



BUILDING BUSINESS CAPACITY

A New Way of Approaching the Business of Long Term Care Services and Supports
June 19, 2013

OBJECTIVES

*“It is not
necessary to
change. Survival
is not
mandatory.”*

~ W. Edwards
Deming

What are some of the “big picture” changes that you think are important for success?

How has this work changed your organization’s culture and the way it operates?

What were some barriers you encountered? How did you address you those barriers?

What were some initial steps or processes you completed in creating relationships with health care orgs?



COUNCIL ON AGING: WHO ARE WE?

41 years of service to older adults,
families and caregivers

State-designated Area Agency on
Aging since 1974

Butler, Clermont, Clinton, Hamilton
and Warren counties

One of largest non-profits in our
region



OUR MISSION & VISION

Mission: Enhance the lives of adults by assisting them to remain independent at **home** through a range of quality services

Vision: Every senior adult in our region shall have a **choice** and range of services that will assist them to remain independent in their chosen environment



COA'S CORE FUNCTIONS

Administrator

Aging & Disability Resource Connections

Pre-Admission Review

Care Management and Care Coordination

Care Transitions

Area Agency on Aging



COA BY THE NUMBERS - 2012

20,459 clients receiving in-home services

Nearly 2 million home-delivered meals (to
10,011 homebound older adults)

2.1 million hours of in-home care

280,047 trips to doctors, senior centers

29,322 requests for information about help for seniors

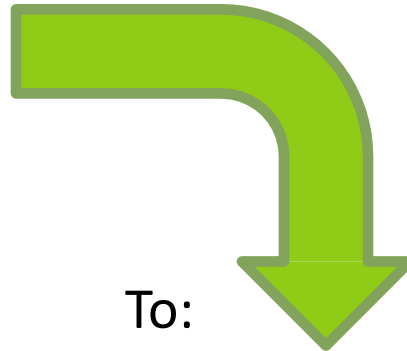
160 education and support sessions with caregivers

102 advocacy meetings with clients and elected officials

From 2012 annual report

BIG PICTURE CHANGES: COA'S STORY

Moving from:



To:



HOW DO I BEST DESCRIBE OUR CURRENT SITUATION?

It feels like
this..



but we aren't
standing and
waiting.....

**We're more like this...
just a step ahead of a
speeding bullet.**



COA IN 2006

"Family"
orientation

We are "Number
One"

Advocacy and
"heart" over
budget

Staff mindset



THE ENVIRONMENT

In 2006

Managed Care Pilot proposed for PASSPORT in the Cincinnati Region

Pressure to reduce Medicaid spending

Competition for scarce resources

In 2011

Significant budget reductions proposed – state and federal

State Integrated Care Delivery System is proposed and approved (Duals Demonstration)



WHY CHANGE??

Bottom line: We could see our funding streams changing and more competitors entering the market.

Past: We were reimbursed for our costs from Federal, State and Local entities.

Present: Fee for service is here (or almost here)

Care Transitions

Medicaid waiver services will be provided through a managed care company (MCO).

Future: We will sell our services on a per unit basis to MCOs and other payers with a promise to achieve certain outcomes.



OUR BIGGEST QUESTION:

In 2006, Can we compete?

We had the history of being a “monopoly” with state and local funding

We get the money without having to compete for it

Must rid ourselves of the “entitlement” mindset

In 2011

Can we compete for business with Managed Care Companies?

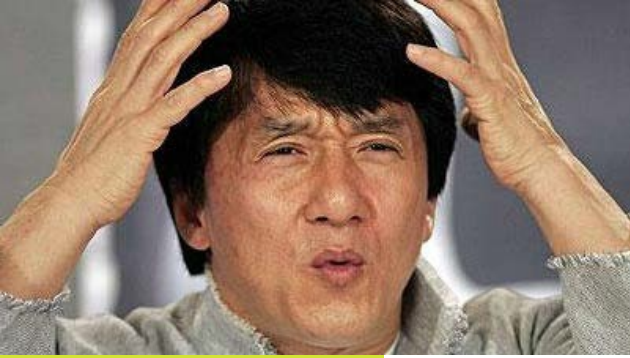
What are the right products?

How should we be positioning our organization for future relevance?

WHY CHANGE?



In short, we had to prepare for the future and know:
we are able to offer **the highest quality** services
at a **competitive price**
to maintain our **market share** and **profit margin**.



