

State Systems Development Program (SSDP)

Promises and Pitfalls

In

Performance Based Contracting

Workshop Objectives

- Present some examples of PBC being used or under development by SSA's
- Provoke some thought and discussion about:
 - The value of PBC's for payers such as SSA's
 - Concerns about connecting payment to performance
 - Steps some states have taken to implement PBC's

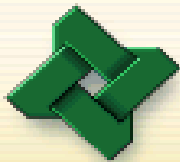
Context

- Addiction is a HEALTH Care issue
 - Less than 2% of health care spending
- Addiction is a CHRONIC not acute disease
- SA Treatment programs must use chronic not acute care treatment models/approaches.

(more)

Context

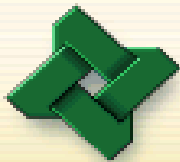
- Recovery is the goal
 - Treatment prepares for recovery
 - Continuing care
- Recovery Support
 - Recovery coaches/linkage coordinators
 - Family and other “community strengths” support
 - Return to treatment program for “tune-up”, etc.



JOIN TOGETHER

ADVANCING EFFECTIVE ALCOHOL AND DRUG POLICY,
PREVENTION, AND TREATMENT.

- “The panel’s primary recommendation is that **purchasers of treatment services should reward results** – an idea that is very consistent with other leading edge efforts to improve the quality of health care for other diseases”
- “. . . shift to a system that recognizes and rewards the providers who consistently deliver better treatment outcomes. “



JOIN TOGETHER

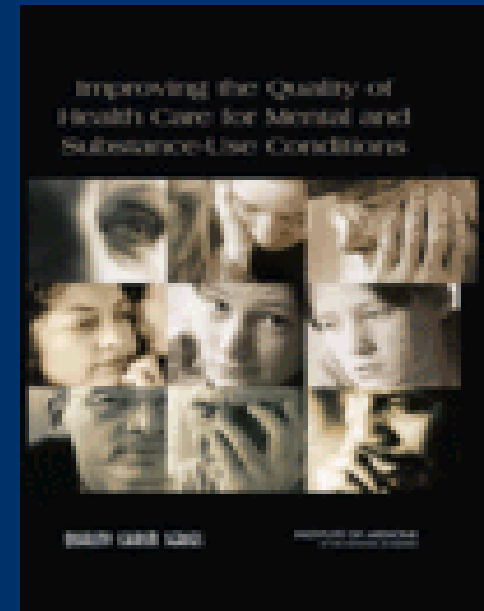
ADVANCING EFFECTIVE ALCOHOL AND DRUG POLICY,
PREVENTION, AND TREATMENT.

- Endorsed the idea that “payers use financial incentives to recognize treatment providers with consistent superior performance and penalize poor performance.” (24)

IOM – “*Improving the Quality of Health Care for Mental and Substance-Use Conditions*” (2006)

AN OPPORTUNITY TO LEVERAGE CHANGE

- 76% of substance abuse treatment is funded by public sources (300)
- 68% of spending is on direct government grants and contracts (301)
- Only 27% of funding flows through insurance arrangements (301)
- By 2015, public funds will represent 90% dollars for substance abuse (Levit, 2006)



IOM Report

- **Recommendation 8-4.** State and local governments should reduce the emphasis on the grant-based systems of financing that currently dominate public M/SU treatment systems and should increase the use of funding mechanisms that link some funds to measures of quality. (317)

IOM Report

- “. . . redesign grant-based systems incrementally so as to incorporate some simple and meaningful performance indicators.”
- “. . . initial efforts tie either new funds or a small percentage of existing budgets to performance indicators as means of reorienting the management of public M/SU treatment provision toward quality improvement.” (more)

IOM Report

“Over time, as performance measures improved and providers altered their management practices, performance measures might be given greater weight in budget allocations.”



Some Opportunities To Introduce PBC

- Enhance, expand existing services
- Create new programs
- Quality improvement initiatives
- Increasing accountability
- Keeping spotlight on results
- Using data supported information to make decisions on an on-going basis

Overarching Principles

- Use “real time” data to inform management and clinical decision making
- Financial rewards motivate performance
- Rewards are more effective when received shortly after successful achievement
- Use “real time” data to reward the results you want to achieve
- Ground PBC’s in evidence base practice and practice based evidence

Tips For Making PBC Work

- 1) Meet regularly with providers, especially in the early stages:
 - Meet as a group
 - Create atmosphere of sharing
 - Build partnership – state/county and providers and among providers themselves
 - Be supportive, be flexible when appropriate, be firm with PBC

Tips For Making PBC Work

- 2) Encourage providers to share incentives with staff
- 3) Use NIATx:
 - Process and performance improvement for access, engagement and retention, and other system change
- 4) Praise successes

Signs

- In a podiatrist's office: "Time wounds all heels."
- At a proctologist's office: "To expedite your visit, please back in."
- On a plumber's truck: "We repair what your husband fixed."
- In a non-smoking area: "If we see smoke, we will assume you are on fire and take appropriate action."
- In a veterinarian's waiting room: " Be back in 5 minutes. Sit! Stay!"

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