

MLTSS TOOLKIT: ASSESSMENTS

This module provides information and tools to help community-based organization (CBO) leaders assess their agency's readiness to offer vended services to managed care organizations (MCOs), hospitals, and other payers.

The module is designed for the CBO leader to answer a series of questions and complete two assessment tools to gain a basic understanding of the business and operational requirements necessary to operate effectively in the competitive, managed long term services and supports (MLTSS) space. Upon completion, CBO leaders should have completed a basic assessment of the organization's strengths and readiness, identified its most marketable programs and services, and developed an understanding of the organization's weaknesses that must be addressed.

For success with this module, complete these three phases:

1. Review the list of **questions to consider** in the "Getting Started" module. Your answers to these questions are critical to making fully-informed business decisions as you begin the assessment process;
2. Similar to the Getting Started questions in number 1, answer the following self-assessment questions; and
3. Complete both self-assessment tools (see links under "Next Steps" at the bottom of this page).

Self-Assessment

To be successful, you need to look at your strengths as well as gaps. What does your organization do as well or better than anyone else in your area? Where do you have the potential to be a market leader and to build upon your strengths?

1. Leadership team:

- Are they ready for a competitive world where you are the vendor?
- Are there holes in your current structure? For example, do you have an experienced marketing leader? a fiscal team member who can support your cost model?
- Does your team need training on working with the private/business sector? Healthcare terminology?
- Does your staff understand the market changes your CBO is facing? If not, now is the time to begin that dialogue. Help them understand the value of new revenue sources to help your agency achieve its mission. They need to understand why culture change is necessary and this is an exciting opportunity to increase your CBO's ability to pursue its mission.

2. Service strengths:

- Can you identify the services each payers needs? For example, if you have a nutrition program that has demonstrated results in lowering hospital re-admission rates, that's likely a service in which hospitals and MCOs would be interested. On the other hand, a program to connect seniors to schools as volunteer tutors – while valuable to the community – is likely to be viewed by the MCO as outside of their business objectives.
 - Can you demonstrate a projected ROI for the potential payor? Why should they care about your program or service? Do you have outcomes or costs savings data you can provide to the payor? If not, can you develop a value proposition and start bench-marking?
 - How quickly can you negotiate and expedite a contract? Do you have signing authority? If not, Are those who have to review and approve the contract on board with your direction?
 - Can you operationalize the project and scale to meet the payor's expectations?
3. **CBO Board and Organizational Structure:** Review your organization's structure, by-laws, and governmental rules about business activities that may be considered inappropriate for organizations like your CBO. This is especially important for local governmental and regional CBOs. If you find a concern, explore your options (we'll cover some of them in a later module).
- Is your Board ready for vended service offerings? Do you have their support? If you have an Advisory Council, the same applies to that group as well. Your Board members have the ultimate responsibility for the CBO and they will want to be certain this is the best direction for the organization and the organization's clients.
 - Don't get too far out front of your Board. If you worry that your Board may have concerns, begin building your business case for them and engage them in the discussion and the assessment. Recognize that, in many instances, the individuals on your Board come to the Board as representatives of their employer or government agency. Think about how those organizations will be impacted by these changes.
 - You may want to include representatives from healthcare entities on your board (hospitals, physician groups, etc.). Lawyers and other business professionals on your board may also be helpful as you engage in some of the new opportunities available. As you consider the Board's membership, keep in mind that some of these organizations (hospitals, health plans, etc.) may be coming to you for services. That can be helpful in negotiations because they will be familiar with the value your CBO delivers. However, what if you are also talking with their competitors? That's not necessarily a bad thing, but it is something that you should consider and plan for and be mindful of anti-trust and laws prohibiting collusion.
4. **Financial Competitiveness:**
- Are you an efficient provider with competitive product/service costs?
 - Are you able to align your direct and indirect costs to compare and explain to the payer?

- Can you use this as a baseline to assess your competitive position and develop a pricing strategy for future opportunities?

5. **Marketplace:**

- Should your CBO offer Care Transition services to hospitals, transportation to Medicaid Managed Care plan recipients, Chronic Disease Self-Management Programs to Medicare Advantage plan enrollees, or something else? How should I approach pricing? Who might be interested in “buying” these services? Who are my competitors? An environmental (or “market”) assessment, part of the ACL and n4a assessment tools below, will help you answer these questions.
- Under managed care, your marketing plan must include an assessment of competitors and a focus on developing a return on investment (ROI)-based value proposition. This needs to be in a quantifiable, communicable format. It does not need to be exhaustive, but you do need to understand your strengths and weaknesses compared with potential competitors and what the market needs now, and in the future.
- Have you identified the key elements of your market assessment, including market size, market growth rate, market profitability, market trends and success factors related to the goods or services you propose to deliver?
- Who are your potential customers? What do they want and need? What can you offer them to satisfy those needs, and what price is the market willing to pay? On the last question here, do some research on your current state Medicaid rates. That will give you some idea what payors will consider a reasonable price.

6. **Future Growth Opportunities:** What home and community-based services will be needed in two years, five years, or ten years in your market? CBOs will need to be strategic in formulating decisions regarding future growth opportunities and building new revenue streams. Take time now and identify strategies to:

- Focus your service delivery options on those that will deliver value and be needed in the future.
- Build awareness across the community of the knowledge, expertise, and history you possess.
- Leverage your organization’s relationships and intellectual capital.
- Identify potential business partners and learn everything you can about their business needs.
- Get to know and offer your assistance to policymakers who will be shaping the future “rules of the road”. In most cases, you have valuable experience and insights that can help them make good decisions. In most cases, they need and will welcome your help!
- Make connections and share your value proposition (more on this in a subsequent module) so potential business partners have the opportunity to understand the value of developing a business relationship with your CBO.

In order to assess the current market effectively, a familiarity with strategic business approaches widely utilized by MCOs and other large and small business across the private sector is helpful. For

example, the *Porter Generic Strategy model* (see link on the [Resources](#) page) suggests a focused strategy that could allow your CBO to seek a narrow, targeted market segment through low prices or a unique offering. Through this narrow strategy, a CBO should be able to control costs by concentrating efforts on a few key products aimed at specific consumers or by building a specialized reputation within a niche market. The Porter model, as indicated in the figure below, suggests that a small firm (or CBO) can profit by concentrating on a competitive niche, even though its total market share may be low. An organization, therefore, does not need to be large to do well. It is through this type of approach that countless numbers of small business thrive in the face of large international conglomerates.

Next Steps:

Complete the [ACL self-assessment tool](#). It is designed to help you identify your strengths and weaknesses and develop a plan to address them. Additionally, when you reach Section I, Assessment 10, stop and complete the [n4a self-assessment tool](#). This one-page assessment tool is designed to help you survey your existing and potential program and service offerings and identify your most attractive product offerings and complements the ACL tool. Use the blank rows across the bottom to add additional offerings as needed.

Conclusion:

At this point, you should have completed both assessment tools and have a basic roadmap of where your agency is today, questions you need to answer, and a high-level roadmap for moving your agency forward.

Future Toolkit modules will help with pricing, contracting, systems, and other specific considerations necessary for success. The journey has begun!