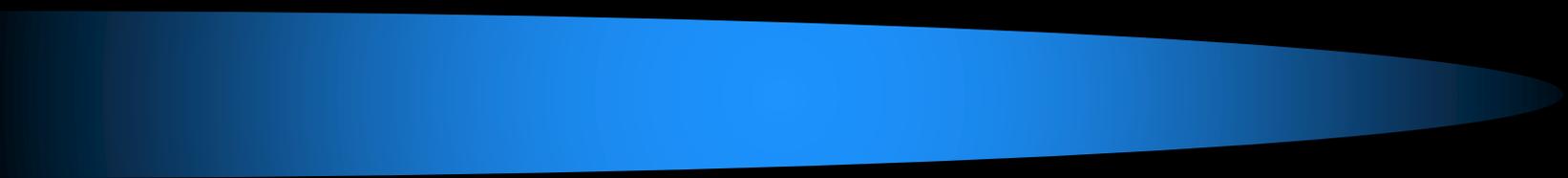


# *Integration in the Public Health Care Systems*



Objectives and Strategies

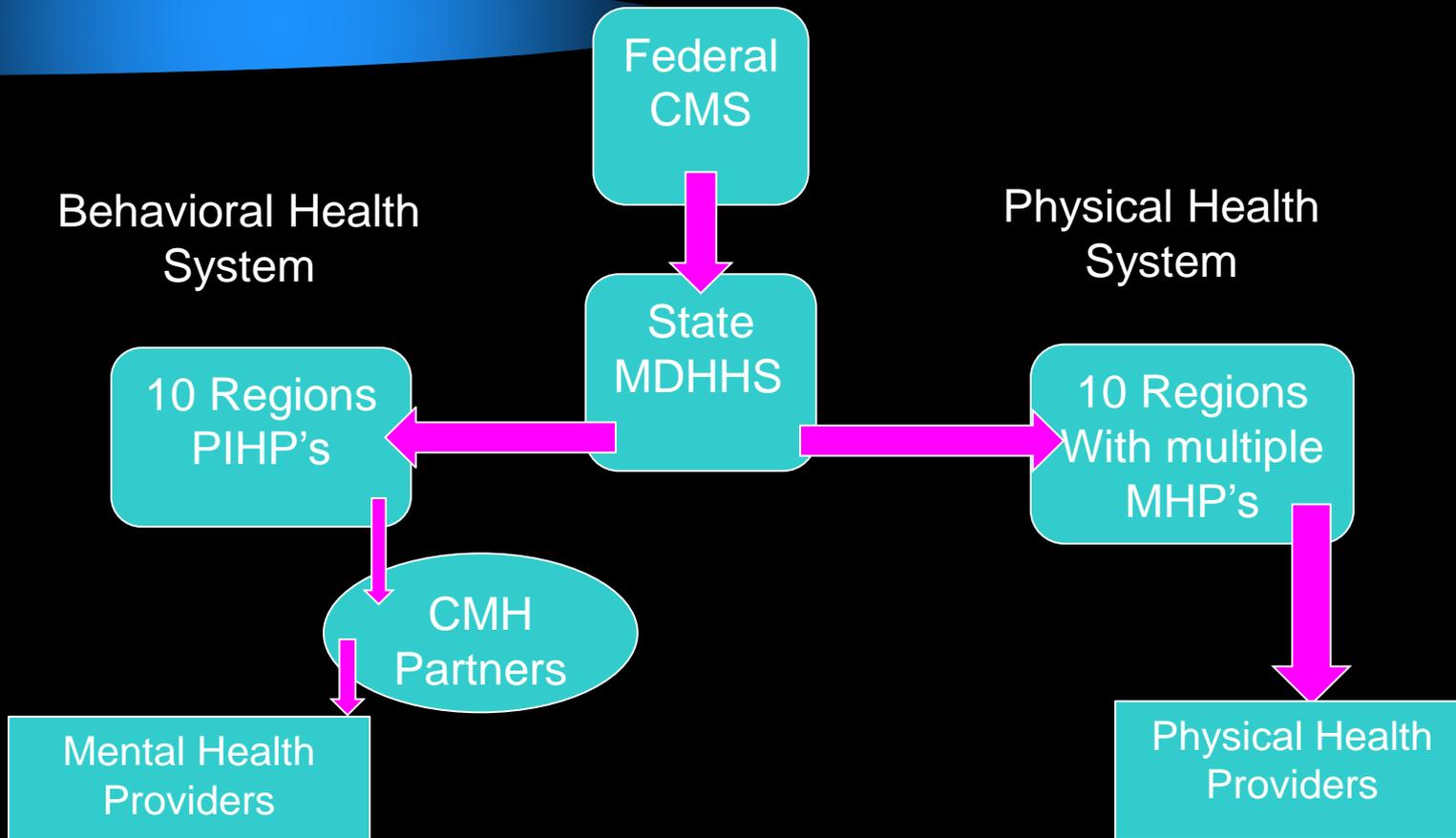
May 6, 2016  
Grand Valley Health Forum  
Stan Stek  
Kent County Commissioner

