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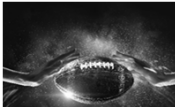


Investing in Social Services as a Core Healthcare Strategy

Thursday, January 17th, 2019
Gillette Stadium Clubhouse

Eveline van Beek
Managing Director
KPMG

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About KPMG

- We provide a wide range of Tax, Audit and Advisory services in all 50 states
- We have a long history working with clients from across the care continuum – both in healthcare delivery and healthcare policy

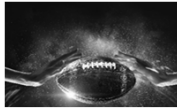


- My personal focus includes:
 - Delivery system reform
 - Payment reform
 - New care models



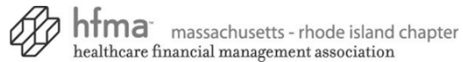
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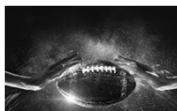


How to stimulate SDOH investment by healthcare?

- New risk-based payment models are allowing healthcare organizations more flexibility to invest.
- The influence of social determinants of health (SDOH) is very pronounced on healthcare utilization of vulnerable high-need, high-cost (HNHC) populations.
- Policymakers are increasingly focusing on SDOH-driving policies and incentive structures.
- ...yet the perceived uptake of social services into healthcare business models is slow.
- Need to explore the barriers to uptake of social services in healthcare models and ways to overcome them.
- Providing tangible, example business cases to the healthcare and social services community to learn from.



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A field-driven research approach

Methods

- Conducted 17 structured interviews across 15 payer and providers organizations that accept financial-risk for high-need, high-cost patients primarily in Medicare and Dual Eligible populations.
- Queried interviewees on their interpretation of social services, perceived barriers, current initiatives, and investments.
- Convened an Advisory Council and Social Services Forum to discuss insights and findings.

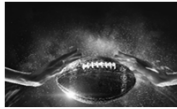


Find the report at:
<https://institutes.kpmg.us/government/articles/2018/investing-social-services-core-strategy-for-healthcare.html>

Interview and Forum Participants

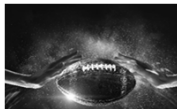
- Bellin Health
- Blue Cross Blue Shield of Massachusetts
- CareMore
- Centene Corporation
- Common Ground Health
- Commonwealth Care Alliance
- Geisinger Health
- Health Plan of San Mateo
- Hennepin County
- Innovative Health Alliance of New York
- Landmark Health
- Lowell General Hospital
- Medstar
- Molina Healthcare
- New York City Administration for Children's Services
- New York State Office of Mental Health
- OneCity Health at NYC Health + Hospitals
- Trinity Health
- WellCare





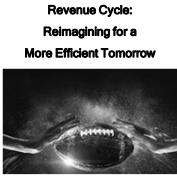
Key observations interviews & lit. review

1. There is wide recognition of the necessity to invest more in social determinants of health to bring down cost and improve outcomes.
2. Healthcare organizations rarely consider their investment in a social service as a real business strategy and a part of their business model. It's "the right thing to do", which leaves investments vulnerable and often temporary.
3. Language matters: what is considered an investment often gets confusing in practice. There are three archetype models of investment that we found during the research.
4. Contrary to general assumptions: investments in social services can yield a return on investment (ROI) in a short period of time (12-18 months).
5. Many business cases typically include the 'wrong' costs and returns when trying to prove a business case (often retroactively).
6. There is a lack of consistent and standardized data collection and data sharing.



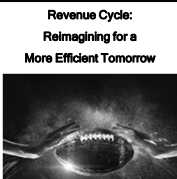
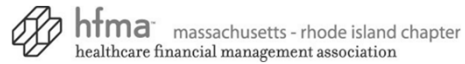
#3: What constitutes a social service "investment"?

- **Excluded:**
 - Any financing that is already included in a rate-benefit package or funded through another financial mechanism already.
- **Focus:**
 - Any investment for which the healthcare organization bears risk without any safety net or guaranteed payback mechanism.

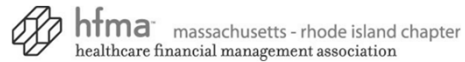
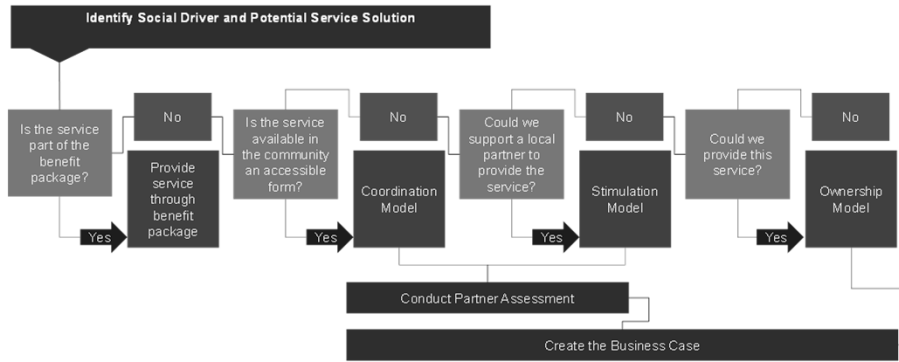


