



**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 SVILC

[Silicon Valley Independent Living Center](#) (SVILC) is a cross-disability, intergenerational, multicultural disability justice organization based in San Jose and serving Santa Clara County. Operated both by and for people with disabilities, SVILC strives to create fully inclusive communities that value the dignity, equality, freedom, and worth of every human being. SVILC's Community Transition Program provides comprehensive care coordination and intensive case management and monitoring to assist people with disabilities moving into a community living setting. The Stepping Stones Program helps people with disabilities live successfully in the community and avoid returning to a nursing home or institution. SVILC also provides information and referrals, peer support, assistive technology and lending library, personal care attendance services, housing search assistance, and independent living skills training. Finally, SVILC actively advocates for change in systems serving those with disabilities.

Why SVILC Joined Linkage Lab

SVILC identified that it had operational and resource gaps that would have to be filled in order to be ready for contracting with the health care sector. It had inadequate staffing to meet demand for its community care transitions programming and wrap-around services, as well as for its human resources function. Its IT, electronic health record (EHR), and billing systems were outdated and not compatible with those of potential health sector business partners. Its program structure was siloed, and there was a need for a team model to ensure holistic and timely services for those experiencing care transitions. SVILC lacked the unrestricted funding needed to cover upfront costs for new business arrangements before reimbursement funds begin to flow.

Key Objectives

SVILC sought to enter into contractual relationships with the duals demonstration health plans in Santa Clara County under which it would provide care transition coordination and independent living services to plan members. By doing so, SVILC sought to deinstitutionalize 20% of the dual eligibles (persons eligible for both Medicare and Medicaid [Medi-Cal]) currently living in long-term care facilities in the county, as well as gain a sustained source of revenue that could be reinvested in the organization's service lines. Specifically, SVILC recognized that it needed to build the leadership and management competencies and infrastructure required to successfully plan and promote its long-term services and supports

(LTSS), make the business case for care transitions, deliver its LTSS profitably and successfully, and evaluate its services.

Key Strategies and Processes

The SVILC team began by identifying health care payers participating in the duals demonstration (Cal MediConnect) and developing strategies for approaching them. The team also mapped out SVILC's current services and service delivery flow and identified areas for improvement, as well as potential options that could be packaged and sold to payers. Next, the organization launched an initiative to streamline its program processes, procedures, and service delivery. It worked closely with the Linkage Lab technical assistance providers to negotiate the first payer contract, building skills to negotiate other contracts on its own. After contracts were signed, SVILC initiated a pilot referral program with the payers as a way to build relationships and SVILC's credibility.

While working to obtain contracts, SVILC cultivated relationships with other community entities, such as the Area Agency on Aging, the Department of Health Care Services, and the Housing Authority, with the hope of establishing an Aging and Disability Resources Center (ADRC). Although SVILC had not established an ADRC by the time its Linkage Lab participation ended, it identified potential opportunities to subcontract specialty services with other community organizations and moved forward with joint proposals.

At the same time it was engaged in these activities, SVILC initiated a process to improve its infrastructure. With funding from services provided under its Independent Living Center (ILC) designation, program staffing was increased, program processes and procedures streamlined, and data tracking and reporting structures improved. SVILC also identified appropriate, enterprise-wide solutions for its EHR and phone system challenges and initiated implementation of these solutions, using a Linkage Lab infrastructure grant.

SVILC recognized that it needed to build the leadership and management competencies and infrastructure required to successfully plan and promote its LTSS, make the business case for care transitions, deliver its LTSS profitably and successfully, and evaluate its services.

Contracts with Health Care Payers and Providers

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

Table 1: Summary of SVILC Contracts with California’s Health Care Sector						
Payer/ Provider	Criteria Used to Evaluate SVILC	Contract Duration	Service Package	Population to Be Served	Pricing Structure	Implementation Status
Santa Clara Family Health Plan (SCFHP)	Only Independent Living Center in the county with track record of successful transition from skilled nursing facilities, acute care, and sub-acute care to home	One year initially, with annual renewal option until terminated	Care coordination and nursing home transition and diversion services	Older adults and people with disabilities residing in nursing home; high utilizers of urgent care and hospitals	Hourly rate for each service and flat rate reimbursement of certain expenses	In implementation
Anthem Blue Cross	Only Independent Living Center in the county with track record of successful transition from skilled nursing facilities, acute care, and sub-acute care to home	One year initially, with annual renewal option until terminated	Care coordination and nursing home transition and diversion services	Older adults and people with disabilities residing in nursing home; high utilizers of urgent care and hospitals	Hourly rate for each service and flat rate reimbursement of certain expenses	Not yet in implementation

Recognizing its niche, SVILC packaged its transition and care coordination services together to solicit and negotiate contracts with both of the health plans participating in the Santa Clara County Cal MediConnect. Through Linkage Lab, SVILC gained an understanding of the market as impacted by the changing health care environment. The organization worked closely with the Linkage Lab technical assistance providers to establish competitive rates for each service in the package, and it then leveraged its specialized staff competencies and core independent living services to demonstrate to the health plans the sustainability of the community transition beyond the contracted services.

Additional Successes

By bolstering its internal systems capacity, opportunities arose for SVILC to collaborate and subcontract with other community-based organizations (CBOs) to provide a niche offering to

health care payers and providers. SVILC also added disability awareness training to its service offerings and targeted local employers as possible new clients.

Challenges

SVILC faced both external and internal challenges during its participation in Linkage Lab. Externally, payers were still preparing for Cal MediConnect and were often not focused on developing new business arrangements with CBOs. SVILC found it challenging to make payers aware of what services it offered and what differentiated them. Once contracts were signed, it was not easy to generate referrals from the payers.

Internally, SVILC found it difficult to build infrastructure, improve processes and programs, and generate new business opportunities all at the same time. Even with an infrastructure grant, there was insufficient funding to address multiple technology needs. Hiring medical staff for program improvement was a challenge. Finally, there was turnover in multiple key leadership positions, forcing the team to do more with fewer human resources.

Lessons Learned

Key lessons for SVILC through Linkage Lab:

- Understand what differentiates your organization and be able to articulate and sell this to the health care sector.
- Consider collaborating with other CBOs as a way to grow business and co-create packages of service offerings.
- Think about repurposing organizational competencies and service offerings to meet external market needs.
- Do not underestimate the need to address volume expectations and referral processes with payers during initial discussions.
- Run the non-profit organization like a business, making appropriate adjustments that support relevancy and sustainability.