



# Developing Financial Sustainability for Integrated Behavioral Health Practices

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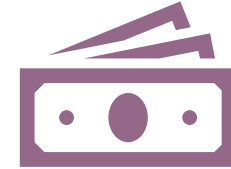
## Identify

Identify two to three essential strategies for successful fiscal sustainability strategic planning



## Identify and critique

Identify and critique healthcare financing and management techniques such as pro formas and ROI calculations

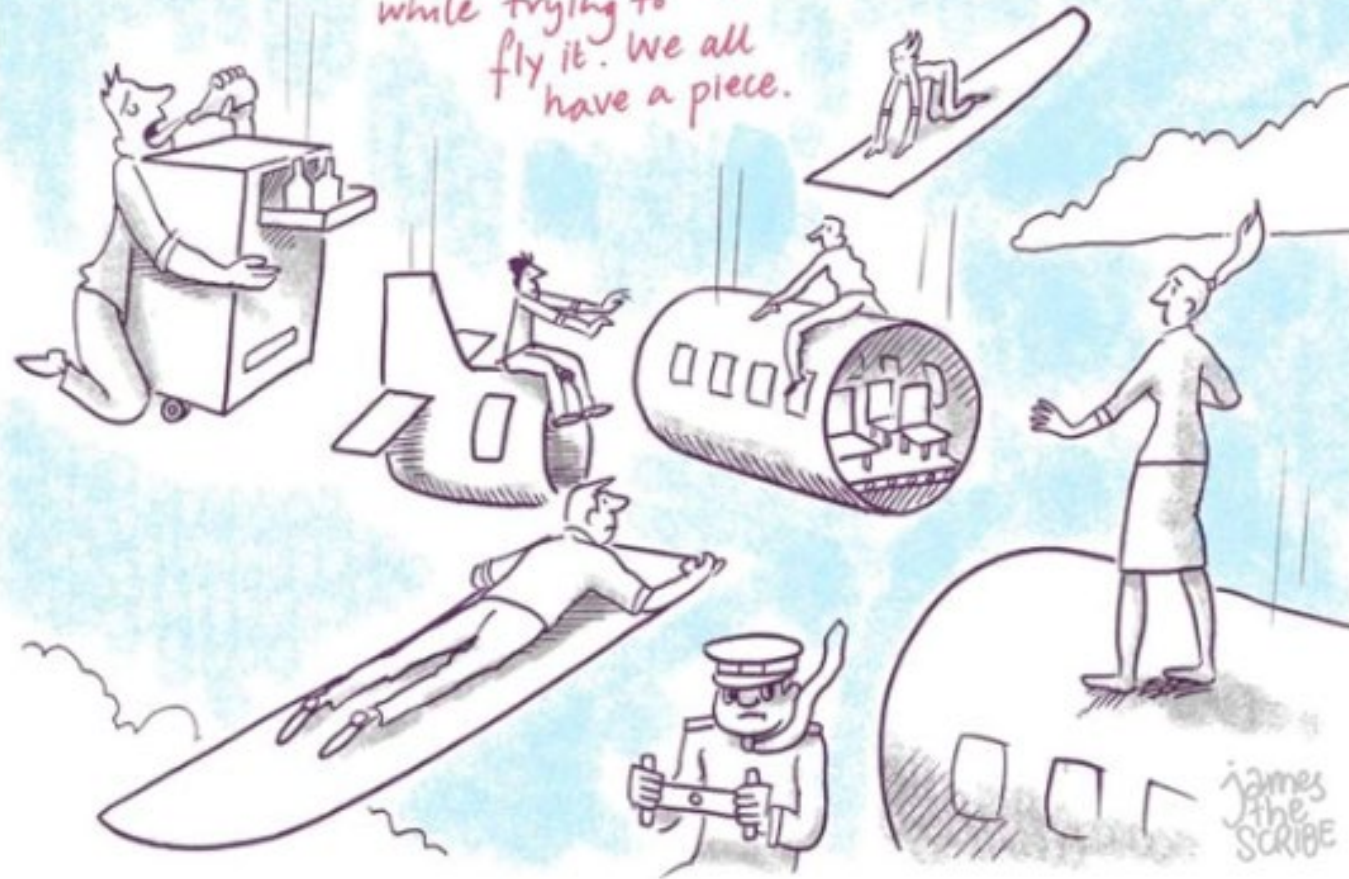


## Appraise and identify

Appraise and implement a specific simple ROI formula to design direct revenue return on investment calculations

# Learning Objectives

We are rebuilding the plane  
while trying to  
fly it. We all  
have a piece.







