

Community-Based Organizations and Health Care Contracting

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Background

The Aging and Disability Business Institute (Business Institute) was established in 2016 with funding from The John A. Hartford Foundation, The Administration for Community Living (ACL), The SCAN Foundation, The Gary and Mary West Foundation, The Colorado Health Foundation, and The Buck Family Fund of the Marin Community Foundation. It is led by The National Association of Area Agencies on Aging (n4a) in partnership with the most experienced and respected organizations in the aging and disability networks. Through the Business Institute, n4a and their partners provide tools and resources to support the capacity of community-based organizations (CBOs) to enter into successful contracts with health care entities. To assess the products, processes, and outcomes of the Business Institute, n4a partnered with Scripps Gerontology Center to serve as the overall project evaluator. To better understand the current landscape of contracting between community-based organizations and health care entities, Scripps Gerontology Center developed a short “request for information” (RFI) survey. This survey was disseminated via email directly to 623 Area Agencies on Aging (AAAs) and 313 Centers for Independent Living (CILs); the response rates for these two networks were 56.3% and 38.0% respectively. The survey was also disseminated to other CBOs via sharing of the RFI announcement by a network of key national agencies including not-for-profit and government agencies. The survey was in the field for five weeks between July and August 2017. A total of 593 respondents participated in the survey.

Results

The majority (60.9%) of responding organizations were AAAs; an additional 20.7% were CILs and 18.4% identified themselves as an ‘other’ CBO. The most common ‘other’ CBOs were supportive service providers, other not-for-profit aging and/or disability organizations, and government departments of health, aging, disability, mental/behavioral health, or human services.

KEY FINDINGS

Over 1/3

of organizations have at least one contract with a health care entity

.....

The most common health care partners were

Medicaid MCOs

(managed care organizations)

.....

Among organizations not pursuing contracts,

4 in 10

say they need more information and guidance

Respondents were asked to indicate if they have a contract to provide services or programs with or on behalf of a health care entity. A contract was defined in the survey as a “legally binding or valid agreement between two or more entities in which one or more parties are receiving payment for services or programs.” Over one-third (38.1%) of respondents indicated that they currently have one or more contracts with a health care entity; 16.5% indicated they currently do not have a contract but were in the process of pursuing one. Fewer than half of the respondents (45.4%) indicated that they do not currently have a contract and are not in the process of pursuing one (Figure 1).

Contracting status varied by type of organization (Figure 2). Among AAAs, there was an equal distribution between those with one or more contracts (41.0%) and those with no contracts and no plans to pursue them (41.0%). The majority of CIL respondents do not have contracts and are not pursuing any (54.6%); almost one-third do have contracts. Among ‘other’ CBOs, 42.5% do not have contracts and are not pursuing any; 38.7% indicated that they do have one or more contracts.

Organizations Contracting with Health Care Entities

Among the 226 organizations with contracts, the number of contracts with health care partners ranged from 1 to 32, with a median of two. Three-quarters (75.3%) of organizations have three or fewer contracts.

Respondents were asked whether they entered their contracts as an individual organization or as a network which was defined as “a group of community-based organizations that pursues a regional or statewide contract with a payer as joint venture.” The vast majority of organizations (80.3%), entered into their contracts as an individual organization; 19.7% entered as part of a network.

To better understand what these contracts look like, CBOs were asked about the type of health care entities they contract with, services and programs provided, number and description of those being served, and payment models. Organizations were able to provide detailed information for up to three of their contracts. The following information is based on 456 contracts held by 226 organizations.

