



NIATx
The Network for the
Improvement of Addiction Treatment

The Business Case for Change

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Reduce Waiting & No-Shows • Increase Admissions & Continuation

Statistics

- 19 million Americans need treatment
- 25% are able to access treatment
- 50% of those in treatment do not complete
- The way services are delivered is a barrier to both access and retention



Why Process Improvement?

- Customers are served by processes
- 85% of customer related *problems* are caused by organizational processes
- To better serve customers, organizations must improve processes

NIATx Aims



Reduce Waiting Times



Reduce No-Shows



Increase Admissions



Increase Continuation Rates

Five Key Principles

Evidence-based predictors of change

- Understand and involve the customer
- Focus on key problems
- Select the right change agent
- Seek ideas from outside the field and organization
- Do rapid-cycle testing

The Sixth Predictor - Business Case is the Key to Sustainability

- Economics really do drive an organization's ability to offer services and the State's ability to pay for services
- A positive economic position is a better leverage point for clinical and/or organizational change
- Programs that drain resources from the organization/State are rarely expanded – they also have more difficulty attracting staff

Defining Business Case

- The Business Case is a Strategic Advantage that can be measured:
 - * Improved efficiency
 - * Improved effectiveness
 - * Lower employee turnover
 - * Improved bottom line
 - * Improved client outcomes

What is it like to be the government?

Prioritized motives
Limited Resources
Public justification
Public safety/benefit

Spending the public's money well and being able to explain how you know that is a great communication tool

- Many of those who make important decisions about how substance abuse treatment and mental health care get funded don't really know what we do. Business principles like efficiency, cost reduction, improved productivity, and improved outcomes are a common language.

SC Paperwork Reduction

- In 2007, providers did 38,451 intakes across the state
- A paperwork reduction effort by the South Carolina change team resulted in a 1 page intake form instead of an 8 page form
- Time to do the intake dropped from 30 minutes to 15 minutes most of the time (80%)

Reducing duplication pays off

- Average salary of those involved in intake = \$14.03
- 80% of intakes times were reduced by 50% and 20% of intakes were reduced by 5%, saving about 8000 hours! = about \$110,000 in local salaries.
- the savings = two full time clinical staff = 1900 assessments/year

Maine STAR-SI

Reducing time to DEEP services

- Eight of our nine pilot sites participated in the change, which was a simple switch to faxing paperwork instead of mailing it
- Time to DEEP treatment dropped from just over 7 days to about 5.
- Revenues across the group rose by \$24,146 or \$313,898/year!
- More people used the program

What is it like to be a provider?

- Subject to budget provisions that don't always seem to make sense.
- Service planning is made more complicated by state budget timelines that don't match planning timelines.
- Sometimes doing more and/or doing it more efficiently doesn't mean financial improvement.



Role of the Executive Sponsor as a Partner to a Change Leader

- Knowledge about reimbursement
- Access to Knowledge
- Permission to seek knowledge
(sharing of authority)

Reimbursement is Complex

- Seek advice by program and by level of care – the rules really are different
- Your job is to translate between business interest and clinical interest – they need to be parallel
- Don't forget your own common sense – make a case for future marketing



Calculating the financial impact of a change

- Simple is better – use averages such as average revenue per statistic or average cost per unit of service.
- Average revenue per statistic = the total program revenue divided by the program statistic (number of units of service)
- Cost “savings” need to be translated to client care gains.



What if more people come, but no one can pay?

- It is possible to target one payer group, but we have learned over and over again that if you open access, it will help people in every payer class equally.

Many clients pay something!

- 43.9% of clients paid a portion of the charge for their treatment
- 52.9% used two or more sources of payment
- Women are more likely than men to pay with private insurance 30.9% v 23.5%
 - with Medicaid 19.8% v 11.6%
 - with other public assistance 21% v 13.6%

Open Access to IOP- Acadia Hospital Bangor, Maine

- Clients who fit clinical profile over phone or at local ED offered an evaluation the following morning at 7:30 a.m.
- All evaluated clients invited to start program the same day