#3: There are three archetype investment models


 Coordination	<p>The investment is made to set up or improve the coordination, collaboration, and connectivity with a third party (social service agency, nonprofit group, CBO, etc.) that already provides the desired social service. See Health Plan of San Mateo business case in guide.</p>
 Stimulation	<p>The investment is utilized to temporarily fund or provide a grant to a third party that provides a social service with the purpose of helping the third party close a gap in their business approach (organizational, business model, data, etc.). See WellCare business case</p>
 Ownership	<p>The investment pays directly for the provision of a social service, either by reimbursing a third party out of pocket for the service, or by incorporating the service into your own organization. See Molina business case or CareMore-Lyft spotlight.</p>



#3: Preventing duplication of effort by leveraging existing resources



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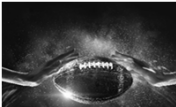
Case study: OneCity Health CBO Evaluation Model

	Stage 1	Stage 2	Stage 3
Funding	— Majority of funding comes from grants	— At least 5 percent of organization's funding comes from a value-based-proposition (i.e., care management agency)	— At least 50 percent of organization's funding comes from a value-based-proposition
Data Collection and Tracking	— Little ability to track client base across programs: No formal data system. — Referrals made are not tracked systematically. Organization does not have the ability to track referral outcomes	— Basic demographic information collected on client base within programs. No centralized data collection system, unable to share information across different programs — Some referrals are tracked. Outcomes of referrals may be tracked and shared with some staff	— Data tracking system allows all staff across programs to access client information — Digital closed-loop referral system used across all programs
Program Design	— Less than 25 percent of organization's programs are evidence based	— Between 25 percent and 50 percent of organization's programs are evidence based	— Majority of organization's programs are evidence based
Operations and Organizational Culture	— More than 50 percent of staff are part time employees or volunteers — Little support from organizational leadership for creating value based proposition	— At least 50 percent of staff are full time employees — There is at least one "champion" at organizational leadership level who understands the importance of creating a value-based proposition	— At least 75 percent of staff are full-time employees — Organization's leadership recognizes the importance of value-based-proposition and has actively pursued contracting

- Objective to understand technical assistance needs of CBOs for partnerships
- Year-long capacity building initiative with CBO partners ended in March 2018

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#4: Investments can yield a return on investment in a short period of time (12-18 months)

Health Plan of San Matteo	Measured total net savings of \$1.4M on their target population in the six months after starting a housing support project as opposed to the six months prior.
WellCare	Measured \$2,500 PMPY in savings on their target population in the year after starting a CommUnity connection as opposed to the year prior.
Molina	Measured \$7,854 PMPM gross savings in the year following the start of their Jail Diversion Program.

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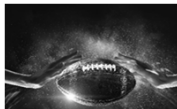
Case Study: WellCare - CommUnity Impact Model



Here's How It Works

- **Social Service Referral Tracking:** WellCare links members to social services and tracks each referral and disposition within a social service electronic health record for each member
- **Community Engagement:** Using the social service data, WellCare:
 1. identifies and closes gaps in the social safety net;
 2. forms community planning councils to leverage innovative community-based programs or introduce new programs;
 3. creates CommUnity Investment Programs to pilot payment models with community partners.
- **Evaluation:** These activities generate the data on which we evaluate the impact of social services in two ways:
 1. Social delivery system effectiveness
 2. Health outcomes: cost and quality of care

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Case Study: WellCare - CommUnity Impact Model

- **Social Services Catalogued:** 190,000+
- **Social Service Referrals:** 47,000 people/145,300 services
 - 14.7% - Medication Assistance
 - 13.0% - Food Pantry
 - 10.8% - Medical Transportation
 - 10.2% - Utility Assistance
 - 8.3% - Financial Assistance
- **CommUnity Activities:** 32,795
 - 25,909 – Community engagement programs
 - 6,886 – Evidence-based health and wellness

Reduce Cost

Removing a social barrier led to an aggregated savings of \$450 per social service accessed from reduced:

- ✓ Inpatient Spending (53%)
- ✓ Emergency Room Use (17%)
- ✓ Emergency Department Spending (26%)

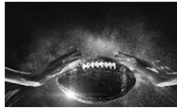
Social Innovation

The health care savings from removing social barriers is re-invested back into the community through 650+ different programs designed to increase data sharing capabilities or sustain critical social services.



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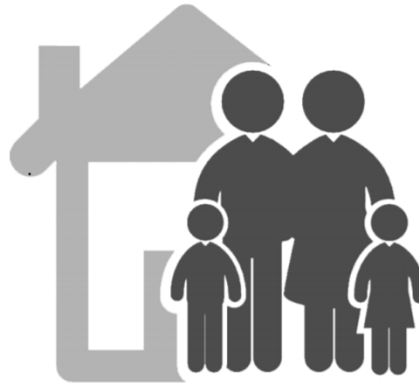
Case Study: Health Plan of San Matteo Housing Support

Patient Screening: HPSM systematically screens their high-need populations for gaps in need

Housing Referral: HPSM and partners prepare a summary case for each identified patient and make a recommendation for an appropriate community referral:

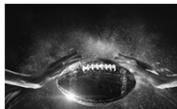
- assisted living
- individual home support
- affordable housing

Investment: HPSM invests in coordination with two local nonprofit organizations that specialize in affordable supportive housing as well as pay for a portion of the housing services.



