BUILDING A SUSTAINABLE PROGRAM:

Financing Approaches to Start & Grow Medical Respite Care

October 2, 2018
PRESENTERS & GOALS

Brandon Clark, CEO, Circle the City, Phoenix, AZ

Rhonda Hauff, Deputy CEO & COO, Neighborhood Health, Yakima, WA

Barbara DiPietro, Sr. Director of Policy, National HCH Council

Goals:

1. Identify major funding sources for medical respite
2. Learn strategies for engaging potential funders
3. Learn about two successful programs currently in operation
DISCUSSION AGENDA

• Overview of medical respite programs & available resources
• Neighborhood Health/Yakima program overview
• Circle the City/Phoenix program overview
• Vocabulary lesson (learn the lingo!)
• **Focus on finances:** Neighborhood Health & Circle the City
• Moderated discussion
• Audience Q&A
OVERVIEW OF RESPITE PROGRAMS

• 80 known programs
• 1,574 beds
• Size: 21 beds (ave)
• LOS: 30 days (median)
• Venue: variable
• Staff: highly variable
• Criteria: extremely variable
MEDICAL RESPITE RESOURCES

- Fact sheets, research, development workbook, planning guides, & FAQs
- MOUs & sample contracts
- Program standards
- Program directory

https://www.nhchc.org/resources/clinical/medical-respite/
RESOURCES: FINANCING BRIEF

- Seek $ from wide range of partners
- Start small & build up
- Get involved in the CHNA & hospital community benefit funds
- Talk with Medicaid director and MCOs
- Talk with local philanthropy & grant-makers

Check out the webinar too!
COMMON MEDICAL RESPITE CARE FUNDING SOURCES

Percentage of programs with this type of funding

- Hospitals: 59%
- Private Donations: 51%
- Local/State Government: 43%
- Foundations: 34%
- HRSA: 28%
- Religious Organizations: 23%
- Medicaid/Medicare: 18%
- Other Funding Sources: 16%
- HUD: 16%
- United Way: 14%

NATIONAL HEALTH CARE for the HOMELESS COUNCIL
1975 - YNHS founded

1992 - Major Expansion of CHC to ready for Managed Care

2005 - First Federal Award – BPHC Health Care for the Homeless

2007 – Transitional and Permanent Supportive Housing

2007 – Medical respite program opens

2010 – “The Space” LGBTQ Youth Resource Center

2013 – Homeless Resource Center opens

2016 – Community Services Resource Center opens
(Transitional Housing for Chronically Homeless)

1992 - Major Expansion of CHC to ready for Managed Care

2016 – “The Space” LGBTQ Youth Resource Center

Homeless Services = 10% of our Business 90% of our Time!
YAKIMA NEIGHBORHOOD HEALTH SERVICES

• Organization has very low hierarchy
  → Integration, Cross-training, and Cross Collaboration is our STANDARD
    • (can’t afford to do it any other way)
  → When serving homeless individuals, this is our “Secret Sauce”

• “New” concept 😊 - Social Determinants of Health
  → Basic needs – food, security, hygiene, safe place to recuperate, basic health.
  → Our program is a solution for the community
    • Hospitals, shelters, encampments who don’t have the capacity / skills
    • Our “Niche” in the community is serving the chronically homeless.
## Multi-Disciplines – One Record