# Definition of Health

***“A STATE OF COMPLETE PHYSICAL, MENTAL AND SOCIAL WELL-BEING, AND NOT MERELY THE ABSENCE OF DISEASE OR INFIRMITY”***

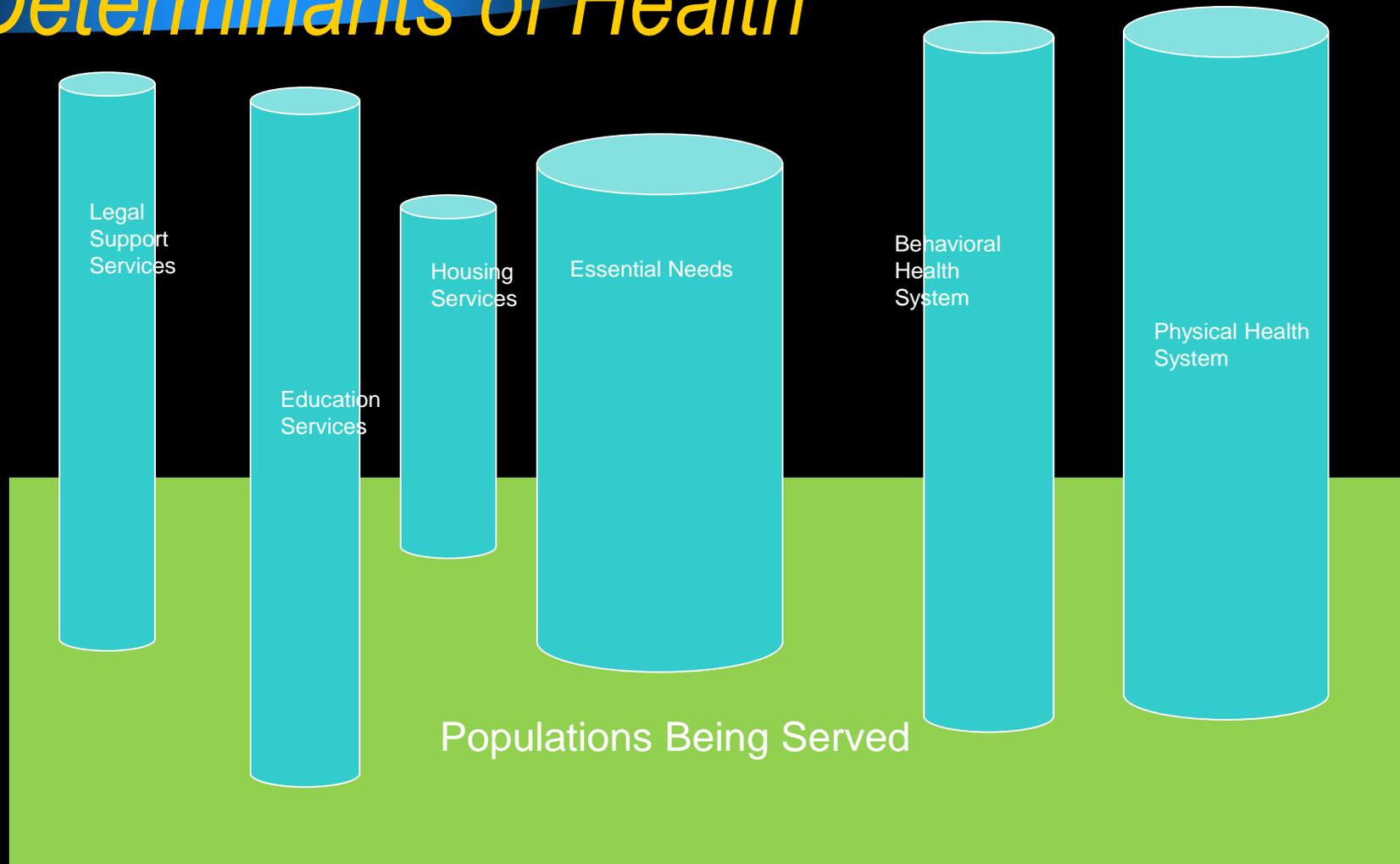
***THE WORLD HEALTH ORGANIZATION***

# The Current Segregated Public Health Care Systems Providing Physical and Behavioral Health Services



**Medicaid & Healthy Michigan - 2.3 million enrollees/ \$17.0 billion  
(Note Flint expansion)**

# *The Current Silos in Health Care Systems Addressing Social Determinants of Health*



# *Integration as a Strategy to Improve Public Health Care Systems*

- Achieve better outcomes for clients
- Improve client satisfaction
- Optimize system-wide cost efficiency

“The Triple Aim”

# The Current Financial Challenge

## Federal Spending Challenge

\$350 billion on Medicaid; \$539 billion on Medicare reaching one third of the overall federal budget

