Value-Based Reimbursement Within The Human Services Industry: Funders Are Focused On One Key Outcome Above All Else

by Sylvia Landy Vail

Four central topics are addressed in this paper regarding the human services industry serving people with disabilities (IDD, TBI, SPMI and behavioral challenges) in waiver, ICF, independent living and home-based settings.

1. Improved health leads to, and is further fueled by, other central outcomes funders are intent on improving and assessing.

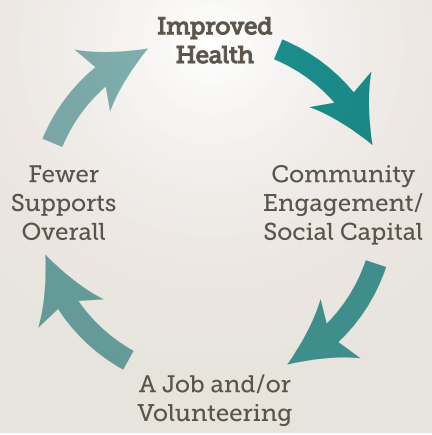
2. The improving health of people supported is the number one outcome funders will always prioritize as they institute value-based reimbursement.

3. The unnecessary poor health of people supported persists and is escalating for a number of compelling reasons.

4. Providers, states and MCOs are able to affordably and substantially improve—and prove—the health status of people supported.

1. Improved health leads to, and is further fueled by, other central outcomes funders are intent on improving and assessing.

Funders are interested in quality improvements and a simultaneous reduction in expenditures. It all hinges on health as the catalyst. Individuals who feel and look better, take fewer medications, experience fewer acute care events, and maintain a healthy weight status are more likely to participate in the community/social activities and benefit from increased employment and volunteering opportunities. Better health, enhanced community engagement, and a job lead to fewer supports overall. All of which serve to further propel health escalation.



2. The improving health of people supported is the number one outcome funders will always prioritize as they institute value-based reimbursement.

Rapidly escalating acute care and medication expense, the highest cost items that funders are responsible for, are a must-harness priority. As one example, people with intellectual and developmental disabilities constitute 1% of the Medicaid caseload and 11% of Medicaid's expenses; the lopsidedness is increasingly, and largely, a result of runaway healthcare costs—a high percentage of which are now recognized to be unnecessary. Due to increases in obesity and associated chronic conditions, such as diabetes, healthcare expense for people supported is starting to outstrip LTSS expenditures.

Additional points underscore that the math is forcing funders into this new model of value-based reimbursement that, by a number of reliable indicators, is here to stay.

- People with disabilities experience 2 to 3 times the mainstream rates of diabetes and obesity—conditions that are not related to the disability but, as numerous studies highlight—including data confirming that 80% of the most expensive chronic conditions are preventable—are largely and simply a result of eating the wrong foods in the wrong amounts.
- Medical expenditures for people with diabetes are approximately 2.3 times higher than for those without diabetes. The risk of developing comorbid disease is often as much as 12 times greater for an overweight person.
- Further, healthcare experts affirm that eating better is the number one driver behind preventive health for most anyone. Routine physical activity is more likely to be engaged in when individuals have a healthy weight status.

Eat Better → Healthy Weight Status → Physical Activity

- As a result of the above information, funders recognize the need for urgency and the unsustainability of the slippery slope they have been on: bankrolling non-nutritious foods/ unhealthy mealtime habits and then resulting obesity, diabetes and hypertension.

3. The unnecessary poor health of people supported persists and is escalating for a number of compelling reasons.

The unnecessary poor health of people supported in waiver, ICF, independent living and home-based settings is not now related to scant funding. The problem developed and persists for a variety of reasons noted below.

- Accountability measures are minimal regarding nutrition and preventive health in a majority of instances where individuals with disabilities receive federal and state funds for their food and medical care. The robust health data that is available for people supported has not been effectively leveraged to improve systems and stem subpar health trends.