IMMEDIATE RESULTS

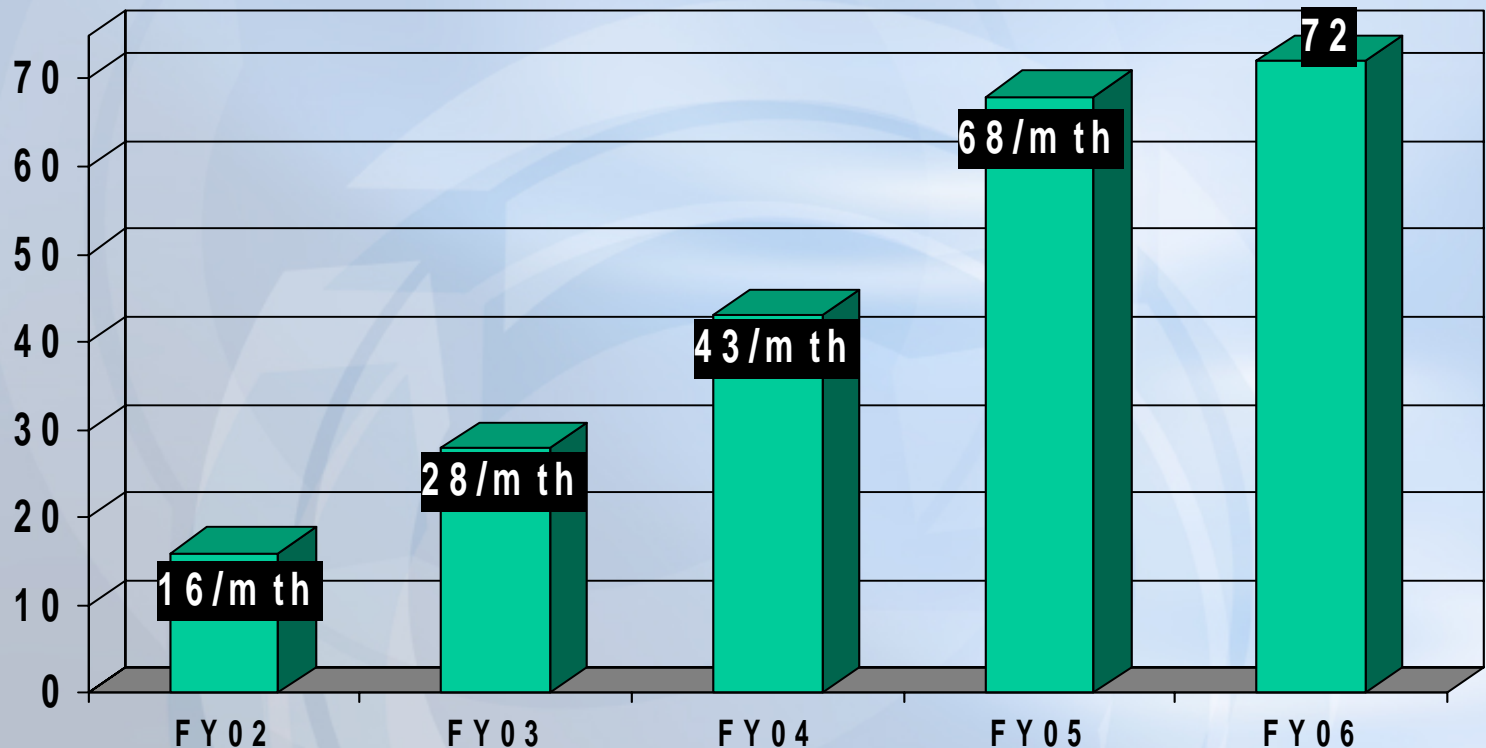
- Time between initial contact and screening dropped from 16 - 4.0 days to 1.3 days
- More people were screened the first week than in the entire previous month



Results

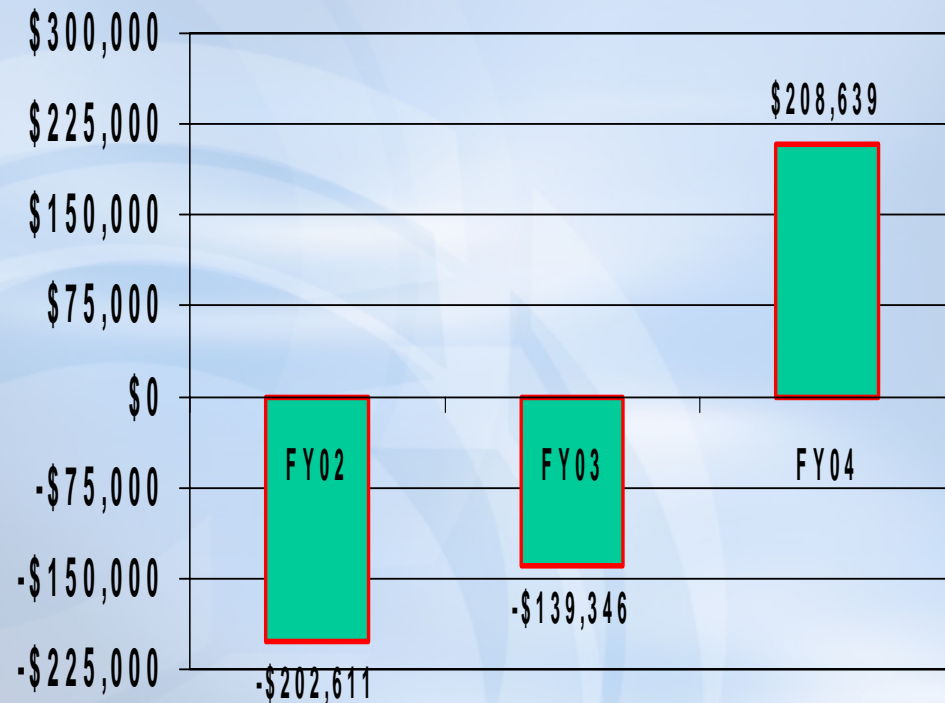
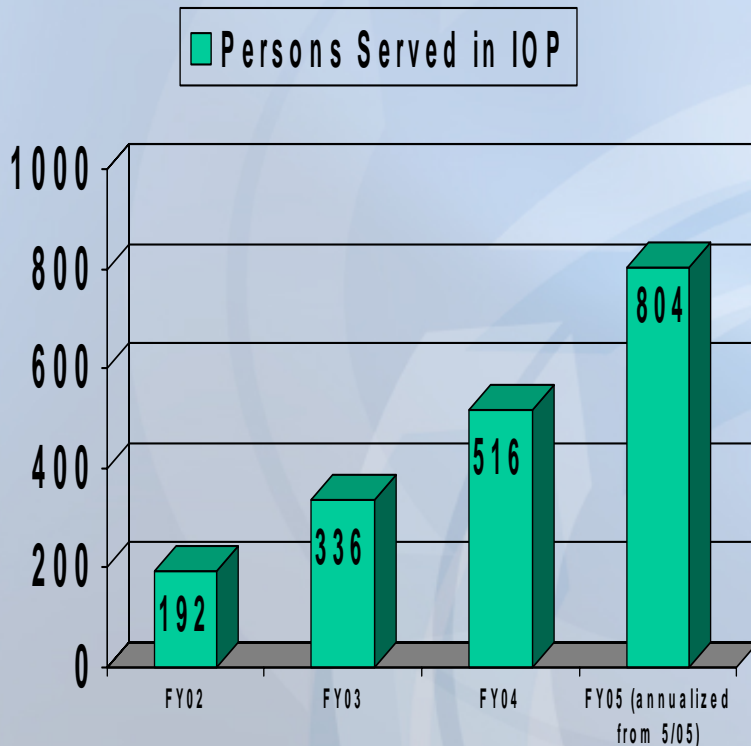
Open access has resulted in continued growth in the number of admissions

