

Achieving Financial Stability Module 3

# Healthcare Market Assessments for Community Care Hubs

Partnership  
to Align Social Care

A National Learning  
& Action Network

## Introduction

The community care hub (CCH) model is gaining in popularity as a means of efficiently enabling a network of community-based organizations (CBOs) to contract with healthcare organizations and other payers through shared administrative, IT, and operational infrastructure. While CCHs typically have some philanthropic and public funding, their financial sustainability depends in large part on developing service contracts with healthcare organizations, including health plans, ACOs, health systems, and others.

Developing and executing a viable business strategy is a core competency required of CCH leaders. While some CBOs, particularly those working within the field of aging and disability, are well-acquainted with the language of health care systems and payors, there remain gaps in knowledge and experience. There are many CBOs that still rely primarily or exclusively on government grants, philanthropy, and individual grants. Their leaders may dismiss the notion of business strategy and business acumen, associating those terms exclusively with for-profit endeavors at odds with the mission-driven work of the social care sector. This skepticism of “business,” “business acumen,” and “business case” is counterproductive and even dangerous for CCHs trying to serve their community at a time of growing needs and scarce resources. In fact, CCHs are uniquely valuable because of their ability to combine deep commitment to mission and community well-being (rather than profit for shareholders) with a rigorous and disciplined approach to efficiency, value production, and financial sustainability that one might typically associate with the business sector. This combination of business acumen harnessed for community and mission-driven work is essential to surviving and even thriving in a rapidly changing and ever more competitive healthcare marketplace.

This brief is designed for new and established CCHs. It makes the case for:

- engaging in routine market assessments,
- helps a CCH determine how much to invest in a market assessment, and
- points to ways the market assessment can provide additional value to CCH members and inform the CCH business strategy.

**It is not a how-to guide for performing a market assessment. There are a number of existing market assessment tools that are available – this brief summarizes two of them for the purpose of guiding CCHs to the right instrument for them.**

## Why do a market assessment?

Developing and growing healthcare contracts requires an entrepreneurial orientation and robust understanding of the healthcare business.<sup>1</sup> CCHs must be able to understand the priorities of healthcare and how their network of CBOs can produce value for and meet the business needs of their prospective healthcare partners. They also must be able to differentiate themselves from an ever growing number of start-up businesses purporting to provide the same types of service and value to healthcare.

Conducting healthcare market assessments should be a standard practice for all CCHs. It helps build familiarity with the local healthcare landscape and sharpen one’s business acumen by methodically assessing one’s own position and opportunities within that environment. It prepares a CCH and its network to proactively take advantage of opportunities, think innovatively about social care and its role in improving health, and make necessary– if often difficult– business decisions.

<sup>1</sup> See Functions of a Mature Community Care Hub, [Functions-of-a-Mature-Community-Care-Hub-May-2023.pdf](#)

While there are a wide range of market assessment tools and templates available, most typically include the following elements:

- Community health needs assessment:<sup>2</sup> Identify local unmet health-related needs and priorities
- Healthcare landscape analysis: Identify potential healthcare payers/ customers and relevant characteristics, including their market share, strategic priorities, and relevant current initiatives and partnerships
- Policy and regulatory environment: Identify payment opportunities and incentives that support payment for certain social care services
- Internal capabilities and organizational positioning: Identify what the CCH and its network are best positioned to do
- Competitor/collaborator analysis: identify who else (other CBOs, companies, etc.) is providing similar services, compare their relative strengths, and determine whether there is an opportunity to collaborate or the need and ability to compete.<sup>3</sup>

Performing a healthcare market assessment doesn't have to be an enormous undertaking, particularly for rural and other resource constrained CCHs. The process starts with compiling existing information from various sources, including the community health needs assessments required of hospitals, counties, FQHCs, AAA, and others. The assessment templates described below provide direction on where this existing information can be easily located.

## How does a market assessment inform business strategy?

At the highest level, a healthcare market assessment helps guide a CCH and its network to determine whether there is a viable market for the CCH and to identify its most promising business opportunities. The information gathered in the market assessment also orients the CCH leadership to the healthcare environment in ways that enable them to understand their place in the market and inform all aspects of CCH strategy.

Before embarking on the creation of a CCH and its social care network, it is critical to evaluate whether there are likely to be sufficient business opportunities to justify the significant effort and expense required to create a CCH. The market assessment can also enable a CCH to determine whether its existing business strategy is likely to succeed or whether it should change course to pursue another more promising business line. The choice not to pursue a certain strategy or business line is just as important as the choice to pursue a strategy or business line. A market assessment is critical to making these difficult business decisions.

Market assessment activities are designed to help a CCH identify one or more social care services that are most 1) needed by the community, 2) desired by potential payers, and 3) aligned with state and federal healthcare policies. Further, it points the CCH to services that its network is well positioned to provide relative to any competitors in the region. These services might include community-based care coordination, care transitions, housing navigation and supports, nutrition support, evidence-based programs, transportation, etc.

2 This assessment does not refer specifically to the community health needs assessment (CHNA) required of non-profit hospitals. Rather, it refers to a more general practice of understanding what are the most significant unmet social care needs that a CCH could address. A CCH should use existing documents like hospital CHNAs, AAA's community needs assessments, and other reports/data showing local needs.

