UNDERSTAND THE BUSINESS ENVIRONMENT AND YOUR PLACE WITHIN IT

February 28, 2019
Welcome & Introductions

- Laura Vegas, Director of MCO Business Acumen
  - National Association of State Directors of Developmental Disability Services (NASDDDS)

- Erica Lindquist, Senior Director of Business Acumen
  - National Association of States United for Aging and Disabilities (NASUAD)
Pressures for System Change!

Demand for Service

Fee for Service

Work Force

Budget
Keenness and quickness in dealing with and understanding a business situation in a manner that is likely to lead to a good outcome.
Sustainability via Business Acumen

Environmental Scan and Needs Assessment Survey

Business Acumen Toolkit

Learning Collaboratives: BALC BDLC

Issue Briefs & Webinars

NASUAD iQ

HCBS Clearinghouse
Collaboration to Dissemination

Business Acumen

Module 1: Prepare

Module 2: Plan

Module 3: Execute
- Identify/Manage Risk
- Pricing
- ROI
- Contracting

Module 4: Monitor, Evaluate, Adjust

BDLC

BALC
Two Collaboratives - Two Objectives

- Business Acumen Learning Collaborative
  - Develop and implement business-related strategies to state-specific challenges to integrating long term services and supports and healthcare services

- Business Development Learning Collaborative
  - Evaluate the CBO business environment and develop business strategies to strengthen and sustain community-based organizations that serve people with disabilities
Business Development Learning
Collaborative Purpose and Objectives

- Complete a thorough environmental scan of each CBO service area;
- Complete a thorough analysis of Strengths, Weakness, Opportunities, and Threats (SWOT) for each CBO and state system;
- Analyze results of the environmental scan and SWOT analysis;
- Develop a strategic plan for each CBO or network of CBOs; and
- Identify and begin to implement strategies to address barriers to implementation.
DISABILITY NETWORK BUSINESS STRATEGIES: A Roadmap to Financial and Programmatic Sustainability for Community-Based Organizations

- **Prepare**
  - Organization Vision
  - Environmental Scan
  - SWOT Analysis
  - Champion Development

- **Plan**
  - Analyze
  - Prioritize
  - Organize
  - Manage

- **Execute**
  - Develop and sustain relationships and partnerships
  - Negotiate and contract
  - Manage risk

- **Monitor/Evaluate**
  - Continuous quality improvement
  - Compliance - meet contract expectations
  - Modify approaches
Step 1: Prepare

Vision
Mission
&
Values

Strengths
Weaknesses
Opportunities
Threats

www.hcbsbusinessacumen.org/toolkit.html
Strategic Planning for Continuous Improvement

GATHER FACTS
Environmental Scan

IMPLEMENT
Monitor and Adjust

ANALYZE RESULTS
SWOT Analysis

REVIEW
Champion Input and Feedback

REVIEW
Stakeholder Input and Feedback

DEVELOP STRATEGIES
Strategic Plan
Vision and Mission

- Articulate a concise statement that captures what you are trying to achieve

- Identify the results you are trying to achieve and the strategies and activities that will lead to those results

- Identify your “niche”

  “Vision without action is merely a dream. Action without vision just passes the time. Vision with action can change the world.”

  —Joel Barker
- What will be your organization’s:
  - Relative rank in your industry?
  - Financial success?
  - Product or service quality?
  - Contribution to the community?

- What will your most important product lines or services be?

- What products or services will you decline to offer?

- What will the right size for your organization in terms of capacity be?

- What does customer experience at your business look like? What will make that experience unique? Who will your customers be? How will you find them?

- If your customers were asked to list three noteworthy things about your business, what would they be? How will your community view your business?

- What will your payers say about you?

- What will industry experts say about you?
Does your vision describe:
- What it is that you want to do? What part of your business you want to sustain or develop?
- How your service or organization fits within your community?

Does it prompt you to think about:
- What you will do to be successful?
- How you will know if you were successful?
Environmental Scan and SWOT Analysis
Environmental Scan and SWOT Analysis
## Environmental Scan to SWOT

<table>
<thead>
<tr>
<th>General Trends</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
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<tbody>
<tr>
<td>Federal, State and Local Government</td>
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<td>Payers</td>
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<td>Competitors</td>
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<td>Collaborators</td>
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<td>Demographics</td>
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<td>Economy</td>
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<tr>
<td>Technology/ System Requirements and Capabilities</td>
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Environmental Scan: Federal, State and Local Government