<table>
<thead>
<tr>
<th>Problem Description</th>
<th>Onset Date</th>
<th>Chronic</th>
<th>Secondary</th>
<th>Clinical Status</th>
<th>Provider</th>
<th>Location</th>
<th>Notes</th>
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<tr>
<td>Thrombocytopenia</td>
<td>06/25/2012</td>
<td>Y</td>
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<td>YHS Vision Center</td>
<td>RSM Chronic Condition</td>
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<td>Presbyopia</td>
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<tr>
<td>Primary open angle glaucoma</td>
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<td>Regular astigmatism</td>
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<td>Sunnyside Vision Center</td>
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<tr>
<td>Liver cirrhosis, alcoholic</td>
<td>06/25/2012</td>
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<td>N</td>
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<td>Conditions table on</td>
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<tr>
<td>Hepatic encephalopathy</td>
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<td>N</td>
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<td>Conditions table on</td>
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<tr>
<td>LBP radiating to right leg</td>
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<td>Hyperammonia</td>
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<td>Conditions table on</td>
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<tr>
<td>Chronic depressive disorder</td>
<td>12/09/2014</td>
<td>Y</td>
<td></td>
<td></td>
<td>Problem automatic</td>
<td></td>
<td>Conditions table on</td>
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<tr>
<td>Hematoma, unsp.</td>
<td>02/01/2012</td>
<td>Y</td>
<td>N</td>
<td></td>
<td>Normal cytology</td>
<td></td>
<td>In urine (04416063)</td>
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<tr>
<td>Cholelithias</td>
<td>06/25/2012</td>
<td>Y</td>
<td></td>
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<td>Problem automatic</td>
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<td>Conditions table on</td>
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<tr>
<td>Congenital abnormality of iris and ciliary body</td>
<td>08/30/2013</td>
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<td>Bandza, MD OD</td>
<td>YHS Vision Center</td>
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<td>Clinical stage finding</td>
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<td>Bandza, MD OD</td>
<td>YHS Vision Center</td>
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<tr>
<td>Esophageal varices in alcoholic cirrhosis</td>
<td>08/01/2011</td>
<td>Y</td>
<td>N</td>
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<td>Problem automatic</td>
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</tr>
</tbody>
</table>

**Notes:**
- **Medical PCP:** Medical Doctor Primary Care Provider
- **Permanent Supportive Housing:** Housing Services
- **Respite Care Manager:** Care Management
- **HCH Outreach:** Homeless Care
- **Behavioral Health:** Mental Health Services
- **Dental:** Dental Services
- **Optometrist:** Vision Care Services

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**National Health Care for the Homeless Council**

[Logo]
In need of care

Respite program can be a lifesaver, but there are only six beds in Yakima; what will happen as aging homeless population
Bob’s Story  (with permission from Bob)
✓ 78 year old homeless man
✓ Hip surgery Summer 2017
  ✓ Rehab didn’t complete (sanctioned out)
✓ Discharged to shelter (sanctioned out)
✓ Frequent E.R.s for hip pain (8 times / 3 months)
✓ “Non-compliant and aggressive”
✓ Dropped off at Depot at 2am  (twice)
✓ Admitted to respite
  ✓ RN, BH, CM, PCP care team
✓ Successful nursing home placement August 2018

Since January 2018
30 days Inpatient (rehab)  =  $37,230
8 visits to E.R.(avg $500e)  =  $  4,000
45 days in respite  =  $  5,220
Circle the City’s Mission...

To create and deliver innovative healthcare solutions that compassionately address the needs of men, women and children facing homelessness.
Circle the City Continuum of Care

Homeless Primary and Preventative Care

Homeless Medical Respite Care

Community-Based Homeless Health Outreach

Low-Barrier Experience

Access to Care

Data Sharing and Integration

Integrative Care

Case Management

Care Coordination

Permanent Housing Partnerships
Our vision is a healthy community without homelessness.
HEALTH CARE FINANCING:
TERMS TO KNOW

• Accountable Care Organizations
• Accountable Communities of Health
• Fee for service
• Hospital Community Benefit funds

• Managed care
• Managed Care Organization
• Medicaid waiver
• Per diem
• Value-based contracting
YNHS FINANCING  
2010 – 2015

- Continuum of Care Ten Year Plan 50%
  → State and Local Filing Fee $1 million/year
    - Strategic Plan
      - Leasing Costs and Meals

- YNHS HCH Grant 35%
  → Professional staff (RN, Case Manager)

- Private Foundations / Donations 15%
Respite care reduces public costs associated with frequent hospital utilization.

