



**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 JFS

[Jewish Family Service of Los Angeles](#) (JFS) seeks to strengthen and preserve individual, family, and community life by providing a wide range of human services to community members at every stage of the life cycle, especially those who are poor and disadvantaged. Guided by the ethical and spiritual values of Judaism, JFS serves older adults and people with disabilities through a mix of services including at-home health and wellness, mental health, meals, transportation, and social and physical activities.

Why JFS Joined Linkage Lab

When the *Affordable Care Act* was enacted, JFS staff immediately began to engage with health care payers and providers about potential partnerships. At the same time, California legislators were discussing the transition of the Multipurpose Senior Services Program (MSSP) into managed care as part of California's duals demonstration (Cal MediConnect) and Coordinated Care Initiative. This represented a significant change for MSSP, which was first piloted 30 years ago at JFS. In addition, JFS was in the process of applying for a contract with the Centers for Medicare & Medicaid Services (CMS) to provide care transition services, and it realized the complexity of this kind of work. JFS was motivated to participate in the Linkage Lab for three main reasons: 1) to gain a better understanding of business relationships with health care entities; 2) build its management team's skills in the areas of contract negotiation, business development, data collection, and evaluation; and 3) learn about the dynamics of the current health care landscape. In this way, JFS sought to enhance its ability to provide appropriate, high-quality, cost-effective services.

Key Objectives

JFS sought to contract with at least two health care payers and/or providers (e.g., such as health plans, hospitals, and Federally Qualified Health Centers) to provide home- and community-based services in a way that would both be cost-attractive to these entities and generate profit for JFS. JFS also focused on case volume, revenues, and margin, as well as the expansion of service capacity, the adaptation of service delivery models, and organizational development. Specifically, the organization aimed to serve at least 3,500 clients annually; generate a minimum of \$5 million in annual revenue, with a 10% margin; and expand its older adult service capacity in the areas of care management, behavioral health services, and care transitions.

In addition, JFS aimed to enhance service effectiveness by developing more integrated models of care and the capacity for co-location, and by exploring strategic partnerships with other disability and substance use service providers. Finally, JFS sought to use the operational and cultural changes engendered by this work to foster organizational development across the agency, including improved operational and management systems to support more data-driven, outcome-based planning and service delivery.

Key Strategies and Processes

JFS created a work team to establish strategies and tasks, ensure accountability, and monitor progress. Immediately, the team questioned the organization's infrastructure, and ultimately it undertook organizational restructuring, starting with the leadership. JFS identified health care payers and providers to target for contractual relationships and engaged in relationship-building. Conversations were focused on JFS's ability to effectively implement programs and services beyond its traditional offerings such as private duty home and transitional care services. JFS leveraged its transitional care program work by extending these services to multiple hospitals, after initially demonstrating positive performance in reducing readmissions.

JFS analyzed its existing MSSP model and structure to inform both contractual negotiations and model improvements. Areas of focus included staffing evaluation, accountability, performance, new ways to deliver services, and data collection. In parallel with this work, JFS engaged its board members in an educational session at their annual retreat, provided consistent progress reports, and created a small council of board members to participate in the leadership restructure. It also initiated an accreditation process with CARF (originally the Commission on Accreditation of Rehabilitation Facilities) to drive standardization of processes and best practices.

Contracts with Health Care Payers and Providers

Table 1 summarizes the contracts JFS successfully negotiated during Linkage Lab.

JFS participated in Linkage Lab to:

- gain a better understanding of business relationships with health care entities
- build its management's skills in contract negotiation, business development, data collection, and evaluation
- learn about the dynamics of the current health care landscape.

