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

BLENDED FUNDING

- 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

CLINICAL
FINANCIAL

No Margin... No Mission
Performance Indicator:
Decreased utilization of highly restrictive levels of care

FINANCIAL IMPACT

FINANCIAL IMPACT

FINANCIAL IMPACT
**FINANCIAL IMPACT**

**Cost Per Enrollment Day - FFS**

<table>
<thead>
<tr>
<th>Project Month</th>
<th>Cost Per E Day</th>
</tr>
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<tbody>
<tr>
<td>Nov-02</td>
<td>$406</td>
</tr>
<tr>
<td>Feb-03</td>
<td>$402</td>
</tr>
<tr>
<td>May-03-Aug-03</td>
<td>$419</td>
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<tr>
<td>Nov-03-Feb-04</td>
<td>$403</td>
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<tr>
<td>May-04-Aug-04</td>
<td>$319</td>
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**CLINICAL AND FINANCIAL INTEGRATION**

**Average Monthly Cost - Successful Coding at Discharge with CAFAS Decrease of 20 or More Points**

<table>
<thead>
<tr>
<th>Project Month</th>
<th>Average Monthly Cost</th>
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<tbody>
<tr>
<td>Nov-02</td>
<td>$2,453</td>
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<td>Feb-03</td>
<td>$1,911</td>
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<td>May-03-Aug-03</td>
<td>$2,595</td>
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<td>May-04-Aug-04</td>
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**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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