FINANCIAL MANAGEMENT
IN AN INTEGRATED
HEALTHCARE WORLD

Pete Stoller, CFO,
Colorado Coalition for the Homeless

March 2016
Behavioral Health visits could not be billed on same day as medical visit

Medical providers forced to act as ‘de-facto’ Behavioral Health providers at point of service

Behavioral Health services effectively segmented from Medical and other services

Before ACA, many patients did not have Medicaid, and funding was focused on Medical

Many organizations could not afford to provide enough Behavioral Health services to meet need
What Changed (at least in Colorado)?

- Passage of Affordable Care Act
- More patients covered by Medicaid
- State placed emphasis on Behavioral Health issues
- Can now bill for Medical and Behavioral Health encounters in same day
- For FQHC’s additional expansion funding was available from HRSA to support Behavioral Health programs
Life After Integrated Healthcare

- Behavioral Health visits now billed on the same day as medical visit
- Medical providers can collaborate with Behavioral Health providers at point of service, a ‘warm hand off’
- Behavioral Health services is part of core service offering along with Medical and other services
- Post ACA, many patients now have Medicaid, and increased program income can support the Integrated Health program if run optimally
Challenges

- Increased competition for Behavioral Health providers, recruitment challenges
- Proper alignment of billable providers with services
- Billing/coding and BHO reimbursement
- Impact of ICD-10
Fiscal Responsibility Supports Integrated Health Efforts

- With changing service delivery model comes additional cost, not all offset by Program Income
- A successful organization fulfills their mission while keeping a firm eye on its financial outcomes
- There must be financial goals in support of program goals
Common State of Financial Affairs on Nonprofit Organizations

- Finances may not as strong as they should be
- Managers may not consistently be given tools to most effectively manage budgets
- Financial results may not be appropriately correlated to operational outcomes
- Program and support services may be in ‘competition’ for limited resources
- Finance department may not yet be configured as a true ‘support service’
Key Components of Finance in Supporting Integrated Healthcare

- Budgeting
- Cost Control
- Billing and Coding
- Funder Relationships
- Financial Reporting
- Productivity
- Compliance
Why is productivity so important?

- Improves the ability of an organization to serve more clients and provide a more diverse array of services
- Helps employees to feel more valued in that they can see improvements in their own performance
- Improves financial outcomes, which makes organizations more attractive to funders
- In an environment of increased scrutiny from funders, press and community, it is paramount to show a total commitment to optimal resource utilization
Why is compliance so important?

- Much funding available to nonprofit organizations are contingent upon compliance with Federal, State and Local rules and regulations.
- A clean financial audit indicates sound and transparent (finance and accounting) compliance practices, audit findings can jeopardize funding streams in the future.
- By following applicable guidelines organizations work towards building ‘standard practices’ that will improve organizational continuity.
Conclusion

- Change must be managed intelligently
- Organizations must continually monitor financial impacts
- Operational and Financial outcomes are tied together
- Integrated Healthcare makes a difference