Contracting to Align Health and Social Care Ecosystems: A Webinar Series Sharing Leading Practices

Designing the Payment Structure: A Health Plan’s Guide to Paying CBOs & CCHs for Social Care

October 10, 2023 | 2:00-3:00 p.m. ET
**Administrative Notes**

- This webinar is being recorded. The recording, slides, and follow-up material will be shared with all registrants.

- Please use the Q&A tab at the bottom of your screen and we'll try address as many questions as possible at the end of the presentation.

- Closed captions are provided for this session, can also click “Show Captions” to display automated captions.
Panelists

Jason Smith, VP Dual Markets
Aetna

Maureen Corcoran, Director
Ohio Department of Medicaid

Mark Humowiecki, Senior Director
National Center for Complex Health and Social Needs, Camden Coalition

Abigail Morgan, COO
Direction Home Akron Canton

Marisa Scala-Foley, Director
Aging and Disability Business Institute, USAGing
Mission:
To enable successful partnerships and contracts between health care and community care networks to create efficient and sustainable ecosystems needed to provide individuals with holistic, person-centered social care that demonstrates cultural humility.

Vision:
A sustainably resourced, community-centered social care delivery system that is inclusive of all populations and empowered by shared governance and financing, multistakeholder accountability, and federal/state/local policy levers.
Co-Designing a Social Care Delivery System

Partnership to Align Social Care
A National Learning & Action Network

- 11 Health Plans/Systems
- 20+ CBOs and CBO Networks
- 20+ National Associations
- 15+ National Thought Leading Organizations
- 8 Funders
- 5 Federal Agency Partners
Implementing Co-Designed Social Care Delivery System Changes

- Streamline Contracting
- Facilitate Expanded Social Care Billing
- Promote Community Care Hubs
2021 RFI Survey

Overall Contracting Status by Year

2017

- Currently Contracting: 38%
- Not Yet Contracting

2021

- Currently Contracting: 44%
- Not Yet Contracting

In 2021, 90% of contracting CBOs reported that they have had a current contract renewed by their healthcare partner.
The data used in this graph was collected through a survey conducted by Scripps Gerontology Center at Miami University on behalf of the Aging and Disability Business Institute, led by US Aging. For more information, visit http://ow.ly/842K50IsrYA
Resource Guide
A Health Plan’s Guide to Paying CBOs for Social Care

Introduction
Payment is a critical element of any contract. When negotiating the payment aspects of a contract between a health care entity and a community-based organization (CBO) or community care hub (CCH), both the amount of the payment and the payment methodology need to be considered. CBOs should keep in mind that there is no single “best” payment methodology that is appropriate in all situations.

Resource Guide
Partnerships with Community-based Organizations: Opportunities for Health Plans to Create Value

Overview
Health care entities are increasingly recognizing the importance of addressing health-related social needs (HRSN) such as housing, food and transportation to improve health outcomes and reduce costs. Most government health care programs now require health plans and providers to identify and address members’ HRSNs as part of a holistic approach to health. Health plans also understand that unmet HRSNs play a large role in health disparities and preventable health care costs.
Partnerships with Community-based Organizations: Opportunities for Health Plans to Create Value

Making the Case
5 Reasons Health Plans Should Work with CBOs and Community Care Networks

- Powerful Innovation Partners
- Trust with Members
- Return on Investment
- Efficiency in Coverage
- Securing Public Contracts

Efficiency in Coverage
Powerful Innovation Partners
Trust with Members
Return on Investment
Securing Public Contracts
Special Payment Considerations for CBOs:
Addresses areas that CBOs/CCHs may differ from the healthcare sector

- Differences in billing/coding standards
- Inclusion in Medical Loss can increase administrative burden
- Adaptation of non-traditional contract payment structure
- Potentially limited risk tolerance
- Allowing for evolution in payment methodology over time

Payment Models, Use Cases, and Examples:
Outlines the types, use cases, and real-world examples

- Four Major Payment Models
  1. Fixed Price Contract
  2. Fee-for-Service
  3. Bundled Payment
  4. Capitation

- Pay for Performance
  1. Shared Savings
  2. Shared Losses
  3. Outcome Based Payment
  4. Performance Bonuses
**Capitation and Shared Loss Example**

In Virginia, BayAging, a community care hub, contracted with a Medicaid managed care plan to provide fully delegated care management for Medicaid enrollees. Bay Aging is paid on a PMPM basis. The parties also agreed to a value-based arrangement in which the CCH would share penalties if they failed to achieve state-required metrics and compliance elements. The penalties, which would be imposed by the state Medicaid agency, started at $1,000 for the first occurrence and increased in $5 percent increments for subsequent occurrences.