MEDICAL RESPITE CARE SAVES $$
HOSPITAL STAFF REPORT A SAVING OF 67 INPATIENT DAYS IN 2017 ($135,269 FOR DEPRESSION OR $392,400 FOR REHAB)

<table>
<thead>
<tr>
<th></th>
<th>Average Hospital Charge for Depression*</th>
<th>Average Hospital Charge for Rehab*</th>
<th>Average Respite Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Length of Stay</td>
<td>13 days</td>
<td>8.1 days</td>
<td>21.5 days</td>
</tr>
<tr>
<td>Average Charge Per Patient (Case Rate)</td>
<td>$16,133</td>
<td>$29,166</td>
<td>$2,533</td>
</tr>
<tr>
<td>Average Charge / Cost per Day (Per Diem)</td>
<td>$1,241</td>
<td>$3,600</td>
<td>$116</td>
</tr>
</tbody>
</table>

*WA State Hospital Association - Hospital Pricing - www.wahospitalpricing.org
PRIOR TO THE ACA

65% OF OUR RESPITE PATIENTS WERE UNINSURED

2017 Health Coverage

- Medicaid: 75%
- Medicare: 12%
- Uninsured: 13%

2017 Medicaid MCOs

- CHPW: 42%
- CoodCare: 28%
- United: 16%
- AmeriGp: 7%
- Molina: 7%
YNHS FINANCING
2016 - PRESENT

• Patient Fees (Medicaid) 50%
• YNHS HCH Grant 35%
• Private Foundations / Donations 15%
### PER DIEM OR CASE RATE – WHICH IS BETTER?

60 PATIENTS STAYED 1,311 DAYS

<table>
<thead>
<tr>
<th>Length of Stay</th>
<th>People</th>
<th>Reason for Respite Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Week or Less</td>
<td>17%</td>
<td>Pneumonia, cellulitis, MAT induction</td>
</tr>
<tr>
<td>1 to 2 weeks</td>
<td>21%</td>
<td>Abscess, COPD, mental health, gangrene, cellulitis</td>
</tr>
<tr>
<td>2 – 4 weeks</td>
<td>27%</td>
<td>Fractures, surgery recovery, cellulitis</td>
</tr>
<tr>
<td>4 weeks or longer</td>
<td>21%</td>
<td>Gunshot wound, endocarditis, surgical recovery, fractures, MAT stabilization</td>
</tr>
</tbody>
</table>
OPPORTUNITIES

• Medicare – our population is aging
  → What about Bob?

• Medicaid – state options
  → Expansion to single adults
  → Payment for services in respite (Procedure Code G9006)
  → Not dependent on relationships with Managed Care

• Medicaid Waiver
  → Accountable Communities of Health
    • Collective Impact / Social Determinants
Medical Respite Program

• Overview
  • 50 bed, free-standing medical respite center in Central Phoenix, AZ;
  • Staffed 24/7 by nurses (RN’s/LPN’s), respite assistants, and security;
  • 2 providers on-site 7 days/wk.
  • Serves ~500 patients/yr.
Medical Respite Program Funding

FY2013-FY2017

- Hospital-Based Funding
- Foundation Grants
- Specialty Events and Private Donations
- Medicaid
- Government Grants
- In-Kind
Medical Respite Program Funding

Normalized to Growth; FY2013-FY2017

- **FY2013**
  - Hospital-Based Funding: 975,000
  - Medicaid: 175,000
  - Foundation Grants: 150,000
  - Government Grants: 150,000
  - Special Events and Private Donations: 825,000
  - In-Kind: 900,000

- **FY2014**
  - Hospital-Based Funding: 1,300,000
  - Medicaid: 175,000
  - Foundation Grants: 150,000
  - Government Grants: 150,000
  - Special Events and Private Donations: 825,000
  - In-Kind: 900,000

- **FY2015**
  - Hospital-Based Funding: 1,100,000
  - Medicaid: 180,000
  - Foundation Grants: 350,000
  - Government Grants: 350,000
  - Special Events and Private Donations: 700,000
  - In-Kind: 1,100,000

- **FY2016**
  - Hospital-Based Funding: 250,000
  - Medicaid: 200,000
  - Foundation Grants: 350,000
  - Government Grants: 350,000
  - Special Events and Private Donations: 1,900,000
  - In-Kind: 2,050,000

- **FY2017**
  - Hospital-Based Funding: 60,000
  - Medicaid: 220,000
  - Foundation Grants: 350,000
  - Government Grants: 350,000
  - Special Events and Private Donations: 2,640,000
  - In-Kind: 2,640,000
Circle the City Revenue Model

FY2018, $12.5M Operating Budget

- Earned Income: 63%
- Federal Grants: 17%
- Private Grants: 12%
- Private Donations: 5%
- Special Events: 3%
What We’ve Tried So Far...

