of services and presented it to several health plans. Meanwhile, team members cultivated relationships and kept informed about emerging market activity through participation in a community collaborative focused on transitional care programs. Internally, St. Paul's assessed its infrastructure, existing resources, and need for new talent, and it ultimately implemented a significant organizational restructuring and a new electronic health records (EHR) system.

St. Paul's consulted with a Linkage Lab technical assistance provider with experience in managed care contracting to better understand the potential perspectives of MCOs. Key St. Paul's staff then made contact with each of the four MCOs contracted under Cal MediConnect in San Diego County and met one or more times with each of them. St. Paul's presented to each MCO a menu of available services, both à la carte and packaged, with proposed pricing.

Contracts with Health Care Payers and Providers

Table 1 summarizes the contract St. Paul's successfully negotiated during Linkage Lab.

Table 1: Summary of St. Paul's Contracts with California's Health Care Sector						
Payer/ Provider	**Criteria Used to Evaluate St. Paul's**	**Contract Duration**	**Service Package**	**Population to Be Served**	**Pricing Structure**	**Implementation Status**
Care1st	St. Paul's offered comprehensive post-acute care	Initial one- year period, with renewals for successive one-year terms	All social and medical post-acute care for 30 days; could be extended to 60 days if approved by Care1st	Over the age of 55, medically frail, with limited social supports	Package for set level of care, or individual services as requested by Care1st team	Not yet in imple-mentation

Before the two organizations entered into a contract, Care1st made site visits to St. Paul's, and St. Paul's provided education to Care1st staff on the social needs of sub-acute patients discharged from the hospital to their homes. The two entities also engaged in negotiations on pricing structure. It was decided that the model of care to be implemented by St. Paul's would follow the PACE plan. St. Paul's staff and management were well-positioned to implement this plan following a corporate reorganization. Also contributing to St. Paul's success was an increased awareness within the organization that its other facilities (i.e., skilled nursing or assisted living) could be called upon on a temporary basis to provide rehabilitation to this population.

> St. Paul's assessed its infrastructure, existing resources, and need for new talent, and ultimately implemented a significant organizational restructuring and a new EHR system.

Additional Successes

St. Paul's experienced several successes through this work, including the following:

• An organizational restructuring, which included working with a Linkage Lab technical assistance provider to assess the organization's infrastructure, people, and processes;

• Implementation of an EHR system across the organization to create data collection capability and facilitate sharing of health care information with health plans in a HIPAA-compliant manner;

• Creation of a new staff position to focus on growth of home- and community-based services;

• Strengthening of St. Paul's overall market position through participation in a community collaborative and conversations with local health care payers and providers; and

• Enhanced community awareness of St. Paul's PACE offerings and PACE's value to MCOs as an alternative for their most challenging members.

Challenges

Issues identified by St. Paul's at the outset continued to be challenging during its participation. Externally, the organization was unable to control certain factors related to Cal MediConnect plan reimbursement, start date, service rates, and enrollment projections.

These unknowns made MCOs reluctant to finalize and implement service contracts. St. Paul's also found it difficult to implement multiple initiatives at the same time, given that its team was already stretched to capacity before completion of the reorganization.

Lessons Learned

Key lessons for St. Paul's through Linkage Lab:

• Develop organizational infrastructure to support growth opportunities.

• Invest in current employees and attract new talent to maintain relevance in a rapidly evolving environment.

• Understand the needs of payers and providers and be able to demonstrate your organization's value through data on outcomes.

• Invest time and resources in building your organization's brand in the community and with payers and providers; this includes education on CBO services and the value these services can have in reducing costs of care.

• Promote diversification of service and revenue and invest adequate resources to ensure successful execution and sustainability of new services and programs.