WAIT A MINUTE...

“Social Entrepreneurship” is a new name for an old idea: Non profits selling products and services as a means to supporting services that don’t have a funding stream.

Examples include:

- Goodwill
- Girl Scouts
- Boy Scouts
- Building Value (Easter Seals)
- Cincinnati Cooks (Freestore Foodbank)

Did you say “**profit margin**”?

Yes.

But we are non-profits, isn’t that illegal?

No.

I am still not sure this is right.

Non-profits that earn revenue put their revenue back into programs and services to provide **Better Service** to **More Clients**.

Disclaimer to make the CFO’s happy: There is a bit more to it and there are a few rules, but as long as they are followed, it’s okay for a nonprofit to bring in more than it costs them to provide services.



BUT WAIT, THERE'S MORE...

We are nonprofits – why should we be concerned about being “competitive” and having a “market share”?

Because:

Aging is a **hot** market

high demand + low supply = profit potential

Others believe they can do it better.

Others can do it at a lower cost.

Others can do it and make money at it.

AND...

PLAYING TO WIN...



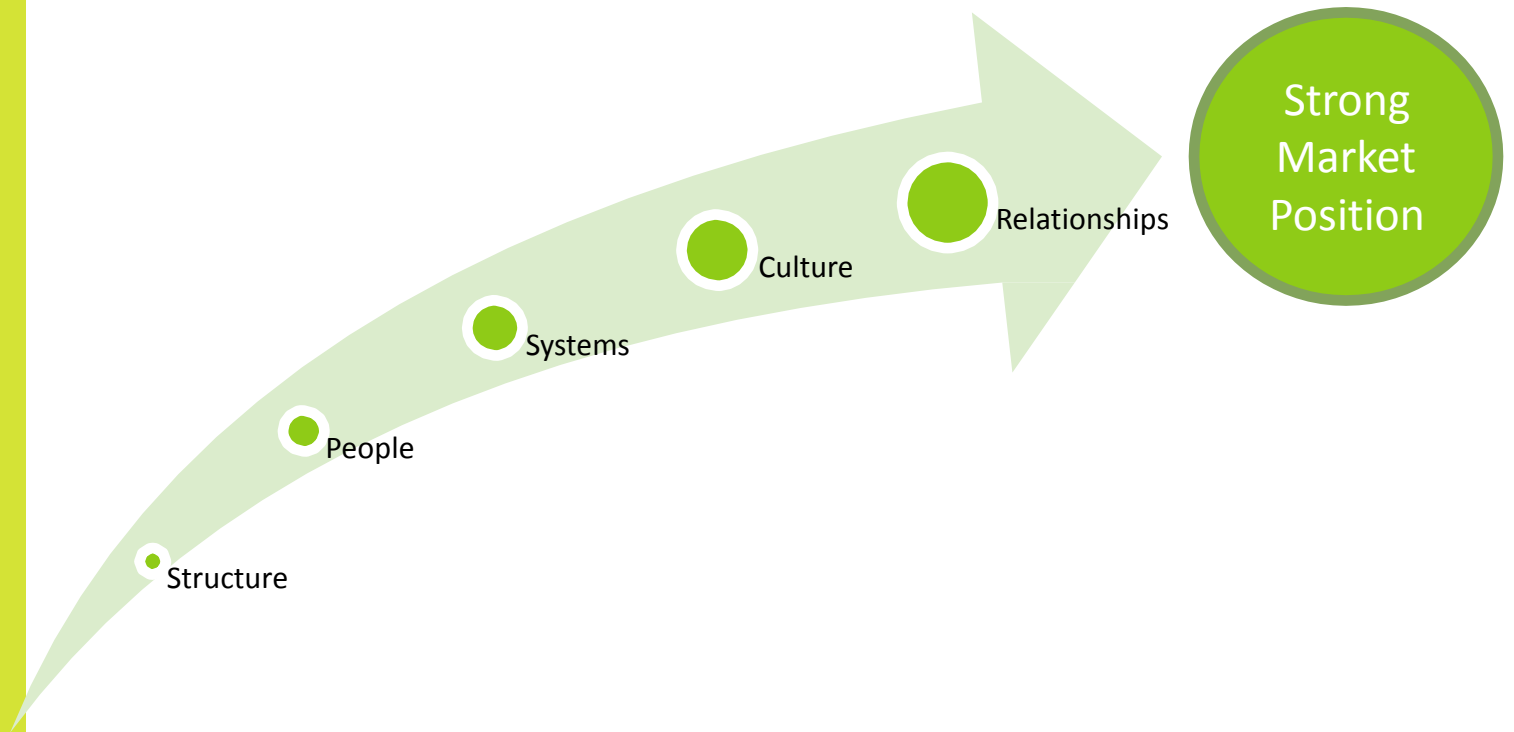
...MEANS WE CAN CONTINUE TO
SERVE OUR CLIENTS!

