This Business Plan for Lakeshore Regional Partners (LRP) cultivates the strategies of its Board to articulate organizational purpose, opportunities, threats, and goals crucial in moving the entity forward in achieving improved care consistency, efficiency, integration, and data analytics.
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Who We Are

Lakeshore Regional Partners (LRP) is the public behavioral health plan for people with mental illness, intellectual and/or developmental disability, and substance use disorders in Allegan, Kent, Lake, Mason, Muskegon, Oceana and Ottawa counties. As one of 10 Prepaid Inpatient Health Plans (PIHP) in Michigan, LRP manages the services provided under a contract with the State of Michigan’s Department of Community Health (MDCH) to residents in the region who have Medicaid and who are eligible for services as defined by the Michigan Mental Health Code. Lakeshore Regional Partners is a member-sponsored health plan comprised of the following Community Mental Health Services Programs:

- Allegan County Community Mental Health
- Muskegon Community Mental Health
- Network180 – serving individuals in Kent County
- Ottawa Community Mental Health
- West Michigan Community Mental Health – serving Lake, Mason, and Oceana counties

Each of these five CMHSPs in turn directly operates and/or subcontracts for the delivery of Medicaid-funded specialty behavioral health services. LRP is contractually required to effectively manage a provider network that is adequate to meet the behavioral health needs of the designated population within the funds available through a capitated, at-risk arrangement with the State. In addition, LRP became responsible for management of substance use disorder treatment and prevention services within the LRP region in October 2014. This includes responsibility for Medicaid funded, PA-2, MI Child and related Block Grant funding for substance use disorder treatment and prevention services within the region.

Lakeshore Regional Partners was created with a vision of promoting efficiency and effectiveness by jointly serving as the PIHP for this seven county region. Lakeshore Regional Partners builds upon and maximizes the unique strengths of the individual CMHSP member boards while supporting an essential standard for services. LRP also promotes performance that supports and advocates for and is informed by the needs of the individuals served across these seven counties.

Why Do We Exist?

Value of the Publicly-Managed System

Currently in Michigan, first opportunity for managing public behavioral health services is afforded to CMHSPs organized under the Urban Cooperation Act (UCA) or Regional Entities governed by the sponsoring Community Mental Health Services Programs (CMHSPs). These entities have the necessary expertise with the target populations and strong coordination linkages with other community agencies. CMHSPs control other resource streams (e.g., state funds); sustain local systems of care; have already made durable investments in specialized care management strategies and unique service/support arrangements; and have statutorily prescribed protection, equity and justice functions important to individuals, policymakers and Michigan’s citizens.¹
Efficiency, Accountability and Local Responsiveness
Per its Application for Participation for Pre-Paid Inpatient Health Plans, the Michigan Department of Community Health requires that “the new regional structure must consolidate authority and core functions, while simultaneously promoting local responsiveness”. This document also described the need for the new PIHP entities to “balance and obtain the best of both opposites: [local control/responsiveness] and regional [standards/consistency], while avoiding the limits of each”.

The Complexity of Individuals Served requires Coordinated Effort
The people served by the Public Behavioral Health system are highly complex. The plot below shows the number of providers who rendered services over the past two (2) years for current LRP beneficiaries, and the number of chronic conditions for which people received services.

Likewise, the number of persons served shared by LRP’s member CMHSPs and the Medicaid Health Plans in the region is also complicated as the diagram below demonstrates. The thickness of the connections corresponds to the number of shared individuals served.
Where Are We Going?