## State Funding Challenges

Enrollment

\$17.0 billion for 2.3 million enrollees

Changing Medicaid Match

Increasing to 34.85%

Healthy Michigan Match

Increasing to 5% up to 10%

Loss of Use Tax

\$130 million

Loss of HICA Tax

\$320 million

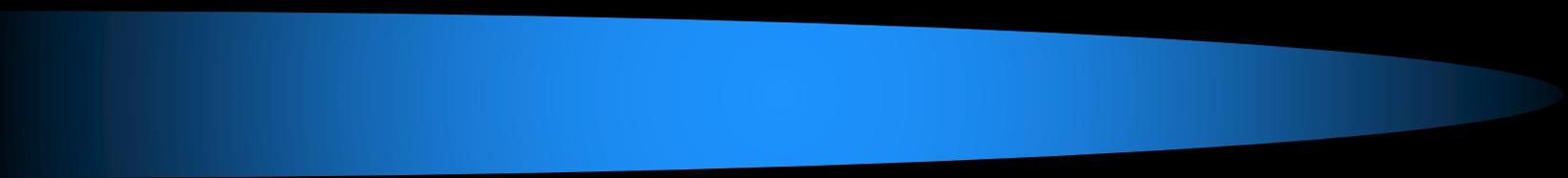
## Increased Costs of Service

Inflation

Increase in direct care wage

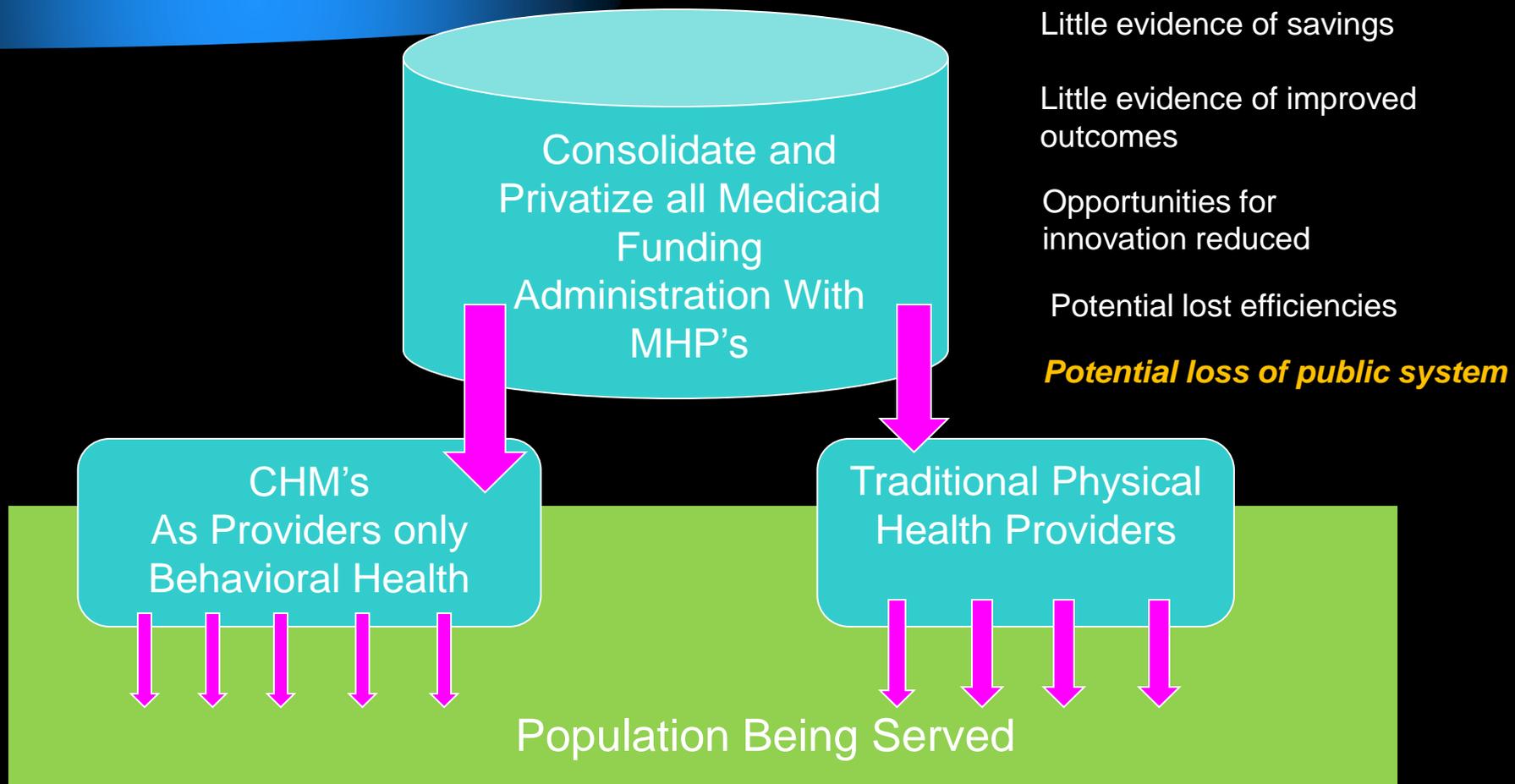
Change in overtime rules

## *On the Immediate Horizon*



The State budget obligation toward the Medicaid system may need to find an additional **\$1.0 billion** in funding over the coming years just to maintain the current levels of service.

# Single Fund Administration Integration Solution –Section 298



# Lakeshore Regional Entity - PIHP

## Inside the Region

- Consolidation of administration
- Consistent regional benefits
- Region wide risk management
- *Encouraging and facilitating partners to develop point of service integration projects*

## Outside the Region

- Collaborate with other PIHP's and MHP's to address the joint MHP/PIHP performance metrics required by MDHHS
- Sharing data with Regional MHP's to identify high utilizers of services in preparation to developing strategies to manage their services
- Identifying clients who have not connected with their PCP within last year to allow Case Managers to assess

# Network 180 - CMH

## Center for Integrative Medicine (2011 -)

- ◆ Network180/Spectrum Health Medical Group Collaboration
- ◆ Physical and behavioral health practitioners in one location
- ◆ Focused on frequent user of emergency rooms with multiple health conditions
- ◆ Proven improvement in outcomes and satisfaction
- ◆ Proven reductions in costs – 65% reduction in ED visits
- ◆ \$2.7 million savings in health costs
  
- ◆ Challenge is to find a structure to preserve the savings and reallocate those to the program and all providers

