

Strategic Benchmarks for Behavioral Health Systems

A New Heights Group White Paper



New Heights Group

Cecily Lohmar | 252 249 1225 | Cecily@reach-newheights.com
Howard J. Gershon | 505 986 1570 | Howard@reach-newheights.com

Strategic Benchmarks for Behavioral Health Systems

Few hospital services have suffered as much as behavioral health services in the last several years. Behavioral health care has struggled to gain acceptance in the medical and some patient communities, and to gain reimbursement (government and private) consistent with other medical providers (mental health parity legislation has only recently passed).

The position of behavioral health care in the medical community will change as bundled payments, accountable care organizations and medical homes take hold. Research shows that addressing behavioral health issues can improve the physical health of individuals. As such, behavioral health – defined as mental health and substance abuse - will take on an increasingly important role in the future ‘reformed’ marketplace.

Many hospital organizations have exited the behavioral health business because of these challenges. Yet, many successful behavioral health systems exist within hospitals and health systems. Some characteristics of these successful providers are described here.

Continuum of care. Successful providers offer a more complete continuum of care than just the traditional inpatient services. In addition to inpatient care, the care continuum may include outpatient and partial hospitalization, medication management, and other services. Access to intervention on a 24/7 basis is key to succeeding in this market. Many patients can avoid an inpatient stay if alternative services are available. All services on the continuum need not be owned by one organization - the ability to access the services is the important characteristic that sets successful programs apart from others.

Clinical services integration. To improve access to services, and improve operations, successful behavioral health organizations integrate clinical services on several levels within their organization. This may include:

- establishing service line management structures that cross operating units;
- developing specialized programs for certain populations and conditions;
- reorganizing inpatient units through consolidation or “right sizing”; and
- providing case management systems to manage all levels of care.

The continuum of care must be well integrated to provide effective and efficient programs and services. Clinician organization/integration. Integration with clinicians involved in the continuum of care is another characteristic of successful programs. Increasingly, inpatient units are staffed by psychiatric ‘hospitalists’, many of whom are employed by the hospital. The psychiatric hospitalist model is much like the general hospitalist model, and enables the psychiatrists to focus solely on the inpatients, freeing other psychiatrists to focus on outpatient care, and increasing the quality and consistency of inpatient care. Using psychiatric nurse practitioners and other licensed clinicians are effective ways of leveraging physician time, especially in the medical management of inpatients, triaging emergency patients, and outpatient medication management.

Another approach to integrating clinicians is the use of professional service agreements for any level of behavioral health provider. Implementation of electronic medical records will also facilitate this integration.



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Primary care integration. Research shows that primary care plays a key role in behavioral health, as the primary care physician is often the first to see the patient. This integration will become more important as organizations pursue the medical home model, focusing on the overall health and well being of the patient. Some strategies for integrating primary care include:

- co-locating behavioral health providers at primary care sites. This might be a clinical social worker or psychiatric nurse practitioner who can help the primary care physician develop a treatment plan for behavioral health patients, provide counseling services, and triage patients for referral to a psychiatrist;
- developing educational programs for primary care providers through one on one meetings to grand rounds; and
- providing formal consultation and liaison services targeted to primary care. This requires that a psychiatrist be available for consult if/when primary care physicians call. This can be a full time physician for those larger integrated delivery systems.

Integrating primary care and behavioral health may also be an opportunity for telehealth services in some communities, particularly rural areas that can not support full time psychiatry.

Partnerships and affiliations. Partnerships or affiliations with other healthcare and/or social service providers outside their system can be key to providing a full continuum of services. These relationships can solidify referrals to a program, and also help develop the above mentioned continuum of services. Community mental health providers are the most common partnership/affiliation but others may include psychiatric groups, residential services, counseling centers, and county and state social service agencies.