- What are the preferences and priorities of key policymakers and political leaders?
- Is the change a part of a political campaign? Who is driving it?
- Are major transitions in political leadership about to take place?
- What is the mood and priorities of the public at large?
- Are there any federal, state or local policies or regulations that could impact your efforts to pursue partnerships with the healthcare sector (e.g. Home and Community-Based Services (HCBS) settings rule [specifically scope of practice], service restrictions or reimbursement opportunities)?
- Is your state using or transitioning to MLTSS?
- Are there new developments in policy that impact HCBS?
BDLC Findings:
Federal, State and Local Government

- Preference for smaller, home and community-based services
- Increased oversight and transparency
- Employment First
- Deinstitutionalization efforts
- Focus on reimbursement based on value over volume
- Moving to integrated care models like managed care
- Medicaid expansion
- Waitlist reduction
- Enhancing behavioral health services
- Enhancing children’s services
## SWOT: Federal, State, and Local Government

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<thead>
<tr>
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<tr>
<td>Uncertainty when it comes to federal and state funding</td>
<td>Qualified and experienced staff</td>
<td>Underfunding resulting in CBOs operating with limited financial resources</td>
<td>Ability to demonstrate value of services to funders and consumers</td>
<td>Changes in wages as well as the inability to change wages</td>
</tr>
<tr>
<td>Changes and disruptions occurring in state government</td>
<td>Relationships with state legislators and advocates</td>
<td>Being able to afford the appropriate staff to carry out services</td>
<td>Growing partnerships with plans and other mental health providers</td>
<td>Reimbursement rate stagnation, which is impacting services and wages</td>
</tr>
<tr>
<td>Involvement of managed care: transitioning, potential to transition, no intent to transition</td>
<td>Relationships with the community and partners (many CBOs mentioned their relationship with the state)</td>
<td>Lack of resources for advocacy, and individuals affected by industry changes are not being heard</td>
<td>Opportunity to increase scope of services, i.e. expansion of employment first, rapid re-housing, substance abuse treatment services</td>
<td>Managed care is a threat related to businesses being closed down or bought out</td>
</tr>
<tr>
<td>Trend in changes to wages</td>
<td>Organization’s infrastructure, diversity of services, and ability to stay updated on changes</td>
<td></td>
<td>New opportunities with new state leadership</td>
<td>County engagement is non-existent</td>
</tr>
</tbody>
</table>
Environmental Scan: Competitors and Collaborators

- What organizations in your community do work similar to you or serve similar populations?
- Are they potential (or current) partners?
- How are you similar to these organizations?
- How are you different?
- What capacity do these organizations bring to your community?
- What is your organization’s unique capacity?
- What is the potential for forming partnerships or a provider network? What are the opportunities for and barriers to establishing a network?
## BDLC Findings: Competitors and Collaborators

### Similarities
- Services provide
- Population served
- Mission and values
- Individuals served
- Challenges experienced
- Goals
- Geographic coverage
- Business Structure
- Business Tools Used
- Competencies and quality

### Differences
- Offering individualized and customized service options
- Experience serving medically complex individuals or those with significant behavioral health needs
- Willingness to innovate and/or take on risk
- Leadership stability
- Offering unique service options: vocational training program, diagnostic/evaluation services, residential respite, family-directed respite, therapeutic horsemanship
## BDLC Findings: Collaborators

### Qualities
- Experience serving individuals with I/DD and/or willingness to learn
- Easy communication style
- Thought Leadership
- Shared mission, goals, and values
- Commitment to person-centered services
- Business savvy
- Innovative thinking
- Highly engaged
- Financially stable

### Accomplish
- Deliver better quality
- Offer more opportunities and unique programs
- Better integrate services – improving ease of access and experience for individuals served
- Promote innovation and creative problem solving
- Improve efficiencies and minimize costs
- Share knowledge and workload
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<tr>
<td>Everyone faces the same issues; there are so many unmet needs, that competition is limited</td>
<td>Reputation of the CBO (reliable provider) and services provided</td>
<td>Wages and career opportunities for direct service providers</td>
<td>Collaboration and developing partnerships</td>
<td>Workforce shortages/competition</td>
</tr>
<tr>
<td>Competitors are generally moving more toward collaboration</td>
<td>Collaboration, cooperation, and sharing information</td>
<td>Ability to adopt and embrace change – size of org. and internal approval layers result in less streamlined and flexible processes</td>
<td>Working collaboratively to address staff issues</td>
<td>The experiences/expertise of other CBOs</td>
</tr>
<tr>
<td>Staffing and wage issues; competing with traditional and non-traditional competitors for staff due to minimum wage increase</td>
<td>Invested employees</td>
<td>Closures and mergers – new service opportunities</td>
<td>Trust and understanding of competitors motives</td>
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## SWOT: Collaborators