Figure 1. Contracting Status

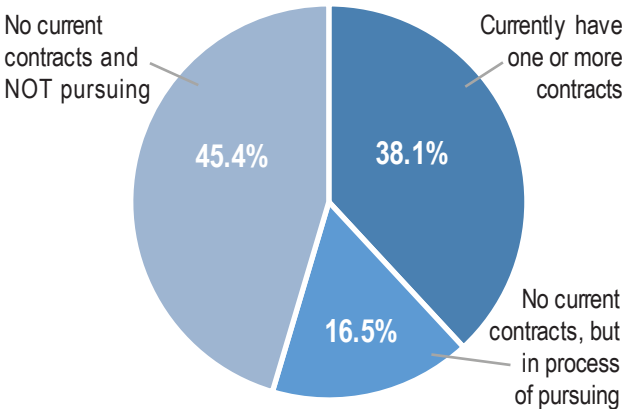
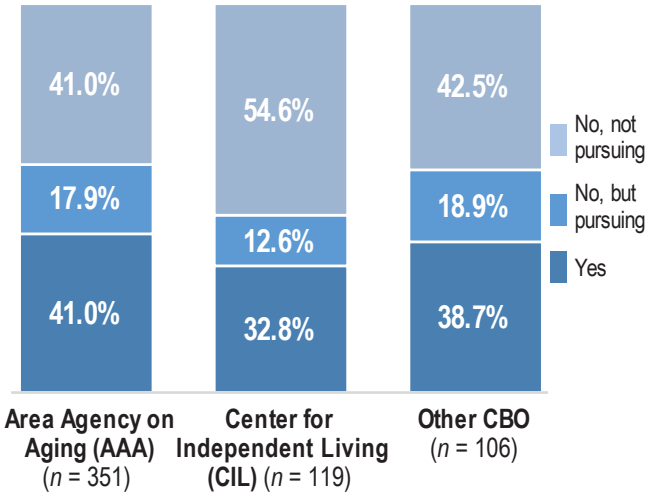


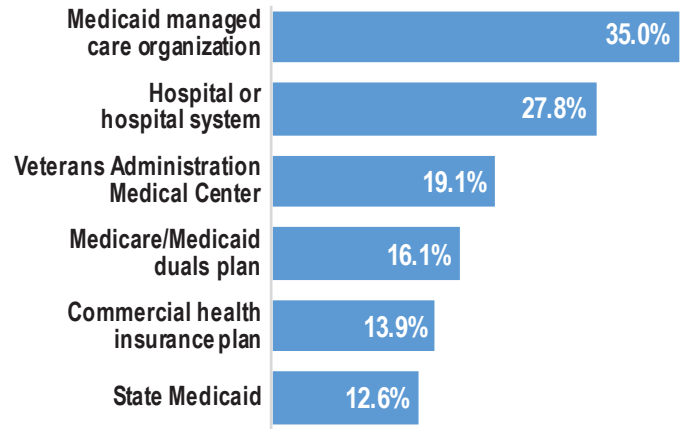
Figure 2. Contracting Status by Organization Type



Who are CBOs contracting with?

The majority of CBOs with contracts were working with organizations representing health plans including Medicaid managed care organizations (MCOs) (35.0%) and hospitals or hospital systems (27.8%). These were followed by federal programs including Medicare and Medicaid duals plans and the Veterans Administration as well as state Medicaid and commercial health plans (Figure 3). The average length of the reported contracts is five years.

Figure 3. Most Common Health Care Partners



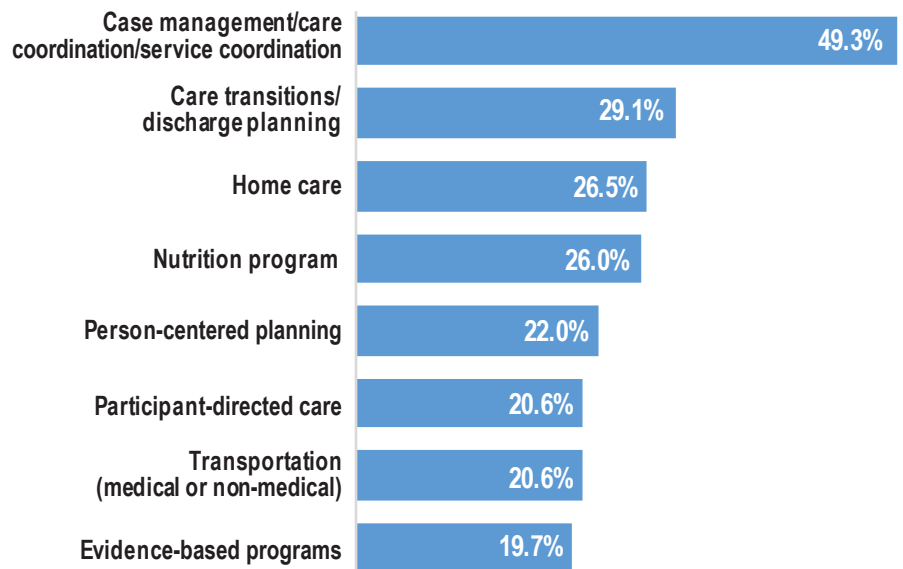
Who is being served through these contracts?