Market identity/image. To make their behavioral health services more attractive to payers and consumers, successful providers have focused on improving customer service (e.g., access, response time), upgrading the quality of providers in the system, and instituting innovative clinical management programs. These providers have raised the image of behavioral health in the community, breaking through the stigma these diseases often face. Improving market identity has enabled these programs to obtain more favorable contracts with payors and employers – contracts that may include the full continuum of care. In the future, there likely will be fewer behavioral health ‘carve out’ contracts, replacing these with bundled contracts that incent providers to keep patients healthy.

Market development. Successful behavioral health providers continue to look for opportunities to expand their geographic markets and services. Some of the more common market development strategies include expansion of outpatient networks, which focus on increasing access for the behavioral health patient. Additional strategies include the continued pursuit of merger and acquisition opportunities, creation of provider-sponsored health plans, and development of new specialty services for niche population segments (e.g., eating disorders).

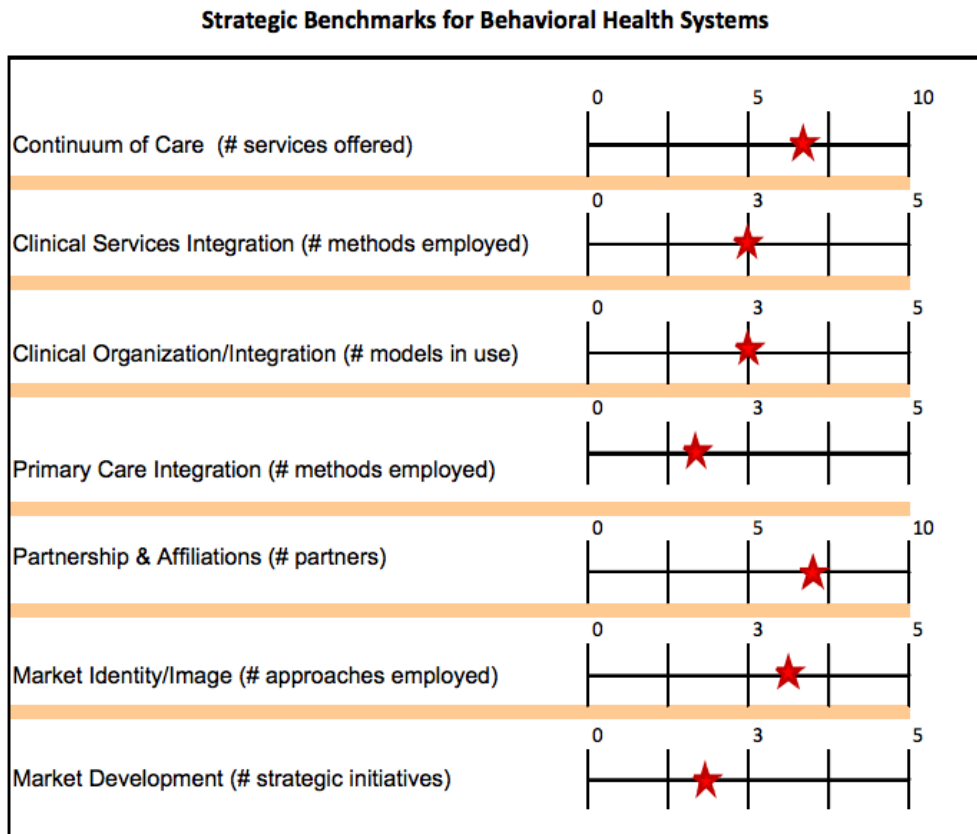


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The above benchmarks will become increasingly important as some of the initiatives identified in the Affordable Care Act are implemented. More specifically, as healthcare providers become more accountable for the overall health of their communities, the connection between behavioral health and physical health will result in more and better integration.

A grid showing how some of the industry leaders score in the above benchmarks is available at www.reach-newheights.com.

Where does your organization fall on this grid? By plotting your organization on the grid, you can identify your strengths and weaknesses, enabling you to focus on those characteristics that are needed to improve service performance and best meet community needs.



A well thought out behavioral health strategy can offer an organization both financial and clinical benefits. The benchmarks noted here can serve as an outline for a sound strategic plan.

