



**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 Camarillo Health Care District

The [Camarillo Health Care District](#) (District) is a public agency in Camarillo, California (Ventura County) that serves the residents of Pleasant Valley and surrounding areas. Its mission is to meet the health and wellness needs of the community by promoting, coordinating, and managing quality, affordable health-related services. The District fulfills this mission by providing a range of services for adults, older adults, caregivers, and children. Services for older adults include an adult day center, care transition services, caregiver respite, education and training, a congregate and home-delivered meals program, a senior support line, transportation, screening and support to address depression, short-term loans of durable medical equipment, fall prevention and home modifications, immunizations, and a wide array of evidence-based health promotion self-management programs.

Why the District Joined Linkage Lab

The District needed to deepen relationships with health care organizations and demonstrate to them that it was a vital resource for reducing hospital readmissions. It also needed to build stronger links with community-based organizations (CBOs) serving patients discharged from hospitals (such as skilled nursing and rehabilitation facilities), with which it could collaborate to create integrated care transition standards and practices in Ventura County. Internal challenges the District faced included allocating resources to create systems, policies, and procedures for a countywide care transitions program. It did not have an electronically integrated service and client data system, nor a set of uniform standards for cross-program data collection. It needed a formalized system for cost accounting, as well as an integrated service delivery and billing system that would facilitate billing of managed care organizations, Medicare, and Medi-Cal (California Medicaid). The District sought support through Linkage Lab in making this substantial transition.

Key Objectives

The District sought to develop a business model for a line of services, as well as a robust infrastructure to support it. Specifically, the District wanted to establish a health care partnership in which it would provide contracted services for care transitions, with the aim of reducing preventable hospital readmissions. A second objective was to develop an integrated record management system to support, analyze, and evaluate the District's health care partnerships.

Key Strategies and Processes

The District developed and launched a transitional care (TC) program for the Ventura County Community Care Transitions Program, under a demonstration project funded by the Centers for Medicare & Medicaid Services (CMS). It developed a system to track the performance and outcomes of the TC program and used this program to link TC participants to its other service offerings (e.g., transportation, chronic disease management classes) and to other community resources.

The District created a tool to clarify the cost of each service line it offered for use in establishing rates and projecting growth opportunities. To promote a proactive approach to growth, the agency set criteria for new business opportunities. It then identified categories of potential clients (i.e., accountable care organizations, skilled nursing facilities, managed care organizations, assisted living facilities, and physician practices) and undertook a process of value proposition definition: understanding the needs of potential clients and the value that the District could bring to each of them. Following these steps, the District created service packages, initiated ongoing discussions with potential clients, and set prices. In addition, the agency developed a collaborative partnership with a network of CBOs as a channel for growth, completed a process to identify technology needs, and vetted technology vendors.

Contracts with Health Care Payers and Providers

Table 1 summarizes the contracts the District successfully negotiated during Linkage Lab (all for services in Ventura County).

Payer/ Provider	Criteria Used to Evaluate the District	Contract Duration	Service Package	Population to Be Served	Pricing Structure	Implementation Status
A national managed care organization	Ability and existence of established programs to support the reduction of emergency room visits and skilled nursing facility usage	12 months	Case management, care transitions, health promotion self management programs	Approximately 348 persons; older adults with chronic conditions, disabled persons, and any adult with a chronic condition	Fee-for-service	Current

Table 1: Continued						
Payer/Provider	Criteria Used to Evaluate the District	Contract Duration	Service Package	Population to Be Served	Pricing Structure	Implementation Status
Centers for Medicare & Medicaid Services Community Care Transitions Program	Existing transitional care program in place; partnership or relationship with hospitals	18 months	Coleman Care Transitions Intervention	3,127 fee-for-service Medicare beneficiaries	Fee-for-service	Contract terminated October 2014

Additional Successes

The District identified additional opportunities with accountable care organizations and local hospitals to provide transitional care services, case management, and evidence-based chronic disease programs. Participation in a CBO network led to the District contracting additional services through the network to entities such as a national managed care organization.

Challenges

The District faced a number of challenges. Although it received a grant from the Linkage Lab to develop its infrastructure, identifying the most appropriate technology solution to integrate all record management while also integrating with the CBO network proved elusive. It took time for the District to understand the health sector's needs and align its own values with those needs. In regard to organizational culture, it was not easy to transition from reacting to every potential business opportunity to proactively focusing on a smaller number of priority opportunities that met pre-established criteria. It was also difficult to project and plan for service volume that was anticipated but not guaranteed, and to maintain sufficient cash flow during ramp-up periods while a new service was being launched. Finally, as a subcontractor on one project, the District found that progress and success depended in large part on the lead organization, affording it only limited control over project performance and outcomes.

The District created a tool to clarify the cost of each service line it offered for use in establishing rates and projecting growth opportunities.

Lessons Learned

Key lessons for the District through Linkage Lab:

- Believe in the value of your organization's business case and value proposition, and be able to articulate that value in a way that will resonate with payers and providers.
- Understand the costs of services and the desired margin before negotiating contracts with payers and providers.
- Recognize that belonging to a network of CBOs can give you a competitive advantage, by permitting shared IT costs and analytics, increased geographical reach, rapid-cycle learning, and broader best practice sharing for continuous quality improvement.
- When collaborating with other CBOs for service delivery (such as through a CBO network), make sure the "rules of engagement" are clear and agreed upon upfront.
- Plan to invest in technology early in the process, and investigate potential funders' interest in supporting technology solutions.
- Understand your organization's technology needs and gaps, and go through a formal vetting process with potential vendors.

Webinar

- Watch a [webinar](#) on overall results of the Linkage Lab Program.

Online Resources and Tools

- [E-Learning modules on Building Business Acumen of CBOs](#)
- [CBO Toolkit on Pricing and Sustainability](#)
- [Background brief](#) on preparing CBOs for successful health care partnerships
- [Webinar](#) and [report](#) on training care coordinators for integrated care models.

TSF Perspectives

- [Perspectives](#) from Dr. Bruce Chernof on the importance of forming effective health care/CBO partnerships.