- Choice is often incorrectly interpreted as, "it's all right to let people supported eat themselves into life-threatening illness" as opposed to dedicating time and resources to shift the paradigm to responsible choice. 24-hour access to a refrigerator can responsibly be managed by ensuring that the refrigerator is filled with healthy choices.
- Staff is often inexperienced regarding nutrition, kitchen skills, and redirecting people supported toward responsible choice alternatives. And by the time any training of staff is completed, staff has turned over.
- There is an erroneous assumption that nutritious food costs more than non-nutritious food.
- Historically, solutions aimed at preventive health and nutrition challenges have focused on outputs rather than outcomes, such as: physical activities for people supported (walking clubs, Biggest Loser-like contests, devices to track steps taken in a day, and more); standardized, non-choice-based menus; full-scale dependence on training high-turnover staff; and research-oriented interventions that are not viable for the long-term outside the grant bubble. Further, education and independent living skills development for people served regarding nutrition and kitchen skills are typically incomplete, delivered inconsistently, and outputs oriented.
- Until recently, there have not been any vendor solutions available on an industry-wide basis that provide a failsafe, streamlined, eat-better system that respects and encourages responsible choice—affordably.
- Until recently, family members—a proven critical piece in the wellness formula for people supported—have not been engaged/educated regarding nutrition and preventive health for individuals served.
- As the status quo underscores, dieticians and nutritionists—a necessary faction in this arena—have not been able to positively impact the nutrition and health of a majority of people supported due to the factors noted above and time constraints related to a focus on those most medically compromised.

4. Providers, states and MCOs are able to affordably and substantially improve—and prove—the health status of people supported in waiver, ICF, independent living, and home-based settings.

In order for value-based reimbursement to be viable, reliable data is necessary. Fortunately, historical and current health information is available for a majority of people supported. The availability of this information has a two-fold upside. First, providers will not have to undergo tremendous expense in order to produce the health outcomes funders will soon require. Second, trending analysis can be readily applied to the data that is, and has been, underutilized to this point.

Programmatically and financially, the human services industry is best equipped to deal with the improving health of people supported via nutrition, as a result of the following.

- Everyone has to eat and there is always a system and budget in place for food.
- Tailored, customized resources are now available to assist the industry in accomplishing failsafe, choice-based, improved nutrition and streamlined mealtime without incurring increased net expense.
- Tailored resources are now available to assist the industry in accomplishing improved nutrition as a result of education and engagement supporting the entire constituency, including: people supported, staff, and family members.
- The resources noted above are producing substantial health outcomes for people supported that funders can use to base reimbursement upon.

Sylvia Landy Vail is co-founder of Mainstay, Inc. and its respected *My*25 programs that are utilized throughout the U.S. by leading human services provider organizations and state disabilities services.

The poor health of people supported spurred Mainstay to: thoughtfully assemble a team of dedicated industry, preventive health and nutrition professionals; develop a series of failsafe, choice-based, affordable supports to streamline and enhance menu planning, grocery shopping, recipe prep, and education/training in waiver, ICF, independent living and home-based settings; and establish an impressive track record by partnering with the nation's most progressive organizations that are now ahead of the value-based curve and doing right by people supported and numerous stakeholders.

Outcomes that Mainstay notes and has facilitated through its commercial activities and studies backed by the USDA include:

- Pre *My*25, 70% of individuals served are moving away from a normal BMI.
- Post *My*25, 6 months in, 50% of people supported are at or moving toward a normal BMI.
- Post *My*25, 18 months in, 70% of people supported are at or moving toward a normal BMI.
- Additional health gains demonstrate similar positive impact regarding: A1C levels, blood pressure readings, waist/hips ratio, and more.
- Acute care and medication expenses substantially decrease.

Further . . . *My*25 programs are simultaneously reducing food, labor, and PRN costs. Choice, consistency, accountability, education, independent living skills, and enjoyment of life surrounding nutrition, kitchen skills, and mealtime elevate. Individuals served, staff, and family members are all factored in to the tailored engagement and supports that *My*25 delivers.

Ms. Vail's capabilities emanate from her education at the University of Illinois (graduating within the top 1% of her class) and Northwestern University's Kellogg School of Management and her earlier, successful business experiences. Ms. Vail launched Adicon—a company delivering enhanced quality of care, nursing efficiency, and operating room turnover (revenue) in hospitals—from her basement, grew the organization to a nationwide concern, and later sold the entity to healthcare leader Baxter International; prior to spin off, this division generated $5 billion in annual revenue for Baxter.

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