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<tr>
<td>Issues with collaboration: fear it may impact competitive advantage; losing local dollars in collaboration</td>
<td>Reputation and experiences</td>
<td>Time and resources</td>
<td>Work on advocacy and policy together</td>
<td>Successful collaboration requires time and resources, and to be able to focus on communication; these resources are limited</td>
</tr>
<tr>
<td>Local nonprofits have collaboratively applied for grants; agencies working together for common needs</td>
<td>Willingness to work with others</td>
<td>Reliance on collaborators</td>
<td>Opportunity to work collaboratively on training</td>
<td>Limited resources also impact competition, i.e. for staff and referrals</td>
</tr>
<tr>
<td>Share resources and information</td>
<td>Geography barriers, i.e. distance to other providers</td>
<td>Opportunity for information sharing; increased willingness</td>
<td>Lack of willingness to collaborate</td>
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- **Issues with collaboration:**
  - Fear it may impact competitive advantage;
  - Losing local dollars in collaboration

- **Successful collaboration requires:**
  - Time and resources;
  - To be able to focus on communication;
  - These resources are limited

- **Local nonprofits have:**
  - Collaboratively applied for grants;
  - Agencies working together for common needs

- **Willingness to work with others**

- **Opportunity to work collaboratively on training**

- **Limited resources also impact:**
  - Competition, i.e. for staff and referrals

- **Share resources and information**

- **Geography barriers:**
  - Distance to other providers

- **Opportunity for information sharing:**
  - Increased willingness

- **Lack of willingness to collaborate**
Environmental Scan: Technology/System Requirements

- What data do current or potential payers receive (or want to receive) from you?
- What systems will you use to demonstrate your value?
- What systems do current or potential payers use?
- Do you have the ability to collect and transfer data in real time?
- What systems do you use to measure quality and performance?
- What are the expected requirements to ensure data security and confidentiality of protected information?
Current and potential payers seek the following data:

- Financial information including statistics on Medicaid spending and eligibility, billing and related documentation, and cost reports
- Quality/compliance information including critical incidents, home environmental data, and compliance with rules and regulations
- Service outcome information including client goal progress, attendance, diagnoses, medications, progress reports, and personal outcome measures.
- Staff information including qualifications, training records, and policies and procedures.
## SWOT: Technology/System Requirements

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<td>Fragmented technology from a variety of providers, authorities, and payers; more providers moving to EHR</td>
<td>Participated in a collaboration between like agencies to share the cost of IT</td>
<td>Less likely to have the capability to pay high costs of most skilled IT workforce</td>
<td>Technology may be able to help streamline and create efficiencies in many repetitive job duties</td>
<td>Lack of funding in the current payer systems for software maintenance and upgrades</td>
</tr>
<tr>
<td>Increased reliance on technology and data systems to manage client, employee, and financial records</td>
<td>Internal IT department</td>
<td>Reluctance and caution in implementing use of technology which may create missed opportunities for better performance, efficiencies, and cost savings</td>
<td>Use technology for the more efficient use of resources</td>
<td>Cost of technology and cost of change</td>
</tr>
<tr>
<td>Have embraced new systems as available</td>
<td></td>
<td>Increase use of technology across service models</td>
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What is the general economic condition of your state and community, including the fiscal conditions of your state and locality?

To what extent do changing economic conditions affect demand for the types of services you offer and the availability of resources to support your work?
State issues that impact the economy vary based on the current political and financial climate. Issues that a state may face include:

- **State budget predictability** – the greater the uncertainty the more significant impact on CBOs relative to funding and timely payment.
- **Availability of resources** impacts availability of services and access for persons served; stagnant funding results in stalled efforts to address growing waitlists.
- **Ability to move to smaller, community-based settings** impacted by funding/rate structure.
- **Rates** impact the ability to offer competitive wages to recruit and retain DSPs.
  - That impact is often compounded by low unemployment rates; the lower the unemployment rate, the greater the challenge to recruit.
  - Instability caused by turnover and recruitment challenges negatively impact access to services.
  - Conversely, low unemployment rates are useful in positively impacting employment opportunities for people with disabilities.
- **Across the states, people with disabilities** have significantly lower median household income and are more likely to live in poverty.
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<tr>
<td>The predominance of Medicaid/single stream funding</td>
<td>Current employees are strong advertisers for agency and can help recruit new staff</td>
<td>Reliance on grants</td>
<td>More businesses moving into the area, which may mean more potential donors</td>
<td>Inability to meet wage demands of labor force</td>
</tr>
<tr>
<td>A stronger economy lowers unemployment and reduces the pool of employees that are available for hire</td>
<td>Creative problem solving</td>
<td>Inability to provide competitive wage for the type of work needed</td>
<td>Minimum wage increases</td>
<td>As metro economy grows, home healthcare is harder to position as long-term viable career</td>
</tr>
<tr>
<td>Staffing shortages and the inability to compete with wages to attract and maintain staff</td>
<td>Financial stability allows us to take on innovation projects</td>
<td>Without ample adjustments in rates, it is hard to keep pace with economic trends outside of the field</td>
<td>Medicaid expansion, waiver expansion</td>
<td></td>
</tr>
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</table>
Environmental Scan: Demographics