(project implemented in March 2003)



Project #1 – Operating Results

We serve more clients and the program operates more efficiently

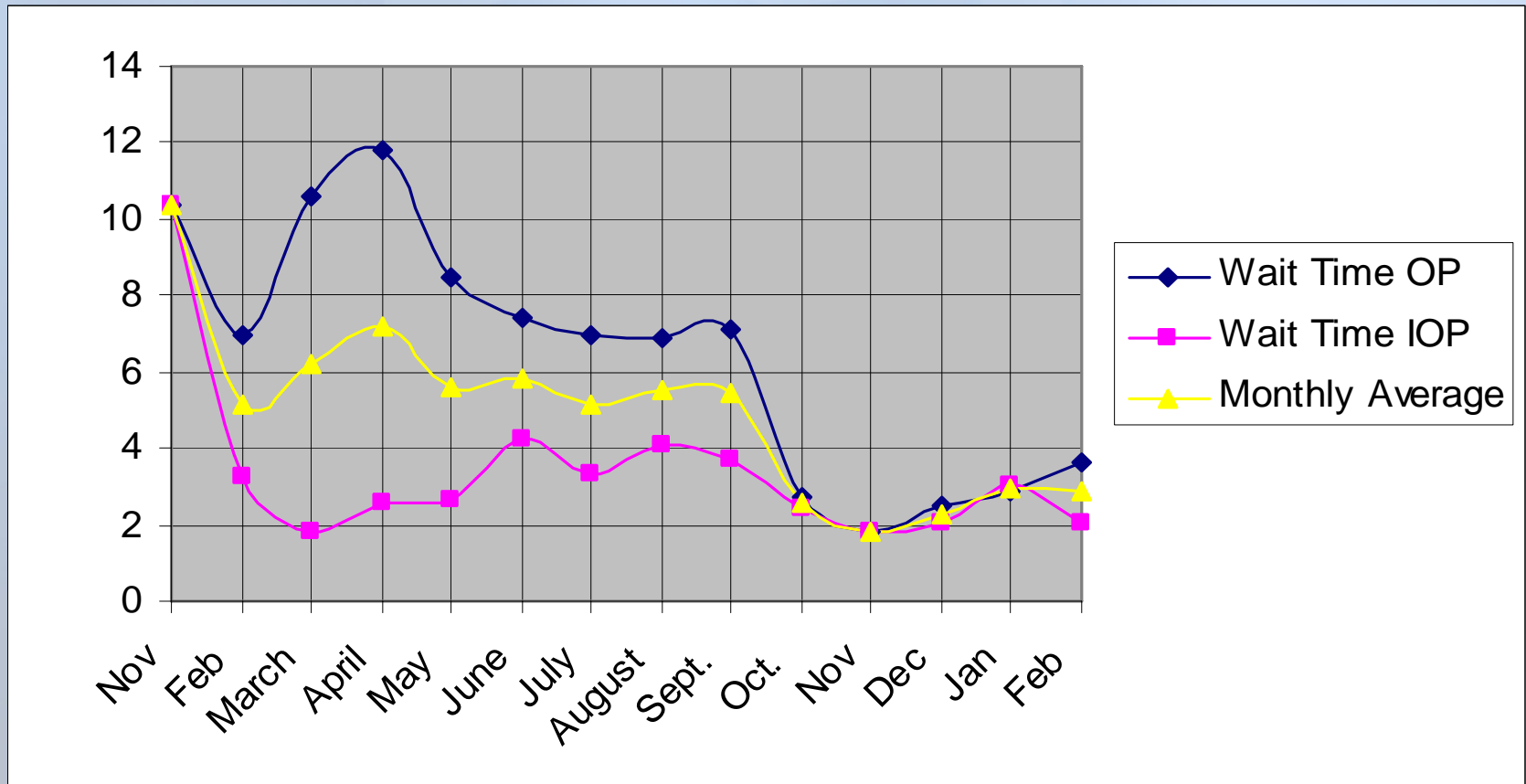


Outpatient Substance Abuse Services Net Profit or Loss

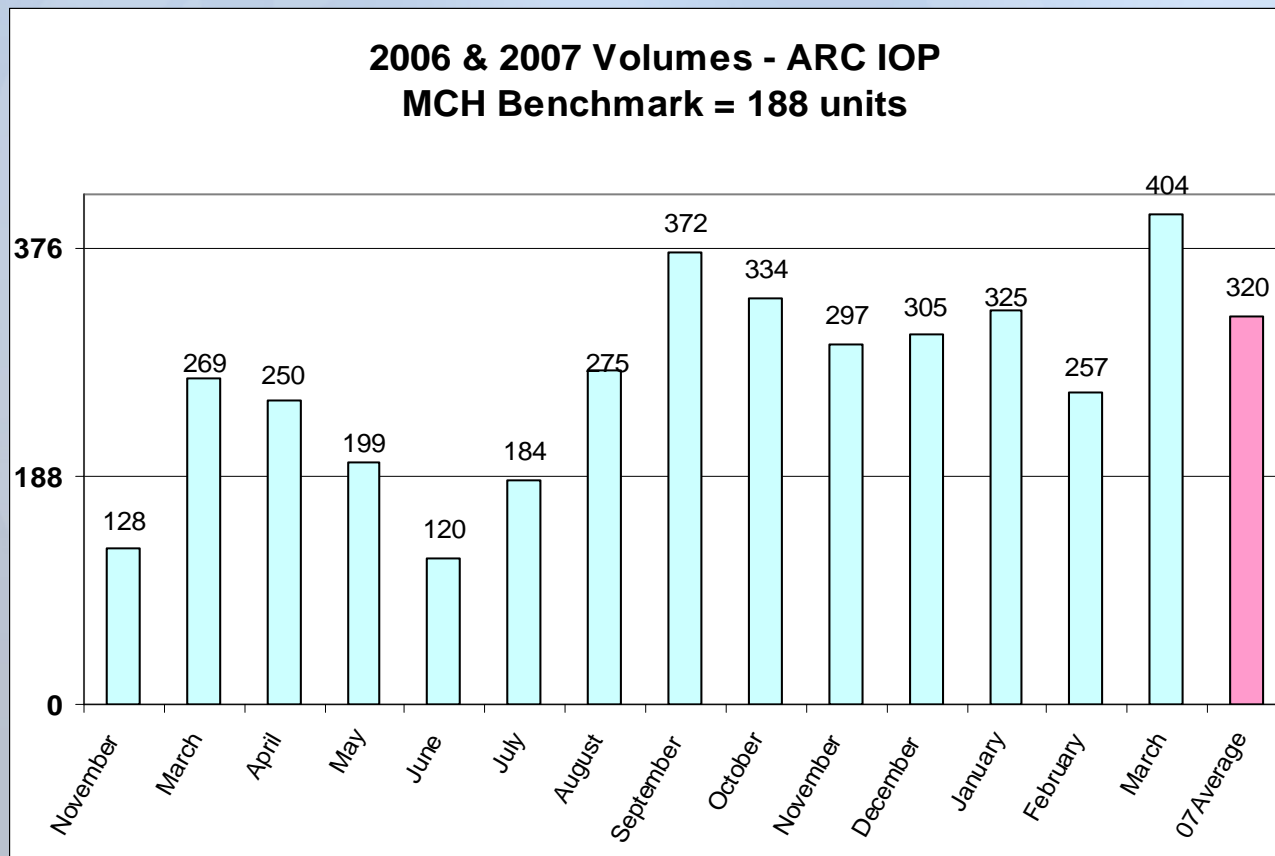


Addiction Resource Center – Brunswick Maine

Wait Times Are Down 77% From Baseline

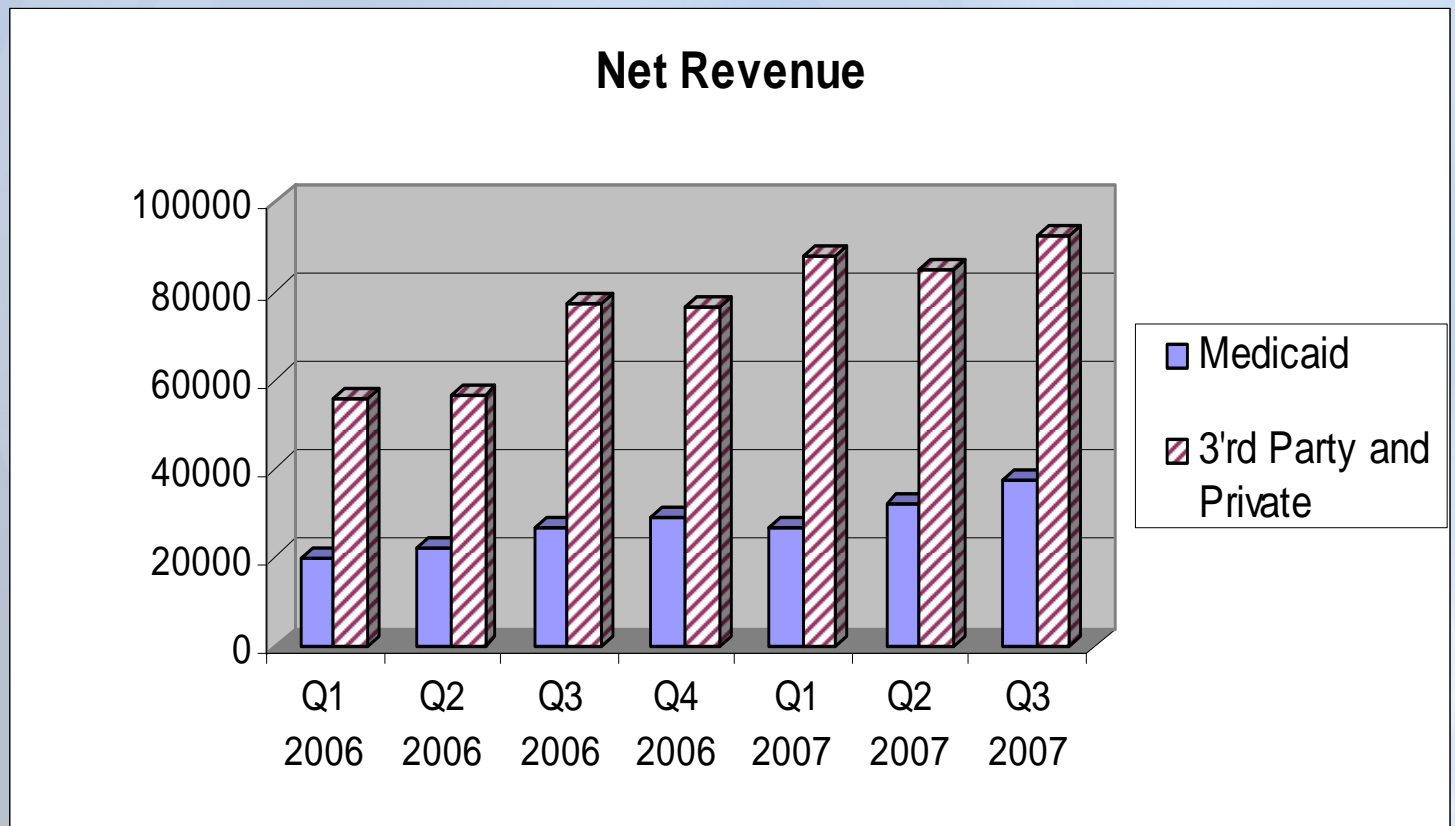


Addiction Resource Center - Maine IOP Volume Is Up 150% Over Baseline



Addiction Resource Ctr Business Case

Medicaid Net is up 53% Over Baseline 3'rd Party and Private Net Is Up 50% Over Baseline



Decrease Dependence on Grant Revenues

- Through using the basic principles of NIATx the Addiction Resource Center has been able to decrease the overall % the substance abuse dept is underwritten by State grants from 71% in 2007 to 46% by July 1, 2008 (grant amounts have remained flat for 5 years).