Currently in Michigan, public behavioral health is “carved out” of the Medicaid benefit via a financing model where a portion of the financing pool designated for specialty behavioral healthcare is separately managed by the 10 PIHPs. However, across the country, there is a significant shift toward more integration of Medicaid benefits (and populations) into managed care contracts and a decline in the use of traditional carve-out financing. New models of public-/private-blended funding, shared risk arrangements, and creative accountable systems of care are emerging nationally in an effort to achieve the triple aim of:

1) Improving the patient experience of care (including quality and satisfaction);
2) Improving the health of populations; and
3) Reducing the per capita cost of health care

There are also multiple pilot projects testing payment and service delivery that integrate behavioral healthcare into new managed care models. In Michigan, one such model is being piloted through the Dual Eligibles (Medicare/Medicaid) Demonstration Pilot, with a goal of reduced costs through greater coordination of care and improved quality and outcomes for Michigan’s most chronically ill population
and better-aligned incentives between physical health and behavioral health. National dialog and emphasis in Michigan appears to be consistently focused on the behavioral healthcare system having “skin in the game”. The expectation for behavioral health is on increased responsibility for collaborative care as well as shared risk for physical healthcare costs and outcomes above and beyond those of traditional behavioral health.

Michigan also continues to move forward on “Regional Prosperity Initiatives”, an effort designed to better coordinate service delivery and strengthen local economies through greater regional collaboration. Along with this, Michigan is in the process of articulating a State Innovation Model (SIM) for health system transformation designed to improve health outcomes and system performance, and to reduce costs. This plan includes innovative payment models to support wellness and ensure access to care that does not overburden the State economy.

All of these national and statewide trends point to the need for the current PIHP system to be an efficient, effective, nimble management entity capable of adjusting and prepared to respond to any of these emerging payment and delivery models.

**State Priorities**

The following MDCH 2015 Strategic Priorities speak to a significant role to play for PIHP/CMHSP partnership in meeting these state objectives.

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**Innovation & Efficiency**

- The Michigan Department of Community Health remains committed to strengthening current systems, addressing gaps between disciplines, and enrolling and educating residents in new options of care for Michigan
- Organize healthcare planning, systems and programs by [...] regions
- Support the development of Health Information Technology and Health Information Exchange efforts to improve communication, efficiency, customer experience, and health outcomes
- Streamline payment and reimbursement processes for all providers that focus on quality and outcomes, rather than quantity

**Consistency**

- Reduce disparities in health outcomes
- Enhance efforts to identify and improve early intervention mental health services, including autism, for children and youth
- Facilitate greater knowledge and understanding of behavioral health diseases and disorders

**Improved Care Coordination**

- Improve care coordination for individuals with high-frequency health care use for multiple chronic health conditions
- Support an integrated multidisciplinary delivery system with a focus on inter-professional, person-centered care
- Implement cross-system collaborative strategies to improve health outcomes from preconception through adolescence

**Data Analytics**

- Provide comprehensive population health monitoring
- Utilize measures and metrics to monitor progress, make decisions, and drive performance
- Measure outcomes for improved behavioral health across payer and managing systems
How do we Move Forward?
The following considerations must be at the forefront for those engaged in public system transformation today:

- **Demonstrate Value.** We must be able to demonstrate which functions of the public mental health system are valuable, and how this value can be preserved while piloting new payment models. LRP must be able to quantify the value of the administrative functions that it brings to its beneficiaries.

- **Political Will.** Nationally, states are progressively moving away from carve-out models. Voices across the political spectrum are increasingly advocating to combine “first dollar” payments to a single entity to achieve goals of integration and efficiency.

- **Integration = Simplification = Efficiency.** Consolidation of PIHP regions has set the stage for some administrative simplification. However, newly formed PIHPs will need to move aggressively to create efficiencies at a rate sufficient to counteract budget shortfalls and meet the needs of newly eligible Medicaid beneficiaries. Further complicating this internal work is the simultaneous need to reach externally and integrate services and care management with physical health providers and payers.

- **Competition sparks improvement.** Nationally, payment models are moving to emulate open market forces which incentivize outcomes and decrease per-person cost through value-based purchasing. Lakeshore Regional Partners must be positioned to compete in this environment.

- **Firewalls.** In addition to the concerns leveraged about administrative redundancy of the behavioral health carve out, there is increasing recognition that CMS may not renew future waivers if the function of payer is not clearly delineated from that of provider. The need for firewalls between assessment of need, authorization of services, delivery of those services, and oversight of service use has been repeatedly addressed during waiver renewals.

