



THE FINANCIAL IMPACT OF CLINICAL EFFECTIVENESS WITHIN A SYSTEM OF CARE




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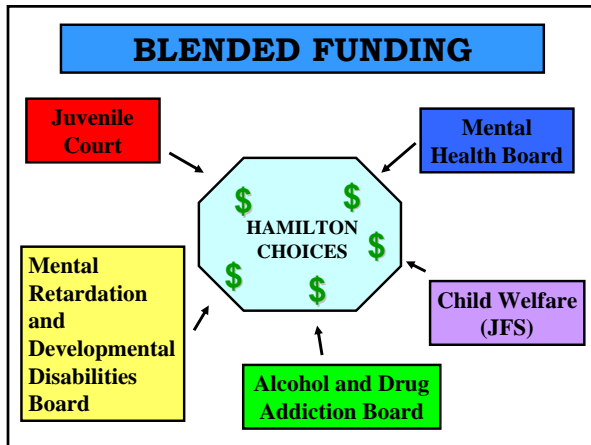
18th Annual Research Conference – A System of Care for Children’s Mental Health: Expanding the Research Base

March 6 – 9 2005

Hamilton Choices



- Began coordinating care on November 1, 2002 with 41 staff in place
- 231 families began with Hamilton Choices on day one of operations – capacity for 260 families
- Partnership with 5 government agencies who are joint funders
- Creating a broad community provider network to support the families served



Choices Foundation

- **Systems of Care Principles (Clinical)**
 - Family Involvement (Voice, Ownership, Access, Satisfaction)
 - Wraparound Principles
 - Multi-system Coordinated Care
- **Care Management Technologies (Fiscal)**
 - Capitated Rate
 - Outcome Based
 - Flexible Funding
- **Technology Blending (Clinical & Fiscal)**
 - Achieving outcomes within the capitated rate

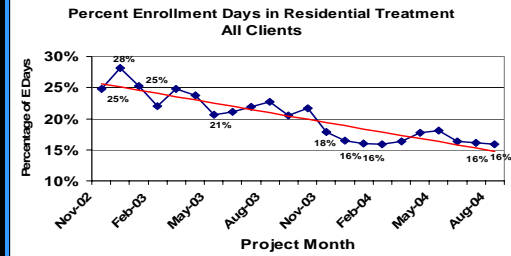
DEFINITIONS

- **CASE RATE CLIENTS (Max 240)**
 - Enrollees for whom the agency is paid a per diem for each day of open case status. The agency is financially at risk for this group.
- **FEE FOR SERVICE (FFS) CLIENTS (Max 16)**
 - Enrollees whose historical utilization pattern has been resource intensive. The agency is reimbursed for all service expenditures and is not financially at risk for this group.

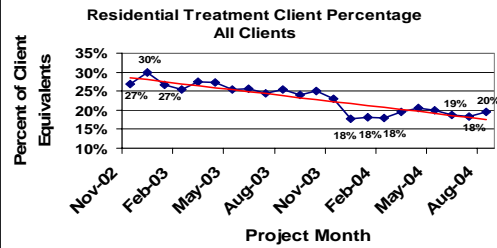
The Delicate Balance

No Margin... No Mission

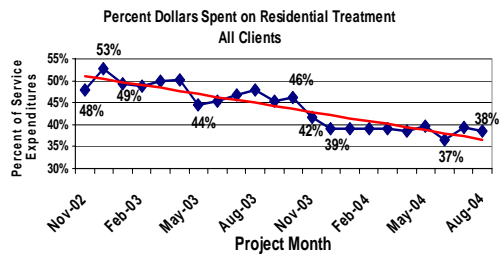
Performance Indicator:
Decreased utilization of highly restrictive levels of care



