

# INDEPENDENT PRACTICE ASSOCIATIONS

WHAT ARE THEY, HOW DO THEY WORK, AND WILL THEY  
BENEFIT ME?

April 2018

# Today's Speakers

2

- Marvin Lindsey, M.S.W., C.A.D.C.
  - ▣ Chief Executive Officer, Community Behavioral Healthcare Association
- Ray DeNatale
  - ▣ Executive Director, Innovation Resources for Independence

# Overview



3

- Introduction
- The Basics: Independent Practice Associations
- Illinois Health Practice Association
- Advance of Greater New York (AGNY)
- CBO Considerations
- Q&A

# What is an IPA?

4

- An Independent Practice Association (IPA) is a network of providers who agree to participate in an association to contract with managed care plans.

# How Does It Work?

5

- Providers maintain ownership of and authority over their respective organizations;
- IHPA serves as a vehicle for negotiating and administering managed care contracts for its members
- IPA can also provide access to networking, resources, education and training that would otherwise be difficult to obtain

# Things to Consider with IPAs



6

- National move to Managed Care for people with IDD
- Various structures created to receive Medicaid, Medicare and Third Party Insurance funds and then contract with providers for service delivery:
- The IPA as a means to better represent providers to these organizations
- Different IPA'S for Different Reasons

# Illinois Health Practice Association

# Current Environment in Illinois



8

- Mandatory Managed Care in 22 of 102 Counties beginning in 2011
- Managed Long Term Services and Support (MLTSS- Jan 2018)
- Other 80 Counties brought online April 1, 2018,
- Total of 3 million people covered under Medicaid (80% of Medicaid Enrollees)
- Moving towards Valued Based Payment
- Integrated Health Home Model
- DCFS youth, Special needs children, including children receiving SSI and children in the Medically Fragile Technology Dependent waiver, will be included in the managed care population with an anticipated effective date of October 1, 2018.



# Our Approach to Developing an IPA



9

- Our Board
- Health Management Associates (HMA)
- Our Association Leaders from each region of the state
- National Health Plan- Centene
- Opportunity- State Issue RFP for MCO Contract
- Providers looking for ways to improve the system, Health Plans looking for Way to Address Behavioral Health
- Held a Series of Town Hall Meetings

# An Overview of Illinois Health Practice Association (IHPA)



10

- Providers and National MCO
- 29 Owners
- 42 Contracted providers
- 50% Providers 50% MCO
- Management Services Organization
- Community Behavioral Healthcare Association of Illinois (CBHA)

# IHPA's Mission



11

- *Mission:* Create a statewide network to provide culturally appropriate behavioral health services that is integrated with physical health services and meets the needs of differing communities, individuals and families with a focus on excellent customer experience objectively measured through metrics that demonstrate improved health outcomes.

# IHPA's Goals



12

- Work together to transform practices and provide supports necessary to be successful
- Develop strategies on how to best implement Integrated Health Homes (IHHs). Become a vehicle for IHH implementation especially for individuals with high behavioral health needs and other health conditions
- Align providers and allow opportunity to invest in shared infrastructure
- Speak with one voice to the State of Illinois and health plans to help create a sustainable behavioral health system of care across Illinois

# IHPA's Value Proposition



13

- Predictable and reliable cash flow will be a reality.
- Partnership and integration between behavioral and physical health providers will be incentivized and supported.
- Empower providers to have more ownership and ability to influence the behavioral health system of care in IL.
- A data-driven culture will be promoted by sharing and the utilization of actionable data that is benchmarked by provider organization and across providers.
- Pilots for Owners

# Commitment By IPA Provider Owners



14

- Have their attorney look over all documents (pro forma, operating agreements, etc.)
- Offerings
- Commitment in attending Board, committees, trainings, monthly owners meetings
- Enter in VBP contracts

# IHPA Successes



15

- Increased trust between providers and health plan
- Getting 71 providers to buy into a new concept and way of doing business
- Building a partnership based on transparency
- What providers and plan have learned about each other's business models