Table 1: Summary of JFS Contracts with California’s Health Care Sector						
Payer/ Provider	Criteria Used to Evaluate JFS	Contract Duration	Service Package	Population to Be Served	Pricing Structure	Implementation Status
Health Net	Ability to handle complex case management for older adults and people with disabilities in a cost-effective manner	One year	Psychosocial assessment, care plan implementation, and case management services	Older adults with complex case management needs	Capitated payment per member	In implementation
Care1st Health Plan	Ability to handle complex case management for older adults and people with disabilities in a cost-effective manner	One year	Psychosocial assessment, care plan, and case management services	Older adults with complex case management needs	Capitated payment per member	In implementation
Anthem Blue Cross	Ability to handle complex case management for older adults and people with disabilities in a cost-effective manner	One year	Assessment and case management services	Older adults with complex case management needs	Capitated payment per member	In implementation
L.A. Care	Ability to provide mandated assessments in the required timeframe	One year	Eligibility assessments for Community-Based Adult Services (CBAS)	200 members annually	Capitated payment per member; tiered based on service package	In implementation
CMS	Ability to provide evidence-based care transition services through partnership with hospitals	One year	Care transitions services	Medicare fee-for-service patients being discharged from hospitals, at risk for re-admission; 3,300 patients served annually	Capitated payment per beneficiary	In implementation

Table 1: Continued						
Payer/ Provider	Criteria Used to Evaluate JFS	Contract Duration	Service Package	Population to Be Served	Pricing Structure	Implementation Status
CMS and Cedars-Sinai Medical Center	Ability to provide evidence-based care transition services through partnership with hospitals	Contract ended 12/31/14	Expand care transitions services to patients discharged from Cedars-Sinai Medical Center	Medicare fee-for-service patients discharged from hospital, at risk for readmission	Capitated payment per beneficiary	Contract ended
Cedars-Sinai Medical Center	Ability to provide warm handoff and anchor patients in the community	One year	Behavioral Health Transition Care Navigator pilot	Annually, 100 older adult hospital patients with psychiatric diagnosis who need connections to community resources	Program rate	In implementation
Comprehensive Community Health Centers	Ability to provide consultation and direct services that will achieve greater integration of services	Two years	Behavioral health and community social service case management for patients at four FQHCs; integration of primary care, behavioral health, and social services	Patients at four clinics who need linkages to community resources to help achieve medical stability	Program rate plus additional fee for patients who receive case management	In implementation
St. Francis Medical Center and St. Vincent Medical Center	Ability to provide transition care services for patients discharged from the hospital with chronic health conditions	Currently month-to-month	Pilot post-discharge services	Dual eligible Medi-Cal/ Medicare patients at high risk for readmission, with chronic health conditions	Hourly rate with a cap on hours	In implementation

Additional Successes

JFS's participation in the Linkage Lab helped it focus on its capacity to obtain future business with health care payers and providers. JFS re-evaluated its leadership structure, which led to a major restructuring of agency leadership toward a more integrated, flexible, and accountable model that better positioned the organization for data- and price-driven interactions with payers and providers.

Skill-building through Linkage Lab enabled JFS to interact with health care payers and providers more strategically and to present its business case more effectively—presenting itself as offering cost-effective and efficient services. JFS was able to more effectively evaluate potential contracts so that they did not accept prices being offered if it did not make financial sense for JFS.

Challenges

The principal challenge that JFS experienced in working toward its objectives was translating signed contracts into new business. JFS found it difficult to devote enough time to develop new service models and maintain engagement with new payer and provider clients while concurrently managing service ramp-up, building internal capacities, and effecting organizational restructuring. It was also challenging to generate sufficient referrals from new clients to support the cost of delivering services and validate the effectiveness of service. In the area of costs, JFS found that for-profit and payer/provider in-house competition could tolerate greater financial risk than it could.

The necessary transformation of JFS's organizational culture was also difficult. Moving away from the traditional social service model toward one in which pricing, quality, and impact are all closely interrelated was at odds with the reason some staff members had chosen to work for a community-based charity.

Lessons Learned

Key lessons for JFS through Linkage Lab:

- Winning a contract is a critical step, getting actual referrals from the contract and continuous communication with the payer are essential to long-term success.
- Referral and volume expectations, as well as potential implementation challenges, need to be addressed proactively and interactively with health care payers and providers.
- Clear outcome goals should be jointly established and then measured to demonstrate service value.
- Strong relationships with stakeholders in payer and provider organizations—beyond those who negotiate the contracts—need to be developed to support successful contract implementation.
- Opportunities and competition are increasing; community-based organizations must demonstrate that they add unique value and are reliable and effective providers.

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.