3 The Rules of Co-opetition - <https://hbr.org/2021/01/the-rules-of-co-opetition>.

The market assessment not only enables a prioritization of business opportunities and potential partners, it also provides rich insights that can be harnessed to make the case for a healthcare contract to a particular prospective partner/customer. For example, the community needs assessment can help quantify the high incidence of a particular need (e.g. access to healthy food), the scarcity of the corresponding service (e.g. medically tailored meals), and its downstream impact on health and healthcare utilization (e.g. high readmission rates and cost for people with nutrition sensitive chronic conditions). The healthcare landscape analysis will help identify the healthcare stakeholders (e.g. Medicaid MCO, ACO, or Medicare Advantage plan) who have a large volume of the patient population with the particular need, poor outcome measures related to that need, and an expressed interest in addressing that need. It will also help the CCH quantify the potential market opportunity.

The policy and payment scan will identify policy and payment opportunities that would support reimbursement for the relevant service and the requirements to take advantage of such opportunities (e.g. In lieu of services, supplemental benefits, Medicaid 1115 Waiver, CHI/PIN, etc.). Finally, the internal capacity and external competitor analysis will identify the CCH's competitive advantage as well as areas which need to

be strengthened to make a strong business case to potential partners and avoid areas where a competitor is better positioned to meet the market need. It may also identify organizations that could be recruited as contracted members of the CCH.

Ultimately, the market assessment is not just a gathering of data. It must also include a robust and disciplined process of making sense of the data and converting it into a business development strategy that the CCH is positioned to execute. This collaborative sensemaking can include CCH board members, CCH executives, and CBO partner leaders.

### How can a market assessment add value to a CCH/CBO network?

By engaging CCH partners in the healthcare market assessment, the CCH can also provide value to those member or contracted CBOs. Most individual CBOs do not have the expertise, resources, or incentive to perform their own healthcare market assessment. Through a simple presentation of findings or engagement in an ongoing business development working group, the CCH can involve CBO leaders in the process of market assessment. Engaging of CBO leaders has several advantages for both the CCH and the network CBOs:



1. The individual CBOs better understand the market opportunities and requirements for healthcare contracts. Accordingly, they can be better strategy partners to the CCH and make investments and changes that position themselves to be most supportive of future CCH contracts.
2. Additional knowledge of the healthcare landscape can position individual CBO leaders to be better representatives of the CCH when they are interacting with their various funders and stakeholders, including prospective healthcare partners.
3. The knowledge gained by individual CBOs can help CBOs understand their role within the healthcare landscape outside of the CCH's business strategy. The insight provided may inform the CBO's future strategic plans that dictate whether or not to pursue particular funding opportunities, future service lines, or partnerships with providers and other social service agencies. As partnerships with healthcare represent a growing source of revenue for CBOs, it is helpful for CBO leaders to understand the healthcare players, priorities, and opportunities.

A CCH may worry that individual CBOs might use the market assessment information to position themselves in competition with the CCH. While this could be a risk, the CCH should be able to point to the additional value of the CCH that is compelling enough to keep both payers and member CBOs working within the CCH structure. Moreover, as described above, the sharing of market intelligence with the network members actually makes the network (and therefore the CCH) stronger.

## When and how much to invest in a market assessment

There is no one size fits all market assessment. The cost (financial and time) involved in conducting a market assessment varies according to the scope of the analysis, complexity and size of the market, data collection methods, and whether internal or external resources are used. While market assessments provide important insights needed to navigate a complex health care landscape and ensure strategies are aligned with current needs, they also represent a significant investment for a CCH and its network which should be proportionate to that value.

As with all aspects of developing and maturing a CCH, it's important to match the level of effort to the resources on hand and potential value of the exercise. The scope and cost of market assessments available to CCHs vary. A CCH with a network of CBOs and a history of healthcare contracts that is ready to engage a new set of prospective partners (e.g. Medicaid) may have the resources to engage in a more complex and focused assessment looking at quality performance, elements of risk and reward, and challenges to identify and align with current priorities. It might be worthwhile engaging an external expert who can not only help them assess the opportunities with a discrete set of payers but also make introductions to those payers.

In contrast, a prospective CCH considering entering the field may have limited resources and will need to perform a more basic market assessment on its own to identify existing services, potential payers, and projected competition in order to make an initial go/no-go decision.

A market assessment should be performed at key moments in the development of a CCH in order to inform critical business strategy decisions. These include:

1. Prior to creating a CCH, the prospective partners or founders should perform a market assessment to determine whether or not there are adequate business opportunities to justify and sustain the work of a CCH. The availability of grant funds to support the creation of a CCH should not be an excuse to skip this critical step. Rather, such funds should be used to support a market assessment to ensure that if the parties determine there is a sustainability pathway, they are laser focused on pursuing those market opportunities.
2. As a new CCH builds its functional capacity and prepares to go to market with services, the initial market assessment should be updated and potentially deepened. While the first assessment may have been more cursory, a CCH that is preparing to engage healthcare payers for the first time will need to do a more in-depth review of those payers' strategy, current initiatives, and personnel in order to customize its business development approach and develop a compelling pitch.
3. Anytime a CCH is thinking about expanding into a new service line or approaching a new set of potential healthcare partners, it should undertake a refresh and deepening of its assessment to thoroughly vet those potential strategies and make sure they are likely to be successful.