Kennedy Center – Moncks Corner, South Carolina

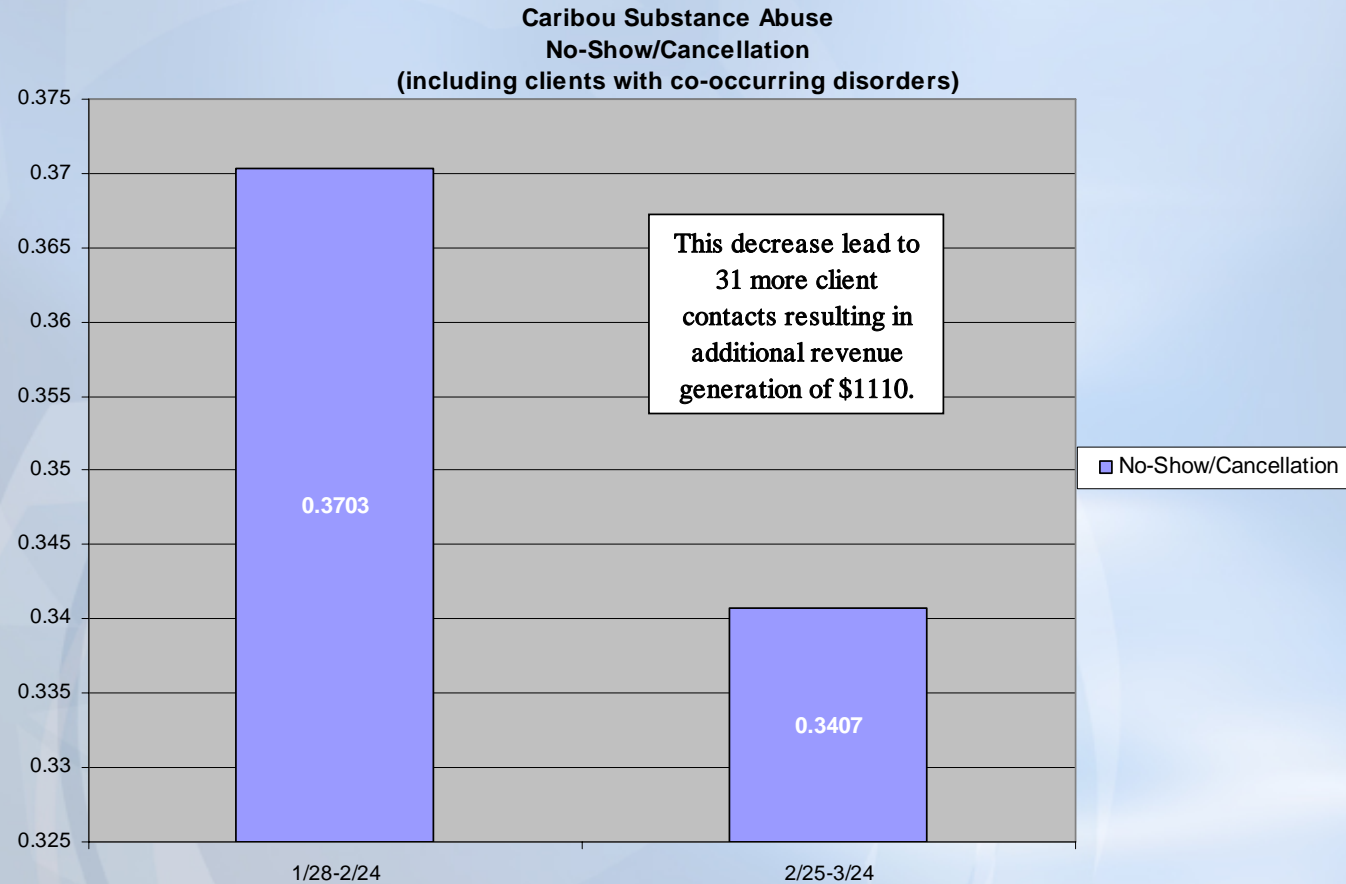
- Went to all walk-in assessments, five days/week until 3 pm each day.
- Initial results – Went from an average of 3.3 assessments each business day to an average of 6.7 per business day.