The majority of these contracting organizations serve older adults (79.8%) and/or individuals with a disability, impairment, or chronic illness (74.0%). In addition, 43.9% of organizations serve veterans and 30.9% serve caregivers.

What services are being provided through these contracts?

A variety of services have been delivered through these contracts including case management, caregiver support, and housing assistance. In keeping with one of the unique strengths of CBOs, the most common service provided (by nearly half of the organizations) is case management/care coordination/service coordination (Figure 4). On average, organizations provide three services per contract.

Figure 4. Most Common Services Provided Through Contracts



How are CBOs receiving payment?

Ninety-percent of organizations with a contract with a health care entity have received a payment for at least one of their contracts. The most common type of payment model is fee-for-service (34.5%) followed by per service unit (20.0%), per member per month (16.8%) and per participant (13.6%).

Organizations Pursuing Contracts

A small proportion of respondents (16.5%) indicated that they do not currently have a contract with a health care entity but are in the process of pursuing a contract. Respondents were asked to identify where they would place their organization along a continuum of progress toward contracting. Only 10.2% considered themselves very close to finalizing a contract while the majority (82.6%) are in the early stages of exploration and preliminary conversations with potential partners (Figure 5).

Figure 5. Progress of Organizations Pursuing Contracts



Organizations with No Contracts & Not Pursuing Contracts

The majority of respondents (45.4%) indicated that they do not currently have a contract with a health care entity and are **not** in the process of pursuing one. Of those organizations, 36.9% have not considered or do not have plans to pursue contracts at this time. The remaining 63.1% are interested but not at this time, they need more information or guidance, or they have actively pursued contracts but those pursuits were unsuccessful (Table 1).

Some CBOs offered additional information about why they are not pursuing contracts saying that entering into a contracting relationship with a health care entity “would be a conflict of interest” or it is not possible given how their

Table 1. Interest in Contracting Among Organizations Without Contracts

Yes, but not at this time	14.9%
Yes, but we need more information or guidance before pursuing	39.9%
Yes, and we have actively pursued contracts but have not been successful	8.2%
No, this is not something we plan to pursue	17.5%
No, we have not thought about pursuing a contract with a health care entity	19.4%

organization is positioned within county government. For some organizations that have been unsuccessful in pursuing contracts, they remain hopeful. One CBO stated, “We look forward to contracting with health care entities and feel this will be in our future.”

The survey was conducted by Scripps Gerontology Center at Miami University on behalf of the Aging and Disability Business Institute (Business Institute), led by the National Association of Area Agencies on Aging (n4a). The Business Institute is funded by The John A. Hartford Foundation, The Administration for Community Living (ACL), The SCAN Foundation, The Gary and Mary West Foundation, The Colorado Health Foundation, and The Buck Family Fund of the Marin Community Foundation.

The n4a Aging and Disability Business Institute Team includes: Sandy Markwood, Nora Super, Mary Kaschak, Elizabeth Blair, Davis Baird, and Karen Homer. For additional information about the Business Institute and related resources, please visit: aginganddisabilitybusinessinstitute.org.

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