In practice, market assessment is not a one-time activity. The market assessment document(s) and data should be regularly reviewed (annually) to inform ongoing strategy and business development activities. Moreover, some aspects of the market assessment should be revisited and updated when there are significant changes in the marketplace (including policy environment) or in the CCH's goals and structure. Ultimately, the practice of market assessment should be an ongoing discipline that ensures CCHs and CBOs remain relevant, innovative, and proactive. It equips mission-driven organizations with the necessary to make smart business decisions within any environment.

## Summary of existing market assessment resources

**Contracted Assessment:** In any region, there are consultants who can be hired to perform a healthcare market assessment. The cost of their services and the quality of the product can vary substantially. While the cost of a consultant may be prohibitive for some, a consultant who has experience in performing market assessments, understands the value of social care, and is well known in and familiar with the local environment can offer significant value both through an efficient and robust assessment and additional business development services. For example, a consultant can coach CCH leadership to develop their business acumen, provide more nuanced and sophisticated insights about the local healthcare players, and ultimately may facilitate introductions to prospective healthcare customers with whom it has existing relationships.

**DIY Assessments:** For CCHs who are looking to undertake a market assessment on their own, there are a number of excellent, free resources available to guide you through this process. The CCH will need to designate a lead person or team to gather data and perform the exercises. They will also need access to CCH leadership and potentially contracted CBOs.

**ADBI Assessment:** US Aging's Aging and Disability Business Institute (ADBI) hosts a suite of six tools designed to guide an organization through the process of preparing, securing, and maintaining contracts within the health care sector. They include:

- Readiness assessment,
- Network readiness assessment,
- External market analysis,
- Opportunity assessment,
- Competitor analysis, and
- Building the business case for partnership.

The different tools do not need to be completed concurrently. Each assessment includes an overview, introduction, and instructions. Likewise, each assessment contains multiple tabs prompting the CCH for comprehensive details ranging from the quality performance of individual health systems to what differentiates its competition. For example, the External Market Assessment asks users to provide information about financial risk and rewards for each individual health care system in its area. The assessment contains a tab that provides web-based resources. While the instructions are detailed, users should be prepared to navigate these resources independently.

Completion of all six tools in their entirety can be time intensive and is not necessary to obtain meaningful insights about the healthcare marketplace. The ADBI suite of tools supports a broader array of

assessments and decision-making, including internal capacity, network capacity, and business development opportunities. The ADBI tools are free to all and simply require a login. Once entered, all of the information and data is stored and can be updated at any time. Overall, these assessments are very thorough. Each provides valuable data and insights useful for developing a sound business strategy.

**YMCA Community Care Hub Healthcare Market Assessment (Y Assessment):** The Y Assessment guides CCHs through the process of gathering data on the local healthcare market to identify contracting opportunities. Its scope is more narrow than the ADBI tools and focuses primarily on the healthcare landscape (bullet 2 on page 1) portion of a market assessment. It is structured as a single document with seven discrete steps that can purportedly be completed in less than three hours.





The Y Assessment provides detailed instructions on how to use specific resources like the CMS website to obtain key information about the volume of beneficiaries, market penetration, and various quality metrics. Each step is focused on a different healthcare stakeholder group, including Medicare, Medicaid, hospitals, ACOs, and community health centers.

Finally, the document provides guidance on how to apply the information gathered along with existing knowledge of the CCH's services and assets to begin to prioritize business opportunities and develop a pitch. One could easily use the Y Assessment as a starting point and then use some or all of the ADBI tools to go deeper on competitor analysis, opportunity assessment, or building the business case.

## Conclusion

Business acumen and knowledge of the healthcare market are essential functions for a CCH leadership team. The market assessment process should be a core CCH activity that is performed and revisited regularly to inform overall strategy and business development strategy. These free resources are extremely helpful for CCHs getting started on the discipline of market assessment and ultimately becoming a valuable strategic partner to the healthcare sector.



## Partnership to Align Social Care

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The Partnership to Align Social Care (“Partnership”) is a national learning and action network whose purpose is to enable cross-sector collaboration focused on co-designing and sharing solutions that advance sustainable and aligned health and community care delivery systems leveraging community care hubs (CCHs) to promote whole-person health. The Partnership consists of leaders from across the healthcare and social care sectors, including health plans, health systems, providers, community-based organizations, national associations, and government. Partnership stakeholders collectively advance initiatives that build awareness about opportunities to promote whole-person health through coordination across health care providers and CCHs, expand CCH and CBO adoption of opportunities to bill for labor and services that improve whole-person health, and elevate innovative practices among health care sector stakeholders, CCHs, and CBOs pursuing cost-effective partnerships to drive high-quality care.

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For more information about the Partnership to Align Social Care, visit [www.partnership2asc.org](http://www.partnership2asc.org).