Kennedy Center – Financial Results of Improving Access

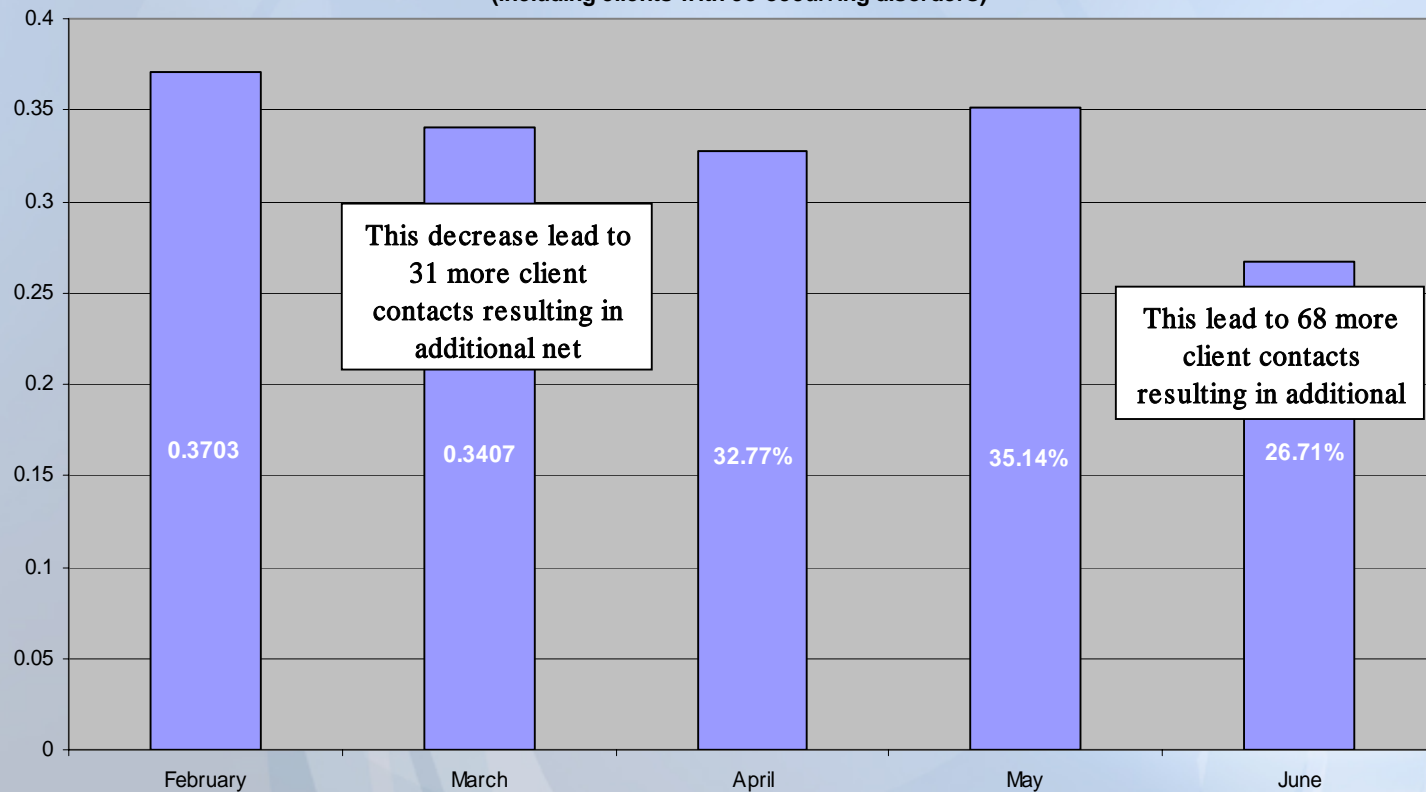
- At an average reimbursement of \$50/client, revenue increased by more than \$150/business day or more than \$750/week.
- Should they keep going with open access? What are the considerations for this agency?

Aroostook Mental Health Center tackles the no-show rate



Aroostook Mental Health Center – decreasing no show rate

Caribou Substance Abuse
No-Show/Cancellation
(including clients with co-occurring disorders)



Small Changes Really Matter

- A 3% improvement in the no-show rate = \$1100/month or \$13,300/year
- This program is in a group of programs that together were intended to produce an operating margin of \$15,123
- This data helps answer the question – are we moving in the right direction?



Aiken Center Used CM techniques to Improve Show Rate

- 1) Offer gift (shampoo, soap) for attending all client scheduled weekly groups. AND
- 2) Offer chance to win monthly gift (\$25.00 gift certificate) for attending all groups a client is scheduled to attend in a week.

Aiken - Results

- Broken Appointments decreased from 38.5% to 31.2%, a decrease of 19% from the previous average. This translates to one more person being present in each group.

Should we keep going?

- Aiken is receiving about \$10/person/group. Though they charge indigent clients a small fee, the clients rarely pay. The question is this – how successful was this change? Should they keep going? What might they try next that would improve financial performance AND advance access/retention goals?

What challenges do you have
around developing the business
case?



CASE STUDY: ADCARE OUTPATIENT SERVICES of WORCESTER

Support for This Project Was Provided by NIATx
Through a Grant From the National Institute on Drug
Abuse.



Introduced OPEN ACCESS

Pre
Open Access

Post
Open Access

Wait Time Ave 7.65/days

1.1/days

Show Rates Ave 63%

85%

Increase in volume of Assessments: 36%



AFTER OPEN ACCESS

- **Increased admissions by 36%.**
 - But we discovered that 35% did not show for their first session post assessment.
 - Some of our assessments required a higher level of care.
 - Many of our assessments presented with increased medical and psychiatric co-morbidities.

QUANTIFY THE GAINS #1

- Let's say the increased admissions are 25/month and that the admission assessment results in average revenue of \$65.00.
- New revenues/month are $25 \times \$65 = \1625 . For a year $12 \text{ months} \times \$1625 = \$19,500$.
- AND 300 more people being assessed for treatment. (25 people x 12 months)

OPPORTUNITY - To Re-engage Clients in Therapeutic Services.



- Created an enhanced tracking system for no shows post assessment.
- Trained staff to monitor system.
- Assessor made outreach call within 72 hrs when client failed to show for 1st treatment session.

RESULTS!!!!

- Re-engaged

75%

of clients that failed to
make first appointment.