# *Con't*

## Behavioral Health Homes Initiative (2013 -)

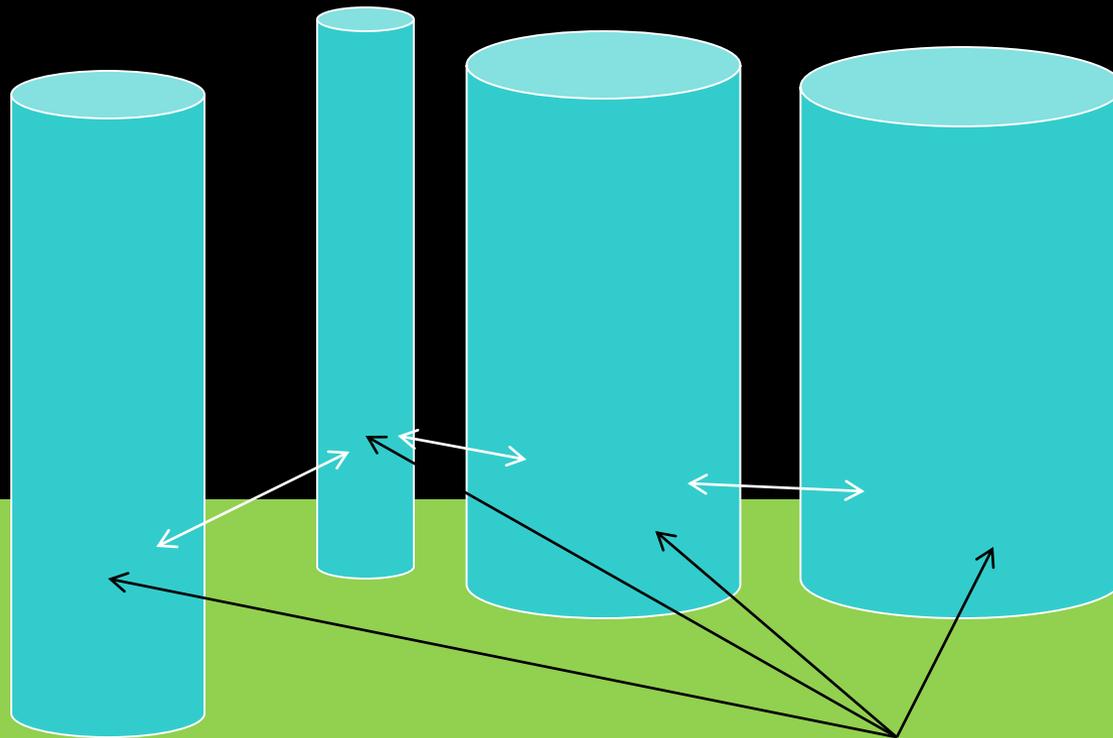
- ◆ Previous Health Home projects by Cherry Health and Pine Rest
- ◆ 13 to 15 person multi-disciplined team
- ◆ Coordinates clients' health needs, improves care access and helps to assure a needed continuity of care
- ◆ Over the three years of the program there has been documented improvement in outcomes
- ◆ Proven savings in both behavioral and physical health costs
- ◆ Over 400 clients served

# *Con't*

## Care Management Team

- ◆ Collaboration between N180 and Priority Health
- ◆ Targets clients with significant mental health issues
- ◆ Multi disciplined team from N180 and Priority Health assess core health care needs connecting the client to appropriate physical, behavioral or substance use treatment
- ◆ More than 140 served to date
- ◆ Verified improvement in outcomes
- ◆ Reduction in ER visits and admissions saving system costs

# Point of Service Integration



Population Being Served

Proven improved outcomes

Proven cost savings

Opportunities for  
innovation in integration  
with all service systems

Preserves the public  
basis of the system

Identify core needs of clients

Refer these to the right  
service system

Multi-disciplined services

Fairly distribute savings

# Closing Thoughts

- Integration strategies can significantly advance the “Triple Aim” of improved outcomes, improved satisfaction and achieving cost efficiencies.
- Integration strategies are documented to improve outcomes and reduce costs at the **point of service level** not the funding administration level.
- We need a public policy that **encourages innovation** in integration at the point of service level.
- We need to **preserve the public system** in behavioral health as the place where integration among the full spectrum of health needs is most likely to be successful.
- The **House Budget language** presents the greatest potential for making meaningful and viable changes to how we integrate care to improve outcomes and reduce costs.