# IHPA Challenges



16

- Getting all providers to understand value-based payment methodologies / outcomes
- Working as one unit, helping providers to think beyond own organization
- Getting other MCOs to contract with the IPA
- Helping plan think beyond “plan frame” of business model
- Work together in a different way where success is dependent on each other’s performance
- Differing levels of expertise and infrastructure across providers



# IHPA Lessons Learned

17

- Providers and MCOs can partner if the terms are right
- Legacy issues must be addressed first
- Importance of having an objective facilitator
- Time consuming process
- Get to business/financial model early in planning process if possible
- Value of bringing different skills and competencies to the table

# Advanced of Greater New York

# New York's AGNY IPA

19

- What is Advance of Greater New York (AGNY)?
- What is happening in New York?
- What is Advance Care Alliance of New York (ACANY) and its relationship to AGNY?
- Why an IPA?
- Why is AGNY developing an IPA?

# New York's AGNY IPA



20

- AGNY represents about 50 small to medium size agencies supporting people with IDD
  - ▣ We wanted to secure an advantageous position with the MCO's developing in the greater New York Region
  - ▣ Sought out State and national information on IPA'S
  - ▣ Thinking has evolved based on additional discussion and information

# New York's AGNY IPA

21

- Necessary considerations for an IPA
  - Standards of Practice
  - Performance Improvement using these standards
  - Adequate provider network that incents MCO's ACO'S Health Plans to contract with the IPA
    - range of provider types
    - depth of services, and
    - overall size
  - Fiscal Stability
  - Define member expectations and performance criteria

# New York's AGNY IPA



22

- How would an IPA create Standards of Practice
  - ▣ Social Determinants of Health for people with IDD
    - Housing
    - Employment
    - Friendships / Social Relationships
  - ▣ CQL | The Council on Quality and Leadership through Personal Outcome Measure's (POMs)
  - ▣ Meet basic regulatory standards
  - ▣ Promote person centered thinking and action

# New York's AGNY IPA



23

## ■ Actions Taken

- Form an IPA Committee
- Survey of existing IPA's
- Create a first Draft of Standards
- Create an approach to determine Network Adequacy

# Proposed IPA Provider Standards for AGNY



24

- Providers will maintain **basic regulatory standards**
  - Provider is in **“good standing”** with its relevant State oversight Bodies
    - OPWDD, SED, OCFS, DOH, DOL
    - “Good Standing” shall mean at any given point, the agency must:
      - Be fully authorized to provide the services approved from the governing and/or related government office/agency
      - Where corrective actions are required, the agency responds in accordance with state defined guidelines and timeframes.
- Providers will have an **individualized high quality person-centered approach** which emphasizes participation in community and social activities.
  - FOR OPWDD Agencies
    - AGNY IPA members meet the **spirit of the National Core Indicators.**



# New York's AGNY IPA

25

- Providers will achieve and maintain **fiscal sustainability**, remain a “going concern.”
  - Maintain a positive net asset position
  - Maintain standard accounting ratios:
    - Assets to Liabilities
    - LUNA (Liquid Unrestricted Assets)
    - Debt Service
    - Quick Ratio: (Cash + Investments + government receivables + other receivables/ Total Current Liabilities)
  - Consideration should also be given to the activities of the entity at a point in time . . . That would have an impact on ratios but may not suggest fiscal instability.
- Providers will maintain **adequate governance** in accordance with our funders, the Not for Profit Revitalization Act and the State of New York.

How do I know if an IPA is right for my organization?

# Questions Providers Should Ask?



27

- What is the purpose of your IPA?
- What are the potential benefits and challenges you may face?
- Do you have the time and resources to invest?
- Are you willing to work for the sake of the IPA and your organization?



[hcbsbusinessacumen.org](http://hcbsbusinessacumen.org)

# Stories from the Field Contest



[hcbsbusinessacumen.org](http://hcbsbusinessacumen.org)



For more information, please visit: [www.hcbsbusinessacumen.org](http://www.hcbsbusinessacumen.org)

E-mail: [businessacumen@nasuad.org](mailto:businessacumen@nasuad.org)

Or Call: 202.898.2583