Business Case And/or Strategic Advantage for the Organization

	# Assessments	# No Follow Up	# Re Captured	
September	192	67	50	175
October	192	67	50	175
November	184	64	48	168
	Total Recaptured		149	
	Total recaptured units		2535	

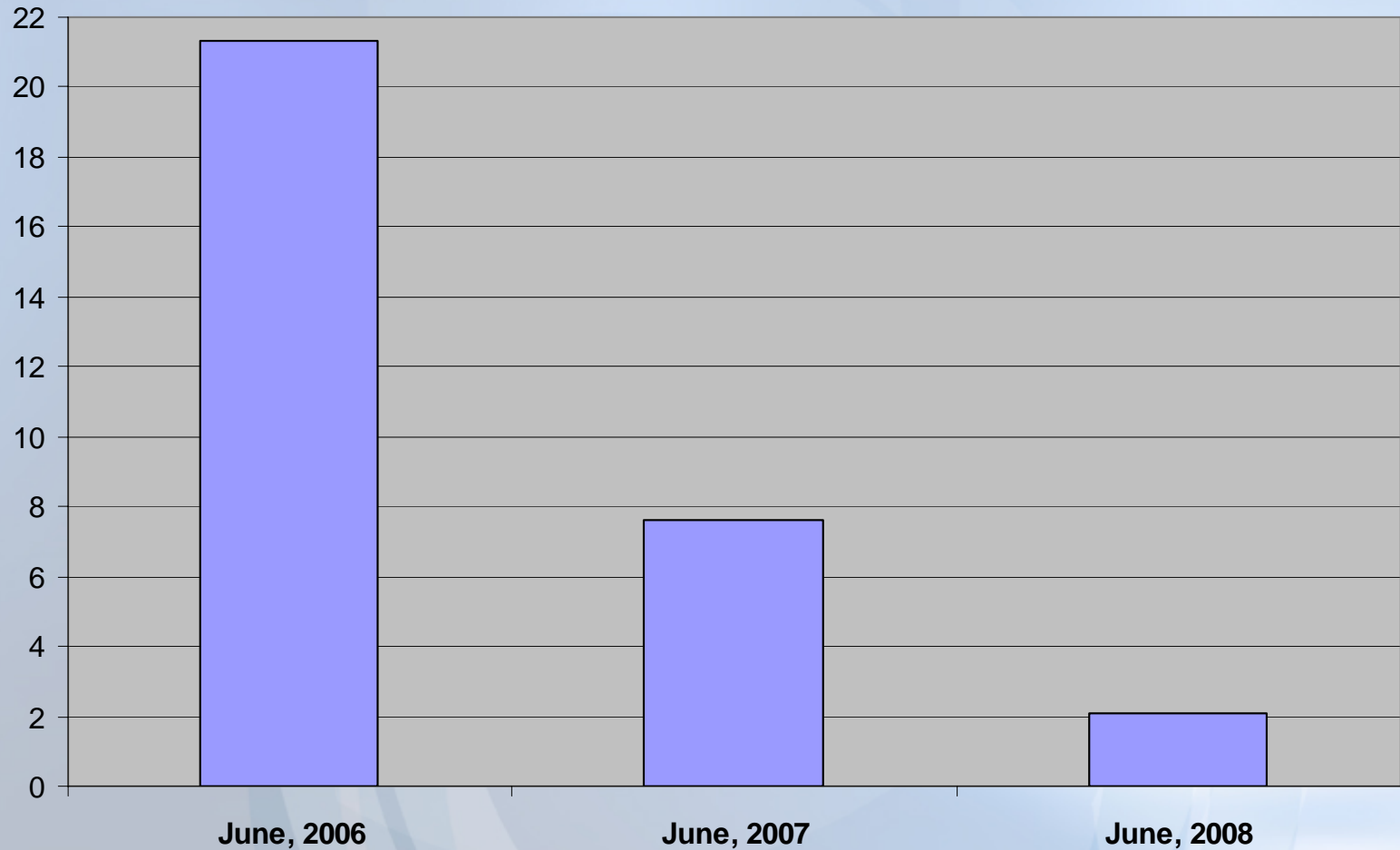


QUANTIFY THE GAINS # 2

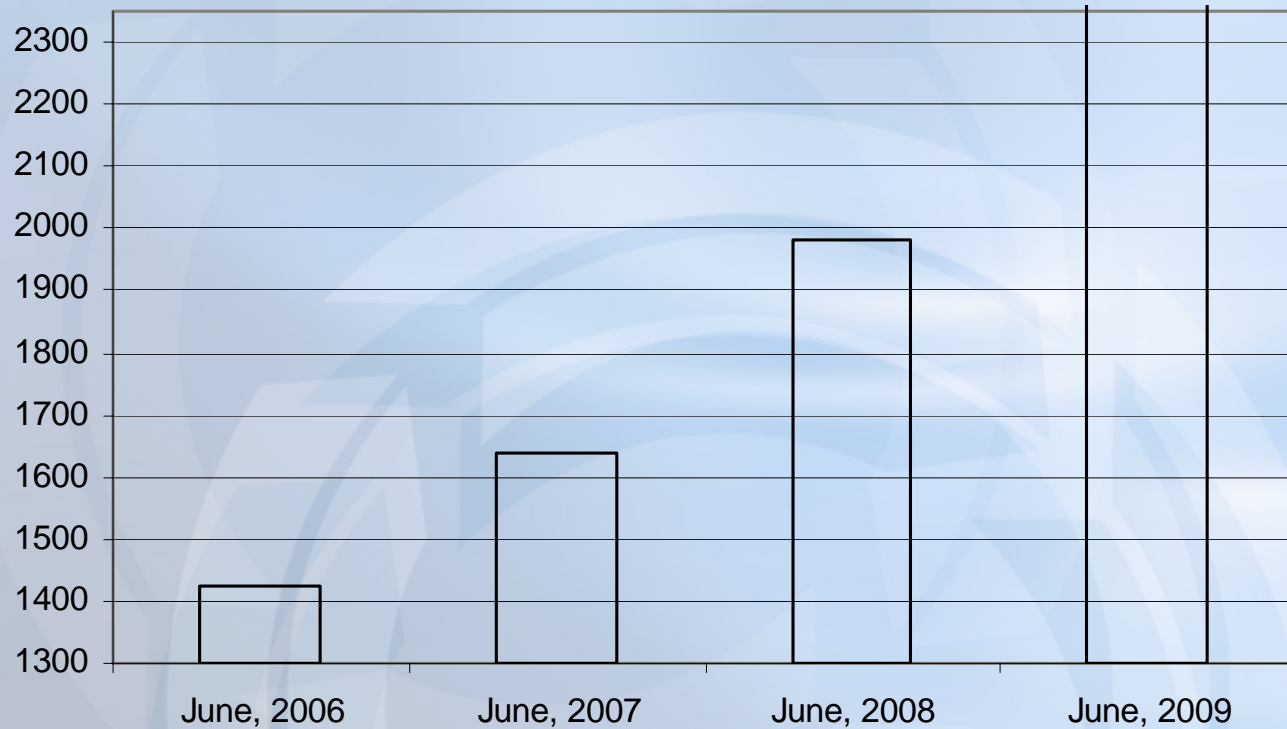
- At Adcare, they re-engaged 149 people in three months, resulting in 2535 more units of service during that quarter.
- Let's say the average reimbursement/unit of service is \$20.
- At \$20/unit of service, new revenue is \$50,700. ($\$20 \times 2535 \text{ units} = \$50,700$)
- AND 149 more people were able to stay in treatment.