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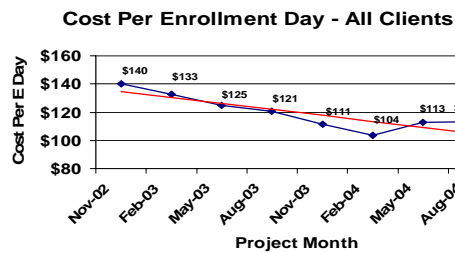
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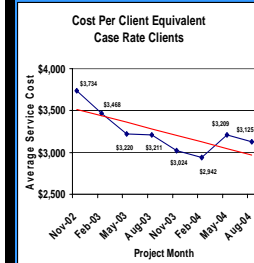
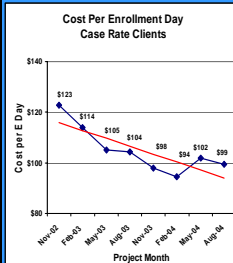
Service Expenditures by Category Type

	E Days	Total Placement Cost	% of Total Quarterly Service Expenditures	DB	Mentor and Rec	Supervision	Respite	Discretionary	Other Services	Total Non Placement Cost	% of Total Quarterly Service Expenditures
Yr. 1 Qtr. 1	21,142	\$2,528,321	86%	\$111,784	\$97,820	\$175,512	\$270	\$6,960	\$11,016	\$401,362	14%
Yr. 1 Qtr. 2	21,252	\$2,261,742	81%	\$164,024	\$132,505	\$302,407	\$2,466	\$8,480	\$10,795	\$520,677	19%
Yr. 1 Qtr. 3	23,208	\$2,303,274	80%	\$154,467	\$167,985	\$213,103	\$2,666	\$15,508	\$13,160	\$566,890	20%
Yr. 1 Qtr. 4	23,600	\$2,287,918	80%	\$162,341	\$160,204	\$212,509	\$375	\$29,614	\$9,775	\$574,817	20%
Yr. 2 Qtr. 1	23,457	\$1,864,862	76%	\$135,089	\$204,328	\$223,966	\$4,191	\$28,144	\$5,064	\$601,363	24%
Yr. 2 Qtr. 2	22,779	\$1,780,188	72%	\$144,947	\$219,961	\$270,458	\$22,814	\$14,566	\$13,271	\$686,018	28%
Yr. 2 Qtr. 3	23,318	\$1,882,013	72%	\$170,432	\$222,252	\$287,681	\$22,246	\$14,686	\$15,374	\$743,671	28%
Total	158,756	\$14,888,118	78%	\$1,043,085	\$1,205,855	\$1,583,637	\$55,028	\$127,959	\$78,455	\$4,093,820	22%

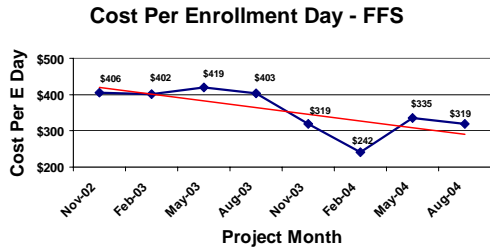
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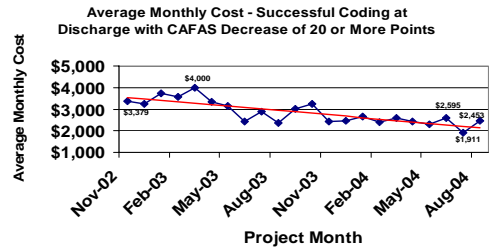
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CLINICAL AND FINANCIAL INTEGRATION



CONCLUDING REMARKS

- Positive downward trends in residential treatment utilization
- Shift in service expenditures by category type with project maturation
- Decreases in cost per E day for All Clients, Case Rate, and FFS enrollees

AREAS FOR ADDITIONAL STUDY

- **Service packages that are more likely to lead to positive treatment outcomes**
 - Vendors
 - Dosage
 - Package profile post step down
- **The relationship between efficacious treatment outcomes and cost**
- **Developing prediction models that include financial as well as clinical attributes**



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