• Bed Block Fees
  • Hospitals pay flat rate to ‘reserve’ beds in respite. Example: CTC initially charged $70k per bed, per year.

• Per Diem Fee-for-Service
  • Pay as you go based on bed occupancy. Can be invoiced to hospitals or claimed to payers.

• Tiered Per-Diem Fee-for-Service
  • Same as above but rates are tiered based on patient complexity and/or services rendered on a daily basis. CTC experimented with three tiers of acuity.

• Encounter Fee-for-Service
  • Professional fees (rather than facility fees) billed for services rendered by respite practitioners and paid to the employing respite organization.

• Quality Incentives / Pay for Performance
  • Incentives or bonuses paid for achieving pre-determined quality targets.

• Value-Based Payments / Shared Savings Incentives
  • Funding tied to a pre-determined methodology that calculates the impact of the total cost of care reduction following a respite stay and shares a portion of those savings back with the respite provider.
## What We’ve Tried So Far...

<table>
<thead>
<tr>
<th>Funding Mechanism</th>
<th>Source</th>
<th>Pro's</th>
<th>Con's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bed Block Fees</td>
<td>Hospitals</td>
<td>- Immediate cash flow</td>
<td>- Complex accounting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Committed partnerships</td>
<td>- Lack of clarity about rules</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Guaranteed utilization</td>
<td>- Challenging expectations</td>
</tr>
<tr>
<td>Per Diem Fee-for-Service</td>
<td>Hospitals and MCO's</td>
<td>- Easy, census-based billing</td>
<td>- Concerns about utilization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Smooth predictable revenue</td>
<td>- Not encounterable to CMS</td>
</tr>
<tr>
<td>Tiered Per Diem Fee-for-Service</td>
<td>Hospitals and MCO's</td>
<td>- Paid for complex patients</td>
<td>- Complex accounting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Take pressure off utilization</td>
<td>- Tiers not always well defined</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- More to negotiate with payer</td>
</tr>
<tr>
<td>Encounter Fee-for-Service</td>
<td>MCO's</td>
<td>- Encounterable for payers</td>
<td>- Provider-heavy model</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Turnkey business model</td>
<td>- Requires steady throughput</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Smooth predictable revenue</td>
<td>- Utilization questions</td>
</tr>
<tr>
<td>Quality Incentive / Pay for</td>
<td>MCO's</td>
<td>- Paid for value, not volume</td>
<td>- Patient attribution issues</td>
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<tr>
<td>Performance</td>
<td></td>
<td>- Resonates with providers</td>
<td>- Which quality metrics?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Leverages benefits of respite</td>
<td>- Need sophisticated reporting</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Benchmark homeless data?</td>
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<tr>
<td>Value-Based Payment /</td>
<td>MCO's</td>
<td>- Paid for value, not volume</td>
<td>- Patient attribution issues</td>
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<tr>
<td>Shared Savings</td>
<td></td>
<td>- Big upside opportunity</td>
<td>- Difficult to track and report</td>
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<tr>
<td></td>
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<td>- Takes pressure off utilization</td>
<td>- Unpredictable and leveraged</td>
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</table>
FREQUENTLY ASKED QUESTIONS

1. Early challenges, current challenges & lessons learned
2. Two biggest factors influencing respite financing locally
3. Medicaid non-expansion states
4. Predicting the future
QUESTIONS & DISCUSSION

Brandon Clark, CEO, Circle the City, Phoenix, AZ

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Barbara DiPietro, Sr. Director of Policy, National HCH Council