Opportunity for Lakeshore Regional Partners

**Collaboration and Partnership**
There is opportunity for Lakeshore Regional Partners to play a significant role in the emerging models of healthcare payment and delivery. The opportunity is for the LRP to be a leader in effective, affordable, accessible, and integrated, total-person care in our communities by being valued partners with each other and with other systems and payers. The CMHSP members of Lakeshore Regional Partners
demonstrated the ability to collaborate and partner during its formation, when they voluntarily joined together long before MDCH initiatives to create new regional entities were announced. Lakeshore Regional Partners must continue to come together around common objectives while recognizing the value and uniqueness of each of its partners. The collaborative partnerships forged within a public system create significant opportunity when leveraged against the competition in a private-care model.

Alignment
The LRP Board-approved strategic objectives are well-aligned with the public healthcare market and Michigan’s stated strategic priorities to the benefit of our unique populations. The public behavioral health system has a very positive track record of performance, cost containment, and low administrative rates – all aligned with state strategic priorities.

Accountability
In order to be an effective manager of resources and seen as a value-added partner, LRP must take the requirements for managed care entities very seriously. Our system can no longer be perceived as “capitated managed care” entity that is just a pass-through of dollars to service providers. The LRP is responsible for establishing and enforcing regional standards that support achieving the board-approved strategic objectives even when these standards challenge individual members.

The ability to manage these challenges while still achieving the objectives for the benefit of regional beneficiaries, citizens and communities is the ultimate test of success or failure. The first phase of this is ensuring comparability across the region, including, where necessary and possible, correcting historical inequities. Standards form the basis from which members can then continue to innovate and expand, sharing their knowledge and these opportunities across the region. This is supported by a regional and regionally-accountable management structure.

How LRP is Poised to Accomplish These Objectives
At its April 2014 Board meeting, Lakeshore Regional Partners agreed to the following strategic outcomes:

1) Consistent Essential Benefit/Standards for Services across the Region
Members of LRP have approved and demonstrated a commitment to common Service Selection Guidelines across its region. This direction was strongly supported as a benefit in consumer focus groups and would address a major systemic vulnerability by ensuring consistency for Medicaid beneficiaries, regardless of where they reside in the region or where they seek services.

This strategic outcome is operationalized through the following principles (from LRP Operating Agreement):

- **No Wrong Door.** Persons Served can be evaluated for eligibility and receive services anywhere in the region without concern for undesired local county differences in member structure, process or outcomes;
• **Uniform Benefit.** Persons Served will experience a consistent essential benefit for Medicaid Behavioral Health Services based upon uniform regional medical necessity, eligibility criteria, and a regionally implemented person centered planning process that honors consumer voice and choice;

• **Increased Choice.** Persons Served will benefit from increased choice of services, providers and methods by supporting the selection of services from anywhere by any suitable provider in the region;

2) **Efficiency**

Lakeshore Regional Partners defines efficiency as shifting the percentage of revenues that goes to service delivery from administrative expenses. This directly impacts consumers by increasing revenue to supports and services. This reinforces the need for consistent and accurate calculation of costs at all levels, local and regional and will require a baseline comparison. This also supports effectiveness. By promoting value and effectiveness at all levels, additional resources can be shifted to service delivery and innovation.

This strategic outcome is operationalized in the LRP region through the following:

• **Functional Consolidation of Administrative Activities.** The members of LRP agree to promote efficiency and effectiveness of all of the services provided and managed by LRP. Its members are committed to reviewing regional efforts with a goal of achieving, initially and overtime, the appropriate sharing of resources and expertise to so support efficient regionalization of administrative functions. These efficiencies will ultimately allow more resources to support local services for the individuals and communities served by Lakeshore Regional Partners.

