# RCP-SO

## Provider Based Managed Care Solutions

# Presentation to KAPP

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RCPA
REHABILITATION & COMMUNITY PROVIDERS ASSOCIATION

# Agenda

- Overview of RCPA
- PA and Managed Care Landscape
- Provider Managed Care Solutions
- Implications for KY Providers
- Q&A/ Discussion

# Background of RCPA

- Merger of PA Community Providers Association (PCPA) and PA Association of Rehabilitation Facilities (PARF)
- Effective July 01, 2013
- 325+ Members
- Full Members: Providers of Service (e.g., Outpatient, Residential, Vocational, Hospitals/ Facilities)
- Associate, Government, and Business Members
- Staff Model

# Representation

- Mental Health
- Drug & Alcohol
- Criminal Justice
- Intellectual and Developmental Disabilities/Autism
- Children and Adult
- Residential
- Vocational
- Service and Supports Coordination
- Medical Rehabilitation (incl. Pediatric)
- Brain Injury
- Long-Term Living

# RCPA Services

- Advocacy
- Public Policy
- Legislative and Government Affairs
- Information and Analysis
- Training and Education
- Access to Innovation

# Managed Care

- Overview
- RCPA Approach
  - Historical
  - Present
- Status

# PA and Managed Care

- Behavioral Health and Physical Health
  - Medicaid (HealthChoices)
  - Commercial
- 1990s
- Provider Diversification
  - Payer Source
  - Service Delivery System

# PA Managed Care Today

- MLTSS
  - Lack of Service Coordination
  - Limited or No Preventative Care
  - Limited Access
  - Evidence Based, Quality, and Outcomes
  - Institutional Bias
- ODP/ IDD
  - Improve Quality
  - Increase Access
    (Decrease/Eliminate Waiting List- $1.5B)
  - Stabilize Cost (3.5B)

# Interested Parties

- State Departments
  - DHS/OLTL/ODP/OMHSAS/Aging/OMAP
- Provider Associations
- PH-MCOs; Dual Eligible SNPs
- Counties – PACA MH/DS/ CCAP
- BH-MCOs
- Coalitions/ Advocates
- Consultants

# Traditional Managed Care Principles

- Pre-Authorization
- Utilization Management
- Reimbursement Structures
  - Fee Schedules
  - Negotiated Rates; Per diems
- Standardized Admission Criteria
- Avoidance of Readmissions
- Length of Stay
- Gaining Efficiencies
- Outcomes/Performance Based Contracting

# MLTSS/IDD Managed Care: Questions

- What of the Traditional Managed Care Model is Applicable?
- Where are the Savings and Efficiencies in System?
- Where are the Quality Issues?
- What will be the “Model”?
- What are the other State Models?
- How does Managed Care Apply to Life Long Care and Residential Care?

# RCPA Alternatives

- Primary Goal: “Seat at the Table”

- Watch – Participate – Lobby – Influence
- Form a (Risk) Network
- Strategic Partnership
- Build the Answer – e.g., MCO
  - Capitalization, Licensure, and Risk

# RCPA History

- BH HealthChoices
- PCPA Creation of a BH-MCO

# PA HealthChoices

- Medicaid Managed Care
- Initiated 1997
- Statewide Implementation by 2007
- 2.2M Enrollees
- Full BH Carve Out
- Counties - Right of First Opportunity

# Initial PCPA Response

- Opposition
- Voluntary Programs Generating MCO Profit (at a cost to BH)
- But… PA Decision to Move to Mandatory Managed Care
- PCPA:

  Protect $, Prepare Members,

  Position Members

# PCPA Response

- Remain Proactive
- Work Groups
- Consultants (1995 – MNA)
- Positioning: “Seat at the Table”
- Creation of Community Behavioral HealthCare Network of PA (CBHNP)

# CBHNP

- Spun Off as Distinct Entity and Organization; Dedicated Staff
- Provider Investment/Capitalization
- PCPA Leadership (BOD)
- Goal: Build a Managed Care (Risk) Network of Providers who can Contract for BH HealthChoices

# Provider Investment

- CBHNP Incorporated
- Non-Stock Membership Corp
- Set Dollar Amount based on Organization Size in BH
- Initial Capitalization 5-25k per Provider
- Initial $1M Capitalization
- One Vote per Member Regardless of Size

# CBHNP Growth

- Critical Decision:

  From Risk Network to BH-MCO
- Direct Contracting, Direct Competition
- Building of Managed Care Infrastructure
- Diversification of Revenue, Contracts

# Contracts

- First Commercial Business: 1997
- First HealthChoices Business: 2001
- Real Story: Members Never Gave Up
  - Loans
  - Letters of Credit
  - Joint and Several Bond
  - Multiple Re-Capitalizations (inc. Voluntary)

# CBHNP Success

- By 2008: Nearly 3 million covered lives
- $300 M Annual Revenue
- 350 Employees
- 8 Offices, Multi-State
- Risk and ASO Business
- Commercial and HealthChoices

# Sale

- January 2008
- Conversion to For-Profit
- Valuation and Issuance of Stock
- One of the Largest Cash Infusions of Private Dollars into the Public Sector System
- State Waiver re: Counties
- Goal: Stabilize and Grow the Company
  - Multiple States
  - Independent Licensure (RANLI)
  - PH/BH Integration

# Lessons Learned

- It Can be Done: Commitment
- Understanding the Risk and the Dollars
  - MLTSS/IDD: Staggering Dollars
  - This is not 1995 and BH
- Provider Willingness to Accept Financial Risk
- Goal Cannot be to “Cash Out”
- Goal has to be that it is the Right Thing for Consumers, Families, Community, and the Right Model to Manage those Services

# Build an Provider-Based MCO?

- Operationally
  - Do we have the right model?
  - Will it improve services and access while managing cost?
- Financially
  - Do we have the operational capitalization?
  - Do we have the risk capitalization in place?
- Politically
  - Will it sell?
  - Does it best position RCPA (Members)?

# Model Questions and Issues (Examples)

- What can be pulled from traditional managed care?
- What can be learned from other States?
- Inclusion of key stakeholders
- Role of the SCOs
- Assessment and measures
- Where is the cost savings?
- Where are the quality issues?
- How are vocational providers part of the model?
- How will residential services be impacted?
- Inclusion of Autism and Developmental Disabilities
- Inclusion of Physical health/disabilities
- Information Technology
- MCO Financing

# Where We Are

- Began With Internal Planning Meetings
- Confidentiality and Non-Disclosure Documents Signed
- RCP Services Organization (RCP-SO) Incorporated
- Initial Capitalization and Shareholder Meeting
- Beginning Lobbying; White Paper

RCPSO

- Formed by RCPA Members as a Stand-Alone Managed Care Entity

- **Governance**: Separate Bylaws and Board of Directors
- **Provider Owned:** Investment Based on Applicable Organization Revenue
- **Work groups**: Finance, Operations, and Quality

# Use of Initial Capital

- Two Years Capitalization (approx.)
- RCPA
  - Initial Capitalization
  - 3X Share Allotment
  - Administrative and Operational Assistance
- Staffing, Overhead, Marketing, Lobbying
- Consultant(s)
- Workgroups

# RCP-SO Transformation

- Initial 55 IDD Provider Owners
- State: IDD Managed Care → MLTSS Managed Care (Community HealthChoices)
- For-Profit, Opportunistic, Business
- Represent Brain Injury, Service Coordination Entities (SCE), Personal Attendant Services (PAS)

# PA MLTSS: Community HealthChoices (CHC)

- Target Population- Long Term Living
- Does not Overtly Specify “Any Willing Provider”
- Multiple MCOs will be Chosen
- Three Phase Roll-Out
- Implementation July 2017

# RCPA Member MLTSS Options

- Use RCP-SO as a Vehicle to for an Alternative Carve Out of Brain Injury Services (*it is Different!*)
- Use RCP-SO as a Vehicle to bring together other OLTL providers (SCE/ PAS) to Build Model/ Product as Subcontractor to Health Plans: "Network within a Network"
- Use RCP-SO to build Managed Care Readiness to Propose Alternative Models/ Roles

# RCP-SO Flexibility

- Management Services Organization
- Managed Care Organization
- Risk Bearing Network
- Non-Risk Bearing
- Partner with MCO

# Current Status

- Meetings and discussions with PH-MCOs
- Executed LOIs
- Sub-groups
  - Clinical/quality
  - Finance
  - Operations
- Assisted MCOs with RFP response
- Hired Consultants/ Dedicated Staff
- IT Development
- Operational

# Reccomendations to KAPP

- Proactive v. Reactive
- “Seat at the Table”
- “High on the Food Chain”
- Use Leverage
- Risk is Good

# Q & A