Visualize Your Services and Community Needs

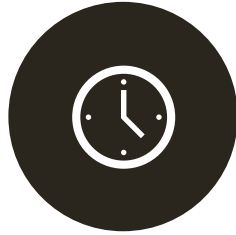
*Consider how you wish to  
demonstrate your business  
success aligned with your vision...*



\$

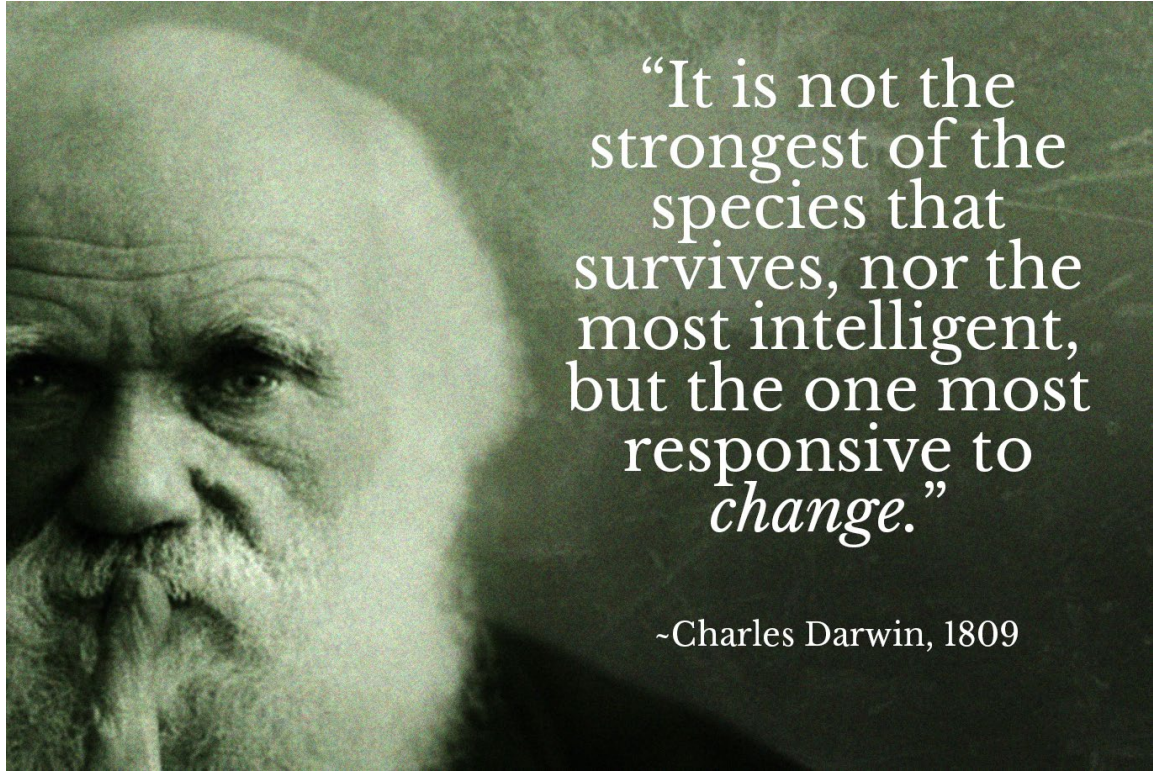


POPULATION  
HEALTH



TIME





# What is your model?

## How did you align it for sustainability?

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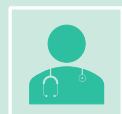
# Planning, Implementation, and Sustainability Core Elements



**Systematic and Operationalized  
(Hiring, Onboarding,  
Performance Reviews)**



**Employs Evidence-  
Based Practices**



**Promoting Change  
Across the System -  
from Community to  
Policy**



**Flexible; Ensuring  
Change Management  
(NIATx, Lean Mgmt.,  
PDSAs, Waste Walks)**



**Metrics and Data for  
Quality Improvement  
& Assurance (VBC,  
Outcomes)**



**Return on Investment  
Analysis: Monthly &  
Quarterly Monitoring**



# National Quality Strategy & Quintuple Aims

- Promote effective care management
- Make full care accessible
- Make care safer
- Promote community and population health
- Promote effective care coordination
- Team-based care
- Strengthen person and family engagement
- Equitable care





# Fiscal Sustainability *Preventing Fatal Events*



# Overcome Challenges

- **Provider Manuals/Call Your Payors/Negotiate**
- **Build Metric Monitoring (VBC, Performance, Metrics)**
  - **Be creative re worksites costs/needs**
- **Coders and Billers & Artificial Intelligence**
  - **Legislation**
  - **Grants, Endowments, Donations**
- **Collaborative Community Contracting**
- **Team Up with Community Partners & Other Entities**







## Fiscal Sustainability Tools



A collage of financial tools including a calculator, glasses, and a document with charts and tables. The calculator is a silver and black handheld device with a numeric keypad and function keys. The glasses are black-rimmed and positioned on the left. The document features a bar chart with blue bars, a pie chart with orange, blue, and grey segments, and two tables of monthly data. The entire scene is set against a light wood background.

