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Ability360: fostering growth, while preserving a service culture of dignity and respect

Editor's note: The John A. Hartford Foundation, Administration for Community Living (ACL), The SCAN Foundation, Gary and Mary West Foundation, Marin Community Foundation and Colorado Health Foundation have united to fund a three-year grant to develop and establish the Aging and Disability Business Institute (goo.gl/nz7ykU), led by the National Association of Area Agencies on Aging (n4a). Under the grant, ASA and n4a are collaborating on a series of articles and case studies in **Aging Today** that will help prepare, educate and support community-based organizations (CBO) and healthcare payers to provide quality care and services.

This **Aging Today** supplement features four organizations that have been selected to participate in a Trailblazers Learning Collaborative (TLC), convened by n4a and funded by ACL. They are the "front runners" from the Aging and Disability Networks, the first group of CBOs to tackle CBO–healthcare partnership issues. They will serve as a "think tank" for prototyping, and collectively work toward solutions to address next-generation challenges and opportunities in contracting with healthcare entities, through in-person and virtual meetings.

Phil Pangrazio, president and CEO of Ability360, an independent living center in Phoenix, Ariz., readily admits he wasn't working there when the center first conceived its highly successful homecare services program, but he has seen what is now one of our country's largest centers for independent living grow rapidly and steadily during his 17-year tenure and nine prior years of service on the board of directors.

The center offers a long list of services: independent living skills training, peer support and mentorship, information and referral, advocacy, home modifications, recreational and social programs, early intervention and outreach to rehabilitation hospitals, re-integration from nursing homes to the community, youth transition to adulthood in school districts, (regarding independent living skills), sports and fitness, Social Security work incentives consulting and a Ticket to Work employment program. Though the center doesn't offer housing, they operate one small residence—a donated gift from a community member—that serves as transitional housing for people coming out of rehabilitation facilities.

The Ability360 Genesis

Though it was founded in the disability supports side of the services industry, Ability360's homecare assistance program, which contracts with healthcare entities, is now made up mostly (at least 60 percent) of frail elderly adults. When the program began in the mid-1980s, it concentrated on

servicing people with physical disabilities who needed attendant care or personal assistance services (currently called homecare for reasons of branding and name recognition) to allow them to remain at home in the community. Other similar support programs had only just begun to pop up across the country, Pangrazio says, and the center (then called ABIL [Arizona Bridge to Independent Living]) recruited people to serve as personal attendants, trained them and matched them with consumers.

Initially funded by Arizona Long Term Care System (i.e., Arizona's Medicaid managed long-term services and support system) the attendant care services program was run in collaboration with the Maricopa County health system. Pangrazio happened to work at the county hospital at that time, and saw how the homecare program worked from the healthcare side.

Pangrazio says the county “found [the program] to be a nuisance, predominantly run by nurses, and a very medical model,” but the disability community needed it desperately, so ABIL got involved. In the early 1990s, the county asked the center to take over the running of the program—payroll, billing, claims processing, case management—and suddenly ABIL was employing more than 1,000 homecare workers under a contract with Maricopa Health System and its Long Term Care program.

An ABIL manager designed the program's policies and procedures—how and when home visits would occur, what a care plan would look like, the laying out of consumer rights, attendant care worker rights and caregiver training. Except during a brief break when the county took the program back (and then tired of it again), Ability360 has been running it ever since the early 1990s.

Expansion Sparked by the Advent of Managed Care

Arizona was the last state to opt into the federal Medicaid program and the first to adopt managed care when in 1982 it created its state Medicaid agency AHCCCS (the Arizona Health Care Cost Containment System). “Arizona's conservative legislature liked the name and acronym ‘AHCCCS’ because it didn't use the word Medicaid. In fact, some probably didn't know it was, thus we became the first state in which the Medicaid agency was under managed care,” says Pangrazio.

In 1999, the county got out of managing the long-term-care business entirely as AHCCCS put it out to bid to the private sector. “That's when companies like UnitedHealthcare, SCAN, Mercy Care (part of Dignity Health), and eventually Centene came into the marketplace to bid on the long-term-care program, and when we first started having a relationship with a healthcare managed care company,” says Pangrazio. From 2000 on, Ability360 has had contractual relationships with Mercy Care, a Medicaid Managed Care organization, and other such healthcare entities.

Today, Ability360 employs 2,600 homecare workers, scattered across almost the entire state, in Pima, Gila, Pinal, and Maricopa counties and now moving into Yavapai County.

The center remains successful in garnering and keeping contracts, Pangrazio believes, because of its philosophy to treat both consumers and employees with dignity and respect. “We hire from within, and a lot of the people working for us as supervisors and case management started working for us as caregivers—we have approximately 30 to 35 people working as case management supervisors and dozens in other support roles who came up through our ranks,” Pangrazio says.

“There are private homecare agencies on every corner now,” he adds. “But I believe we've been around a long time because of our philosophy and how we treat people. And we pay our caregivers as well or better than any provider in the state.”

The other half of their success lies in knowing how to run a business efficiently. Ability360 pays employees every week because the weekly paycheck makes personal budgeting easier for employees, but also because this works well for the organization: the faster it is able to bill for services, the easier it is for the center to reconcile billing and recoup their money.

Pangrazio insists on leaving no collectables on the table. “We don't have much uncompensated bad debt expense,” he says. “We collect 99.9 percent of what we bill, which is not easy to do.” He

credits his CFO, who he brought over when he left the county hospital 17 years ago. When he started at Ability360, Pangrazio says, the center had probably 12 to 15 percent bad debt. “If we had kept operating at 15 percent bad debt, we wouldn’t be here right now,” he says.

New Avenues for Collaboration

In addition to its homecare attendant program, Ability360 also offers home modifications, contracting with some of the same managed care organizations. Last year, they completed about 150 modifications, the majority through Mercy Care. Pangrazio says this is not a lucrative program, but a much-needed service and one that creates goodwill in the disability community. Other centers for independent living might consider such a program when shopping for managed care contracts.

And the center had a three-year, \$25,000 per year grant with Dignity Health’s Barrow Rehabilitation Center, for consumers leaving the hospital to use the Ability360 sports and fitness center for rehabilitation and transition back to community life. This is another service Pangrazio recommends independent living centers consider offering in some fashion to healthcare entities.

In the future, Pangrazio would like to build up a program that he feels has been very successful but unfunded, which is outreach to rehabilitation hospitals to offer information and referral and peer counseling and mentorship. Currently, he has one staffer who has lived successfully for many years with a significant disability working on that program, but Ability360 has had to shift costs to subsidize that staffer, instead of securing a service contract.

“I think that service could be sold to hospitals, and we need to ... figure out how to develop a contract to get that business,” says Pangrazio. The center’s staffer now travels, free of charge, to 10 or 12 rehab hospitals to give them referral information about services available post-rehab, to distribute a disability survival guide and to prepare them for what lies ahead. “We’re offering peer counseling, mentorship, and information and referral at the bedside. It’s a shortcoming on our part that we haven’t developed that into a contract that pays as a fee for service,” says Pangrazio.

Considering Ability360’s philosophy emphasizing dignity and respect for consumers and staff, paired with its efficient business sense, it is very likely the center will have such a program up and running very soon. ■