- What new populations emerging in your community would benefit from the services you offer?
- What are the projections for population growth by age, race and ethnicity and how will this impact your business?
- How do you adapt how you provide services in order to meet the needs of a new population?
- Are you expecting the demand for your services to increase or decrease over time?
- How are needs changing as family caregivers age?
## BDLC Findings: Demographics

### Population Specializations; People
- with mild to moderate I/DD
- with autism
- with significant medical need
- with significant behavioral health needs
- with physical disabilities
- who are elderly
- who are in poverty

### Service Specializations
- Community Integration Services
- Technology Supports and Services
- Culturally Specific Services
- Intermediate Care Facilities for Individuals with I/DD
- Foster Care Services
- Host Home Services
## BDLC Findings: Demographics

### Increases in Demand
- Non-congregate, non-segregated services provided in their home and the community. E.g. community employment, supported living, and community integration
- Supports to address higher behavioral health needs for those transitioning out of institutional settings
- Services for people with autism
- Use of technology to support independence –telehealth, telework, and telepsychiatry

### Decreases in Demand
- Residential settings with shared bedrooms and/or that support more than six people
- State operated facilities
- Facility-based day services
- Sheltered workshops
- Congregate / group models, in general
### SWOT: Demographics

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<tbody>
<tr>
<td>Aging population</td>
<td>Connections in the community</td>
<td>Inability to fill direct support positions due to limited human resource pool</td>
<td>Young adults - career and housing needs</td>
<td>Communities and their services are not prepared to handle the needs of the large community of adults as they age</td>
</tr>
<tr>
<td>Younger people in need of services</td>
<td>Strong service delivery history</td>
<td>Lack of experience and training to work with a diverse work force</td>
<td>Increased aging = bigger pool of people to serve</td>
<td>Lack of funding and resources to support emerging population needs</td>
</tr>
<tr>
<td>High behavioral health needs</td>
<td>Lack of public transportation for work force</td>
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<td>Service expansion</td>
<td>Workforce shortages</td>
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<tr>
<td>Services in the home and community</td>
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Environmental Scan: Payers

- What potential sources of funding are available in your community and state? i.e. managed care, the state, the county, the Veterans Association (VA), private citizens etc.?
- What is the “payer culture”—the shared values, attitudes, standards, and beliefs of that organization?
- What are the priorities and initiatives of funding sources? What are their challenges?
- Who are potential collaborators? Who are competitors?
- What are the requirements of the payers you hope to work with? How can your services help payers meet their requirements?
- For private citizens, what are their needs? What services and outcomes do they want to achieve? What are they willing to pay for?
BDLC Findings: Payers

- Medicaid, including State Plan Services, HCBS Waiver Services, and ICF/IDD, and typically delivered through fee for service (FFS)
- Managed Care – specifically related to Behavioral Health services
- Vocational Rehabilitation
- Various State Agencies including developmental disability, rehabilitation, health, Medicaid, and workforce.
- County and/or Local Funders

- Housing and Urban Development (HUD)
- Donors and fundraising
- United Way, Community Foundations, and Grant Opportunities
- Social Security/SSI/SSDI
- Railroad Retirement Benefits
- School Corporations
- Private Insurance
- Private Pay
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<tr>
<td>Reliance on a single funding source and need for more diverse payee system</td>
<td>Utilizing electronic health records and tracking/demonstrating service outcomes</td>
<td>Data management and measuring outcomes</td>
<td>Generating data to demonstrate outcomes to payers</td>
<td>Reliance on a single funding source</td>
</tr>
<tr>
<td>Medicaid dollars are scarce and are likely to continue to be controlled or reduced; not sustainable</td>
<td>Positive relationships with payers</td>
<td>Lack of experience in diversified payments</td>
<td>Exploring new models, including value-based models</td>
<td>Reimbursement rate changes</td>
</tr>
<tr>
<td>Limited federal and state support for services</td>
<td>Staff can respond to changing needs as payers increase accountability requirements</td>
<td>Lack of funding for staff; wage issues for direct service providers (shortage in DSP workers)</td>
<td>Collaborate with other providers for the benefit of service delivery/to expand resources</td>
<td>Time consuming reporting processes for a number of payers</td>
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<tr>
<td>Demonstrating areas of expertise unique to their organization</td>
<td>Administrative burdens</td>
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<td>MCOs do not have a full understanding of the DD field</td>
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Overall Findings
BDLC Findings: Changes in Demand

