

**Behavioral Health Providers Struggle to Meet Business Imperatives in the Era of
Healthcare Reform**

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***Advocates for Human Potential, Inc. Releases Survey Results Revealing Gaps in
Business and Patient Management Capabilities.***

Advocates for Human Potential, Inc. (AHP) recently released initial results from its ongoing Readiness and Capabilities Assessment (RCA) survey, which reveal that behavioral health providers face significant capability gaps when it comes to healthcare reform.

The RCA measures and assesses a range of core capabilities required to achieve business and organizational success in an increasingly complex healthcare environment. The results reported here are based on data from approximately 35% of the nation's SUD providers across 42 states.

To date, the RCA has measured five core capabilities – General Management, Marketing, Information Technology and Data Management, Clinical Competencies and Practices, and Finance and Revenue Management – as well as participation in Provider Network Organizations (PNOs).

Most striking in the results is that 50% of respondents report their capability and readiness for transitioning to a new healthcare business environment as "limited" to "modest." And the same percentage (50%) indicates a need for technical assistance in four of the core capabilities (all but general management).

Equally striking is that among the most populous states, which account for over 50% of the population and a disproportionately large share of individuals with behavioral health needs, 46% of providers reported limited to modest capability and readiness.

Similarly, providers in Medicaid expansion states also report a limited to modest capability score (47%), while among the non-expansion states, 54% report themselves as limited in their ability to adapt to changes. Taken together, this indicates a substantial capabilities gap among behavioral health providers that requires attention and assistance.

"These results are very concerning, but not necessarily surprising, given the history of funding in

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the behavioral health field," said Neal Shifman, President and CEO of AHP, and key architect of the RCA. "The challenge is to identify areas of weakness and the steps we can take to address them. The RCA offers a jumping off point for associations and the providers they serve to quickly identify areas of need and pull in the resources needed to help providers maximize business opportunities."

The RCA results also point to a number of specific areas where providers are particularly vulnerable [i.e., ratings of no more than 2.5 on a 5-point Likert scale ranging from "Not at All (0)" to "A Very Great Extent (4)"] and for which they expressed a clear need for technical types of assistance.

These capabilities included:

- The ability to identify and understand new markets, market segments, payer sources, and partnership opportunities with new emerging entities, such as ACOs and Health Homes, and effectively manage the organization's brand and market messaging. For this capability, providers score 1.7.
- The availability of a robust and compliant EHR that effectively supports patient and performance management. Although a core operational requirement, providers scored just 2.5 on this capability.
- Expertise in managed care and experience with commercial payers is critically important in the new healthcare marketplace. Overall, providers generally lack this expertise, scoring just 2.2.

In addition, less than 15% of providers have experience with Provider Network Organizations (PNOs) for the purpose of benefiting from centralized or cooperative administrative, clinical, managed care, financial and/or technology functions. Given the increasing importance of PNOs, this indicates a formidable challenge to the provider community.

Originally developed in partnership with the State Associations of Addiction Services (SAAS), SAAS continues to support the survey and provide recommendations, guidance, and training to survey participants, which range from individual provider organizations to large statewide associations and provider networks.

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"In working with numerous state associations and hundreds of providers to understand their RCA results, we find that their needs range from basic market positioning to sophisticated development of new configurations for care delivery," says Becky Vaughn, CEO of SAAS. "Federal legislation is bringing significant changes and opportunities to funding and revenue channels in the field overall. There are excellent sources for technical assistance that providers can take advantage of, such as BH Business, funded by SAMHSA."

AHP created the RCA early in the healthcare reform movement, with the advent of the Mental Health Parity and Addiction Equity Act, recognizing the need to help behavioral health providers assess their capabilities and determine how ready they were for the evolving marketplace changes. As the Patient Protection and Affordable Care Act (PPACA) evolved, AHP has adapted the survey. Today, the RCA is a statistically validated online survey that provides a roadmap for building capability by identifying key business areas in need of improvement and determining the steps required to achieve necessary improvements. This can be accomplished at the provider level, as well as at the national, regional, and state levels.

This year, AHP released RCA Version 3.0, which adds significant enhancements. RCA 3.0 expands assessments to include providers of mental health and developmental disability services. RCA 3.0 also adds assessment of three new core capability areas: patient centered care practices and capabilities, care integration, and people management practices. AHP is currently expanding RCA deployment to statewide mental health associations and providers, as well as working with associations for developmental disabilities services.

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