

# FINANCIAL MANAGEMENT IN AN INTEGRATED HEALTHCARE WORLD

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# Life Before Integrated Healthcare

- ❑ 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
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# 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 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

# Productivity – More than Counting Widgets

- ▣ 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

# Compliance

- ▣ 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