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Case Study: Health Plan of San Matteo Housing Support

- **Cost:** \$2,750 per patient per month
- **Savings:** Average decrease in cost per member of 43% from \$10,055 to \$5,721 per month.
 - Total savings of \$2.4 million from its 91 members, with a net savings of \$1.4 million after accounting for \$1 million in start-up costs
- **ROI:** \$1.57 savings for every \$1 invested

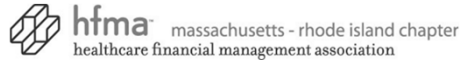
PMPM Cost Type	6 Months Pre	6 Months Post
Residential Care Facilities for the Elderly Costs	\$0	\$1,185
Care Plan Oversight Costs	\$82	\$209
Case Management Costs	\$385	\$1,156
Housing Retention Services	\$0	\$219
Pharmacy Costs	\$696	\$571
Healthcare Costs	\$2,234	\$1,483
LTSS Costs	\$218	\$666
LTC/SNF Costs	\$6,439	\$232

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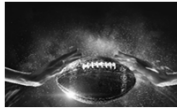


#5: Many business cases include the 'wrong' costs and returns

- Many healthcare organizations struggle to define their total operating costs per patient across the care continuum that they manage.
- As a result, they often use reimbursement rates as a proxy.
- Since reimbursement is based on relatively arbitrary assumptions, there is no correlation to actual operational costs.
- As a result, the business cases do not reflect true ROI to the investing organization, making business cases easy to dismiss and the social service investment prone to cancellation in more financial trying times.
- Often, the business cases are set up so that **someone else** (usually a government payer) is to be convinced to cover the cost, rather than to keep it as a true investment of the healthcare organization.
- Lastly, ROI is often an afterthought and business cases are made retroactively rather than thought out up front.

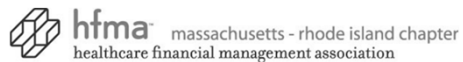
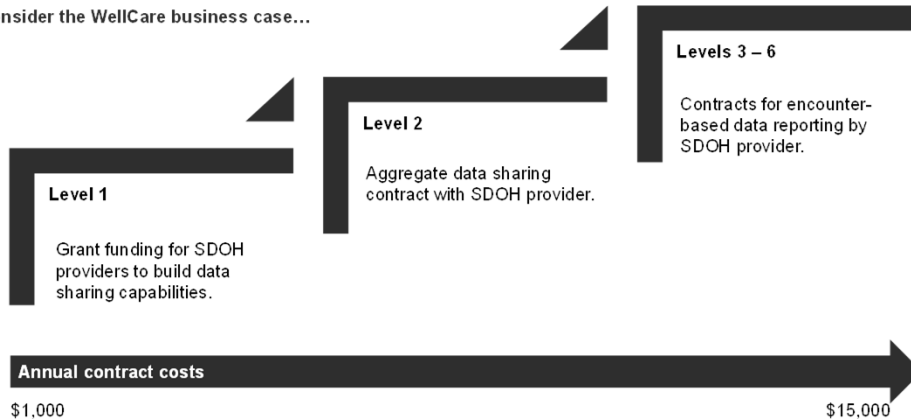


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#6: Lack of consistent and standardized data collection

Consider the WellCare business case...



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Barriers exist that make investing a challenge

Challenges in coordination, communication, and data sharing between medical and social organizations

Depending on the type of investment structure, this need not be an issue for healthcare.

Lack of up-front approach to prove the business benefit to the own organization

This is very linked to preparing the upfront business case properly. Often the inability is a result of trying to prove the case after the fact.

A lack of payment codes makes social services "invisible" to rate-setting parties

A need for increased dialogue. Using the other side's nomenclature. Understanding what healthcare needs to make its business model successful.

A lack of legal and regulatory clarity on degrees of freedom on social service investments

Setting up a business case takes time and preparation: see our 6-step approach in the paper.

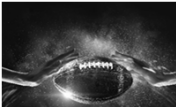
Inability to track or measure actual cost of care changes

This is an issue that can be solved in dialogue with regulators.



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What are things you can start doing today?

Understand needs

- Identify key social needs at the person level that are impacting their health outcomes, independence and mobility.
- This will help you start to use data to risk-stratify your members and prioritize SDOH to address with healthcare partners.

Initiate conversation

- Oftentimes, healthcare organizations are not aware of the full spectrum of services in their community and what each service has to offer them of value to their patients.
- For social service organizations: make yourselves heard. Go to the same conferences as your healthcare counterparts and participate in community needs assessments.

Find out what the other parties need from you

- For healthcare organizations: find out what help your neighboring social service agencies and organizations may need to help them enter into more sophisticated levels of data sharing – this will be the bedrock for any business case or shared venture.
- For social service organizations: what are you doing that could impact the factors that the healthcare organizations bears risk on (the specific outcome indicators in their value-based contracts, for example).

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