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## Platforms: Promise & Peril for Providers

*A Guest Article from Joshua Rubin*

Medicaid-funded behavioral health care and services for people with intellectual and developmental disabilities are in a state of rapid and radical transformation spurred by two trends converging on each other – the management of complex populations and the growth of value-based payments. These trends are amplifying each other and driving the development of platforms of different kinds. These platforms will end up having critical roles in service delivery systems and, as a result, will accumulate power and generate revenue. For providers, these platforms will either represent a wonderful and unique opportunity to seize control of critical system functions like utilization management, or will end up being another layer of control and payment reduction that only further strains the provider system. Whether these platforms are blessings or curses depends entirely on how providers handle this moment of opportunity.

### Converging Trends

For the first quarter century of Medicaid's existence, managed care was not very prevalent; in 1991 less than 10% of recipients received any of their care through managed care arrangements.<sup>[1]</sup> By 1996 that number was more than 40%, and by 2003 it was nearly 60%. When we look at Medicaid spending today, roughly 3/4

of Medicaid recipients have their care managed but only about half of the dollars flow through managed care. This is because the most expensive and complex recipients, especially people with intellectual and developmental disabilities and people with serious behavioral health conditions, are among the remaining few whose care is not managed. What that means as a practical matter is that managed care organizations are only at risk for the least risky people, and the taxpayers remain at risk for the riskiest populations served by the Medicaid system. Policy makers understand this problematic alignment and have begun to carve these more complex populations into managed care arrangements.

At the same time policy makers have understood that the fee-for-service payment model produces perverse incentives for providers that are misaligned with the desires of policy makers, payers, and patients. In order to move away from payments for volume, 46 states have endeavored to move payment methodologies in their Medicaid systems towards value-based payments.

### **Impact on Providers**

The impact of both waves crashing on providers at the same time is tough to overstate. Each individually would require major new infrastructure development, greater economies of scale, significant new capabilities, and a range of new partnerships. That both are happening at once is creating tremendous strain in the provider community.

Interfacing with managed care is difficult. Managed care organizations tend to have much greater leverage in negotiations with providers; they can establish rules, timelines, technology requirements, and payment rates. It is very difficult for any one provider to push back effectively against any of those requirements. It is also difficult for any one provider, except for the largest and most sophisticated, to support the infrastructure which is necessary to be successful in a value-based payment environment. Not only do these payment methodologies require significant and sophisticated infrastructures, they also require access to a risk pool of capital that a provider can afford to lose. Given the historical funding inequities associated with service provision to people with behavioral health conditions and or intellectual/developmental disabilities, very few providers can access the necessary infrastructure resources.

### **Platforms**

These challenges of size, scale, scope, sophistication, integration, and infrastructure are necessitating the development of platforms throughout the delivery system. We're seeing these platforms take many different shapes and structures. Behavioral health providers are coming together in many states through the development of independent practice associations (IPAs). Developmental disabilities providers are coming together through IPAs, but also through unique partnerships like the PASSEs in Arkansas or the CCOs in New York. And in the social services space you're seeing the development pathways community hubs, networks established by UniteUs, and other agglomerations of community-based organizations sharing infrastructure for the purposes of interfacing with the healthcare delivery system.

These platforms are essential for enabling coordinated selling with a single signature and collective bargaining with managed care organizations. They change the power dynamic. They facilitate the integration of care that makes it possible to succeed in value-based arrangements, and the development of consolidated infrastructure that allows for the necessary data collection to both secure and succeed in those arrangements. They enable providers to generate the necessary pool of capital to take risk. Platforms can help with contracting, credentialing, and the standardization of assessment and programming that managed care and value-based payments demand.

### **The Challenge and Opportunity**

If providers control these platforms, they can enable the coordinated care that complex clients need. They can empower providers to manage care effectively while generating desperately needed economies of scale. They can bring providers together without requiring mergers and thus enable collective impact rapidly and meaningfully. When a platform is sufficiently horizontally integrated, it can essentially corner the market and deliver providers crucial negotiating leverage. And, simply put, there is money to be made with these platforms, and if providers control them those dollars will be theirs.

If, on the other hand, providers allow these platforms to be controlled by managed care organizations or private equity firms, they will find these new platforms will exacerbate the already substantial challenges of service provision. Those dollars will flow elsewhere, and providers will find another slice taken off the top before the funds get to them. Providers will also find demands for standardization that are imposed from the outside rather than chosen from within.

And that is why how providers handle the platform development in their area will have huge ramifications for their organizations for decades to come. Providers will have to choose whether to build platforms from scratch or buy into existing partnerships. They will have to weigh decisions about vertical versus horizontal integration, and access to attribution. They will have to ensure that the platforms in which they are investing their time and treasure have the capabilities of care management, contracting, risk readiness, and data capture analysis and sharing that make it possible to succeed. And, most importantly, providers will have to make sure that the platforms that they affiliate with share their values and enable them to advance their missions.

### **In Conclusion**

Care for complex clients will be managed; it is at this point and inevitability. Similarly, accountability is coming to the delivery system through value-based payments. Both of these trends necessitate the development of platforms. Who controls those platforms, and the power and money that comes with them, is an open question. If providers answer that question right, things look bright for our service delivery systems. If, on the

other hand, providers fail to see and seize the moment, our historical challenges of funding and control will only get worse.

[1] <https://aspe.hhs.gov/report/using-medicaid-support-working-age-adults-serious-mental-illnesses-community-handbook>

This guest article was provided by Joshua Rubin, a popular presenter at **mhca** conferences and Principal at Health Management Associates (HMA). HMA specializes in health system restructuring, health care program development, health economics and finance, program evaluation, data analysis and health information technology and exchange.



## Integrating behavioral and physical health *is essential to thriving in 2021*

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1876 Eider Court, Suite A

Tallahassee, FL 32308

mhca  
1876 Eider Court, Suite A  
Tallahassee, FL 32308

TEL: (850) 942-4900

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