BayAging was responsible for achieving state-directed measures, including care plan development, documentation of discussion of person-centered care goals, reduction in all-cause hospital readmissions and vaccine administration.

**When to use:**
Capitation may be appropriate when the CBO

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**Payment Model Summary**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Fixed price contract</th>
<th>Fee-for-service</th>
<th>Bundled payment</th>
<th>Capitation</th>
<th>Pay for performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial risk to CBO</td>
<td>Low</td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>Financial risk to payer</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Complexity for parties to establish price</td>
<td>Low-Medium</td>
<td>Medium</td>
<td>High</td>
<td>High</td>
<td>Medium-High</td>
</tr>
<tr>
<td>Cost/complexity of billing</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Incentive for CBO to maximize volume</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
<td>Low</td>
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<tr>
<td>Incentive for efficiency</td>
<td>Medium</td>
<td>Low</td>
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</tr>
<tr>
<td>Incentive for quality</td>
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<td>Low</td>
<td>Medium</td>
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<td>High</td>
</tr>
</tbody>
</table>

Developing the Scope of Work & SOW Checklist

Developing the SOW
Outlines recommendations for successfully negotiating core activities covered in contracts between healthcare-CBO/CCH contracts

**WHO:** population definition and project staffing

**WHAT:** service definition, timeline and workflows, prelaunch and evaluation

**HOW:** coordination and collaboration, data sharing and documentation, flexibility

SOW Checklist
Identifies core activities to be negotiated between healthcare-CBO/CCH contracts
Operationalizing Contracts: How Payers Can Improve Collaboration with Community-Based Organizations

Provides healthcare partners and payers methods for optimizing their relationship in five contracting areas

- Establishing a shared vision
- Scoping
- Pre-launch activities
- Implementation and continuous improvement
- Contract renewal
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Direction Home
Akron/Canton Area
Agency on Aging &
Disabilities

1 of 12 AAAs covering 4 counties in Ohio

240 staff members

Annual Revenue: $60M

NCQA Accredited CM-LTSS
HITRUST Certified

7,500 Individuals supported ongoing

**Waiver Service Coordination**
- Medicare/Medicaid Plan
- Standard Scope of Work
- PMPM

**Care Management**
- Medicare/Medicaid Plan
- Negotiated Scope of Work
- PMPM + Pay for Performance

**Acute Care Transitions +**
- Medicare Advantage, Commercial, Self Funded
- Fee for Service, Pay for Performance
- Community Care Hub with Statewide Coverage
Contracting to Align Health and Social Care Ecosystems: A webinar series sharing leading practices

Learn more at www.partnership2asc.org/contractingwebinarseries2023

Oct. 10, 2023 2-3 pm ET  Designing the payment structure: A health plan’s guide to paying CBOs & CCHs for social care

Nov. 14 2023 12-1 pm ET  Defining core activities: Developing an effective scope of work for contracted partners

Dec. 12, 2023 12-1 pm ET  Operationalizing contracts: Improving contracting implementation and collaboration

Camden Coalition

Partnership to Align Social Care
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Aging and Disability Business Institute
Connecting Communities and Health Care
How to Get Involved in the Partnership...

- Sign up for our email list: [https://www.partnership2asc.org/sign-up/](https://www.partnership2asc.org/sign-up/)

- Follow the Partnership on social media:
  - [www.linkedin.com/company/partnership-to-align-social-care](https://www.linkedin.com/company/partnership-to-align-social-care)
  - [@partnership2asc](https://twitter.com/@partnership2asc)

- Reach out directly to:
  - ✔ Support the Partnership
  - ✔ Ask about getting involved in leadership/workgroup activities
  - ✔ Share your expertise/experiences
Partnership to Align Social Care

A National Learning & Action Network

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