BIG PICTURE CHANGES

Strategic

Focus:

**Strengthen and
Position the
Organization**



STRATEGIES EMPLOYED

Strategic

Focus:

Strengthen and

Position the

Organization

Reform provider processes and ensure effectiveness and efficiency of provider contracting, communication and referral process.

Ensures COA maintains its competitive edge.

Build a strong organizational culture.

Innovate both in staffing, technology, organizational operations and service package design and delivery.

Ensure workforce is aligned with new integration models, technology, and future care delivery system.

Ensure composition of the Board of Trustees and Advisory Council reflects expertise needed to provide oversight of execution of strategic plan.



STRUCTURE TO SUPPORT HIGH PERFORMING TEAMS

Business Results and Innovation

Business Intelligence (analytics)

Business Results (quality)

Project Management

Business Development

Innovative Human Resources – Executive Level

Self Directed Teams

Team Educators

Creative staffing structures – additional duty, contract employees



GET THE PEOPLE IN THE RIGHT SEATS ON THE BUS





PUT SYSTEMS IN PLACE TO SUPPORT THE STRATEGY

Build Cost and Pricing Models

- Bring Program and Finance People Together

- Know how every position is paid for

- Relate cost to services sold

- Train everyone!

Pay for Performance

Technology

- Business Intelligence Systems

- Care Management Systems

- VPN access for telecommuting



CREATE THE CULTURE

Data Driven Decision Making

Focused on Outcomes, Quality and Results

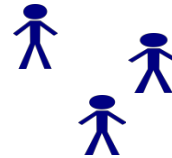
Play to Win

Use Cost and Price Models – to price services, understand the cost of operations, and drive the culture change



Care Transitions Program Carl's Grocery Store Model For July 2012

\$



Cost

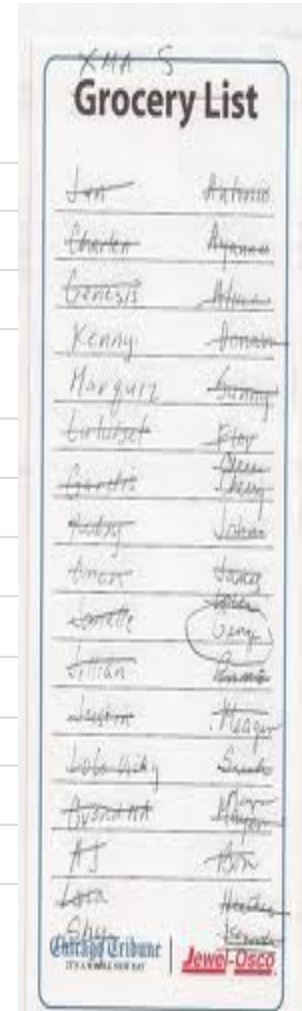
Clients

FIXED COSTS

Program Admin Personnel Costs	\$ 17,849.04	37.8
Kim Clark - Kim Hotel - Phyllis Clemons - Mary Whipple - Christine Bonner		
Telephone & Cell Phones	\$ 194.85	0.4
Depreciation (QMCO)	\$ 1,111.11	2.4
Professional Svcs- Health Council	\$ 27,418.00	58.0
Rent	\$ 448.00	0.9
TOTAL FIXED COSTS	\$ 47,021.00	99.5

VARIABLE COSTS

Coaching Personnel Costs	\$ 31,311.81	66.3
Toni Arquette - Danielle Amrine - Beth Chopra - Vicky DePew - Kieran Fleming - victoria McClain - Cathy VanFossen - Kim Wear		



BUILDING THE RIGHT PARTNERSHIPS

Select the right partner – Look for “influencers”

Define roles and responsibilities

Start small, create wins, and spread

Work towards integration

Lot’s of TLC





QUESTIONS?



THE ANSWER.

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