3) **Integration of Care**

Integration of care, both in terms of Substance Use Disorder Services with Mental Health Services – as well as integration and coordination across physical and behavioral health – are major policy initiatives for Lakeshore Regional Partners. This directly impacts the quality and coordination of care for our beneficiaries and is a contractual requirement. This also builds upon our Coordinating Agency integration efforts and our Quality Assurance Performance Improvement Plans, enacting commitments made in the Operating Agreement as follows:

- **Integrated Behavioral Health Services.** Behavioral Health Services will include services for persons with developmental disabilities, adults with mental illness, children with emotional disturbance and persons with substance use disorders, with a goal being the full integration of these systems in accordance with applicable statute; and
- **Emphasis on Prevention, Wellness and Overall Health.** Services will focus on the mind, body and spirit of Persons Served, promoting coordination with physical healthcare and the formal and informal supports and services that create a whole life."
4) Data Analytics

Lakeshore Regional Partners must have the capacity to measure and respond to population health characteristics and risks. The achievement of this strategic objective represents a challenge that requires collaboration between the PIHP and its member CMHSPs. The region requires a solution that bridges both primary and behavioral healthcare on three requisite levels of analysis to better manage its served populations:

1. Care Coordination at the individual level. *(CMHSP/Primary and Behavioral Healthcare Providers)*
2. Utilization/Cost Management, Program Evaluation and Program Effectiveness Analysis at the program/service level. *(PIHP/CMHSP)*
3. Predictive Risk/Cost Analysis at the Population level. *(PIHP)*

Role of PIHP and Member CMHSPs in accomplishing this vision

LRP recognizes the tension in polarities between local control and the need to gain efficiencies across the region. The PIHP and the member CMHSPs have different roles and responsibilities to jointly accomplish this vision.

The PIHP maintains legal and contractual obligation for Medicaid services throughout the region, and for all BBA-required Managed Care Functions. While there is no deviation from the requirement to maintain oversight and monitoring, the regional entity has elected to delegate other key responsibilities to member CMHSPs to support its principle of “no wrong door” local access, and to retain clinical expertise within local communities. For engagement of these delegated activities, owner/member CMHSPs are fully acting in the interests of the region.

In addition, the CMHSP is vital in maintaining its linkages to the local community, while partnering with other intra-regional organizations to implement standards of care and treatment in the region that garner improvements in care delivery and outcomes.

Likewise, the LRP is compelled to ensure administrative, operational and logistical support to provide an adequate foundation from which to fulfill its oversight and monitoring obligation. The primary areas of responsibility for a Managed Care Entity as defined by the BBA and the contract with MDCH are as follows:

- Quality Assessment and Performance Improvement Program (QAPIP) Plan and Structure
- Performance Measurement
- Practice Guidelines
- Staff Qualifications
- Utilization Management
- Customer Services
- Enrollee Grievance Process
- Enrollee Rights and Protections
- Subcontracts and Delegation
- Provider Network
Resources Required to Accomplish the LRP Priorities

In order to effectively accomplish its plan and be prepared for the models of the future, the LRP must be adequately resourced to:

- Provide all requirements of retained/centralized obligations
- Provide oversight and monitoring of delegated/decentralized managed care functions
- Meet the strategic objectives of the organization

The following organizational chart provides a visual representation of the staff positions approved by the Lakeshore Regional Partners Board.
The following is additional detail about these positions and the position’s alignment with organizational priorities and managed care requirements:

<table>
<thead>
<tr>
<th>Position</th>
<th>Brief Description</th>
<th>Alignment with Strategic and Operational Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>Ensures that all PIHP functions are carried out in a manner that improves the lives of Medicaid funded individuals. The CEO serves as the spokesperson for the region and is the interface between the DCH and the CMHSPs of the LRP for all Medicaid-funded services.</td>
<td>The CEO promotes efficiency and effectiveness by providing leadership, facilitation, and stewardship of regional resources.</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Ensures that the financial systems of the regional entity are carried out in a manner that improves the lives of Medicaid-funded individuals living in the LRP area. Serves as the financial liaison for the region and is the interface between DCH and CMHSP's of the LRP for all Medicaid-funded and SUD services.</td>
<td>Ensures the accuracy, integrity, efficiency and effectiveness of PIHP financial systems</td>
</tr>
<tr>
<td>Chief Information Officer</td>
<td>Provides leadership and oversight of the PIHP information systems that supports core administrative activities. Is responsible for IT Security Officer.</td>
<td>Ensures the accuracy, integrity, efficiency, and effectiveness of the PIHP information system. Provides oversight and monitoring for UM and data analytics functions.</td>
</tr>
<tr>
<td>Chief Operations Officer</td>
<td>Provides leadership and oversight for operational areas of the organization including Quality Improvement, Network Management, Customer Services</td>
<td>Provides oversight and monitoring for key managed care functions. Focused on efficiencies and developing effective regional efforts to minimize duplication of services.</td>
</tr>
<tr>
<td>SUD Prevention and Treatment Coordinator</td>
<td>Provides leadership for program planning and system coordination for SUD services on behalf of the LRP, including overseeing regional SUD budgets, program services, and contract management directly or through LRP members.</td>
<td>Provides leadership and supports/directs regional and community-level service development efforts related to SUD services.</td>
</tr>
<tr>
<td>Position</td>
<td>Responsibilities</td>
<td>Additional Responsibilities</td>
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<tr>
<td>Utilization Management Coordinator</td>
<td>Responsible for developing, implementing and oversight of utilization activities for the PIHP.</td>
<td>Coordinates and administers the Utilization Management and Quality Improvement efforts to meet the PIHP’s strategic objectives.</td>
</tr>
<tr>
<td>Quality Coordinator</td>
<td>Primary responsibility for the ongoing development, implementation and monitoring of the Quality Assessment and Performance Improvement Plan (QAPIP) for the PIHP</td>
<td>Responsible for PIHP oversight and monitoring of functions related to Quality Management. This position may also provide other administrative services including serving as a resource to the regional entity related to data reporting, analysis, and compliance functions.</td>
</tr>
<tr>
<td>Waiver Coordinator</td>
<td>Manages the autism and habilitation supports waivers on behalf of the Lakeshore Regional Partners (LRP), including assuring coordination with member agencies and MDCH.</td>
<td>Responsible for assuring that available waivers are utilized, and assures that all requirements for the programs are met.</td>
</tr>
<tr>
<td>Accountant</td>
<td>Provides technical support and oversight for PIHP financial activities, including day-to-day accounting practices, management and reporting, budget, general accounting, billing, financial management, accuracy and distribution of Medicaid and SUD resources. Also provides oversight for Human Resources and Payroll functions for the LRP.</td>
<td>Supports administrative efficiencies Ensures adherence to Federal/State Regulations, support for annual audits and ensuring compliance with legal and contractual obligations</td>
</tr>
<tr>
<td>Network Administrator</td>
<td>Provides technical administration, security and integrity of the computer-based systems of the PIHP, including network design and administration to ensure the protection, performance and sustainability of network resources.</td>
<td>Responsible for meeting all federal requirements for secure information exchange and processing. Ensures system availability to allow the PIHP to meet administrative, operational, legislative and contractual obligations.</td>
</tr>
<tr>
<td>Database Administrator</td>
<td>Provides technical administration, security and integrity of the relational database management systems (RDBMS) of the PIHP, including the development, implementation and use of region-wide data extraction, transference and loading processes.</td>
<td>Provides support for health information exchange, data aggregation and reporting, foundational information for analytics and population health management, and compliance with legal and contractual obligations of a health plan.</td>
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</tbody>
</table>
Each of these positions is essential in fulfilling the organizational mission in concert with the strategic priorities and requirements described above. The LRP is responsible for developing operational plans that ensure that these goals are met while maintaining stewardship of regional resources.

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\(^i\) Michigan Department of Community Health Application for Participation For Specialty Prepaid Inpatient Health Plans, February 2013

\(^ii\) Region 3 Operating Agreement as approved in July 2013 by the LRP Board of Directors