Waiting Days to Admission – APT Foundation



APT Foundation Outpatient Census



APT Foundation – New Growth Means Financial Stability

- 11,024 New client weeks =
\$466,646 in new net
revenues/year



What did we do with the new revenue?

- Hired staff – learned to do it proactively.
- Fed the clients – this dramatically improved retention
- Gave all staff an incentive payment at the end of the year AND set goals for the next year's potential incentive.



How is understanding the Business Case important to your organization?

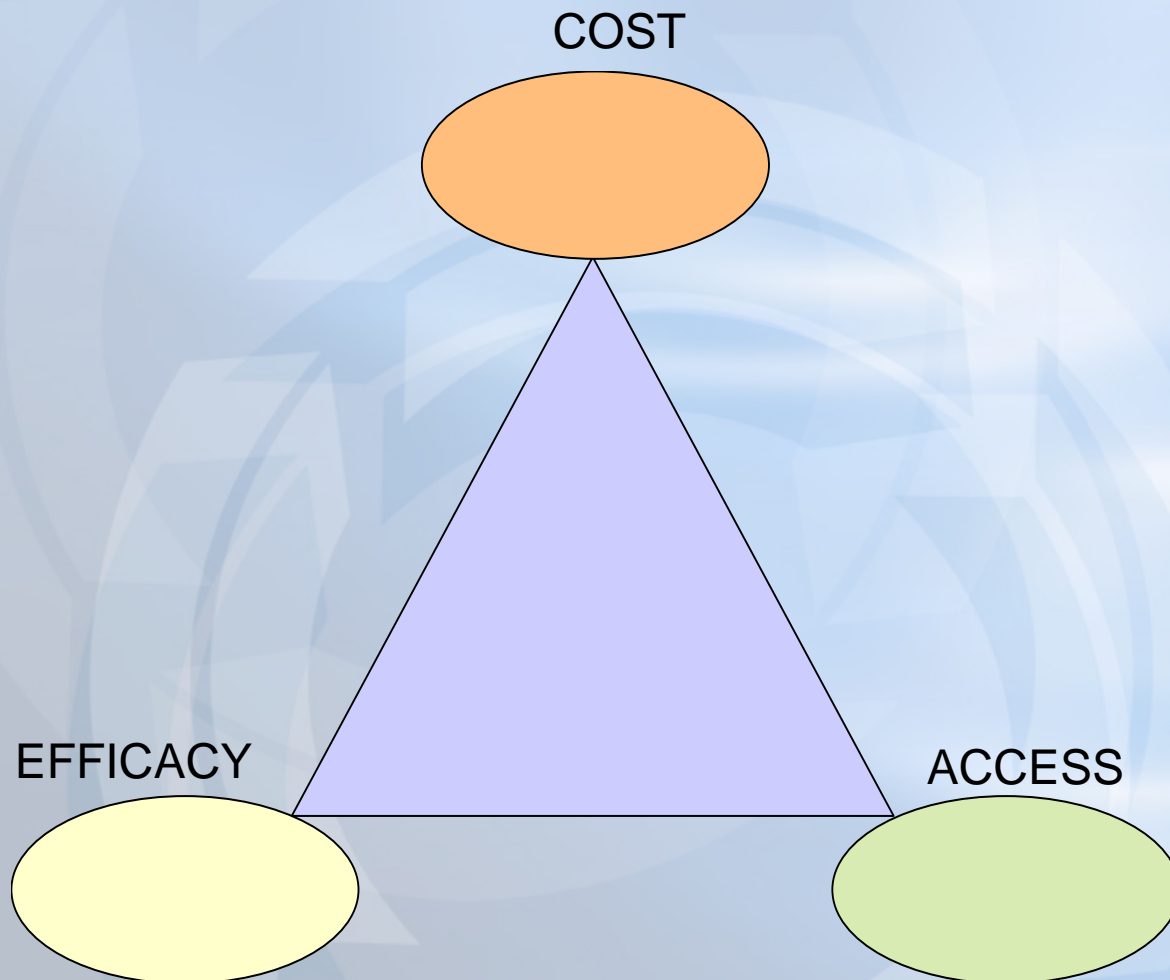
- What is the potential client care gain for improved retention? Improved access?
- How would improved access and/or retention affect your ability to hire staff? Improve the bottom line? Advocate for services?

Key Business Case ideas

- Improved performance can lead to an improved bottom line and/or improved stewardship AND improved client outcomes
- Staff retention and morale seem to improve in organizations where staff are excited and involved
- Business principles are a good communication tool and provide us a way to advocate for our work and therefore, our clients

Performance Management Metric

Services that people can and will come to, that we can pay for, and that work.



Resources

- NIATx Business Case Series and NIATx Business Case Calculator
<http://NIATx.net>
- Your colleagues, your stories, your coaches, NPO staff
- National Survey on Drug Use and Health <http://oas.samhsa.gov/nsduh.htm>