- Geographic-related factors, including:
  - Movement of persons served from rural areas to urban areas in order to access a broader array of services and providers
  - Increased need in areas designated as underserved regions

- Age-related factors, including:
  - Increased need for aging services for people with I/DD, as well as services for aging family members/caregivers
  - Relationship between an individual’s age and experiencing an increased need for services, particularly residential supports

- System-related factors, including:
  - Increase emphasis on person centered planning, independent living and assistive technology
  - Rebalancing systems away from facility-based settings and toward home and community-based opportunities
  - State budget constraints and limitations
  - Shift in community culture regarding people with disabilities
BDLC Findings: Unmet Needs

- Behavioral health
- Respite
- Residential services / in-home supports
- Early Intervention Services
- Employment
- Intensive medical support for people without IDD for chronic conditions like MS
- Children’s services
- Person-centered planning facilitation
- School to Work Transition
- Meaningful, flexible, and responsive day supports

- Autism services
- Services for individuals with I/DD who are aging
- Affordable housing
- Educational services related to accessing/using waiver services
- Information, training and support to medical professionals and systems serving individuals with I/DD
- Crisis intervention
- Support for aging caregivers
- Supports for community inclusion, esp. individuals with high needs
- Medication management
Next Step for the BDLC: Plan

Analyze

Prioritize

Organize

Manage
Champions
A **stakeholder** is a person or entity with an interest or concern in your business.

A **champion** believes in your business and will help others to believe in it as well.
Stakeholder or Champion?

- People with an interest in your product or service
- Someone who can provide staff, money, technology, information, or influence
- People who will help validate or further inform your understanding of the business environment and your role within it
- Include the people using your services, their families, staff, community groups and business partners, potential funding sources
Interest and Influence

- **INFLUENCERS**
  - Keep Satisfied
- **CHAMPIONS**
  - Manage Closely
- **OBERVERS**
  - Monitor
- **INFORMERS**
  - Keep Informed

---

- HIGH
- LOW

---

INTEREST

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INFLUENCE
# Find your Champions

## Potential Stakeholders

### Payers
- Medicaid
- Managed Care Organizations
- Accountable Care Organizations
- Private insurance carriers
- Facilities (e.g., hospitals, physician practices, health systems, community health centers, adult day centers, skilled nursing facilities, etc.)
- Fee-for-service purchasers

### Community Partners
- Centers for Independent Living
- Area Agencies on Aging
- Social service providers (nutrition, housing, transportation, education services, etc.)
- Healthcare provider organizations (nurse association, medical associations, etc.)
- Legal Aid
- Schools/universities
- Churches
- Law enforcement
- Nonprofits
- Businesses
- Chamber of Commerce
- United Way
- Intellectual and/or Developmental Disabilities (I/DD) organizations

### Individuals Served and/or Their Representatives
- Specific advocacy groups (National Council on Independent Living, AARP, The Arc, Alzheimer’s Association, American Council of the Blind, American Association of People with Disabilities, National Organization on Disability, SABE, People First, TASH etc.)
- Protection and Advocacy
- Individual users of CBO services and their families

### Government Entities
- County Government
- State legislature (elected officials in state House and Senate)
- State Government Departments (Vocational Rehabilitation, Health and Human Services, Aging and Disability Services)
- State Disability Councils (Rehabilitation, Independent Living, DD, Mental Health, Assistive Technology, TBI)
- Mayor’s office
Identify Champions

<table>
<thead>
<tr>
<th>Stakeholder/Champion</th>
<th>Name</th>
<th>Category (payer, regulator, user, etc.)</th>
<th>Potential Contribution (staff, money, technology, information, influence)</th>
<th>Level of Interest (high/low)</th>
<th>Level of Influence (high/low)</th>
</tr>
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</table>

Prioritize the people and organizations who will have the most impact on your business
Step 1: Prepare

http://www.hcbsbusinessacumen.org/toolkit.html
Thank You!

hcbsbusinessacumen.org