# Fiscal Mission Statements

Helps you visualize and communicate your financial goals

Keeps you focused

Used for alignment and decision making

Provides a measuring tool for new goals

Describes your financial health and desired results

Aligns your organizational values with your fiscal values

# 5-STEPS to Sustainability:

## *Overcoming the Reimbursement Fiscal Sustainability Challenge!*



Institution Site License (*legalities*)



Site Type



Stakeholder & Payers



Workforce & Provider License Types



Service Delivery, Coding, Business Case

# Pro Forma

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A method of calculating current or projective fiscal results; describes a presentation of data, in financial terms, where the data reflect the world on an “as-if” basis.



*AKA: A process/method that allows you to calculate the value of current or anticipated roles or processes.*

*What does your pro  
forma reveal?*

**Your Program's /  
Provider's Financial  
Value & Performance  
Expectations**

**Remember to Monitor,  
Evaluate, Adopt,  
Adapt, Review for  
Future Planning**

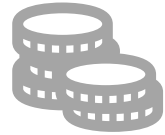
Pro forma





## **Costs** **Expenses**

Overall  
Personnel and  
Operational  
Costs



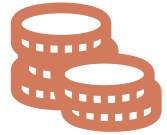
## **Direct** **Income**

Specific Coding  
and  
Reimbursement  
Amounts  
expected w  
Production



## **Performance &** **Value**

External  
Payments  
  
Metric  
Monitoring  
  
Internal  
Motivation



## **Return on** **Investment** **Analysis**

Direct Return  
Cost Savings

# Pro Forma Development: Understanding Value

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**Review Your Job Descriptions**

**Identify Data Points**

**Identify Performance Indicators**

**Use to Evaluate Expansion**

**Use to Monitor Change and  
Progress**

**Use to Create Dashboards**

**Productivity Considerations**

**Value in Comparison**

**Change Management**

**Growth**

**Quality Improvement**

**Justification**

**Access**



Integrated Behavioral Health Provider (IBHP) Pro Forma				
<b>Direct Revenue</b>				
Annual visits per BHP	2,750			
Reimbursable visits	75%			
	TOTAL	2,062.50		
Psychotherapy Code 90832	\$ 65.00	1600	\$	104,000.00
SBIRT/Brief Screening	\$ 25.00	545	\$	13,625.00
HBAI Code 96152	\$ 20.00	605	\$	12,100.00
Total Visits		2750	\$	129,725.00
		Total Visits Reimbursable	\$	97,293.75
<b>Indirect Revenue</b>				
Contribution	Amount	Frequency		
1. Group Visits Where PCP Bills [2 groups per year of PCP billing an extra 6 patients in an hour. Average PCP rate reimbursed \$95.00. IBHP contribution 50%.]	\$285.00	2		\$570.00
2. Identified Complexity to Increase PCP Billing [1xper month. Increased E&M level service code billing average \$30.00 increase. IBHP contribution 50%.]	\$15.00	12		\$180.00
		Total Contributions		\$750.00
Grants				
1. IBHP SAMHSA HRSA 5 Years (2018-2023) 25% Salary	\$20,000.00			
TOTAL	\$20,000.00			
		Total of All Revenue Generation:		\$118,043.75
<b>Costs/Expenses</b>				
Salary (1.0 FTE)	\$ 80,000.00			
Benefit 1 (health insurance)	\$ 20,000.00			
Benefit 2 (retirement)	\$ 6,000.00			
Benefit 3 (CME/CE)	\$ 500.00			
Benefit 4 (laptop)	\$ 500.00			
Benefit 5 (cell phone)	\$ 500.00			
Total compensation	\$ 107,500.00			
Coding & billing expense	\$ 3,000.00			
Materials/Books/Print/Tools	\$ 500.00			
Total other expenses	\$ 3,500.00			
		Total Costs/Expenses:	\$	111,000.00
		Team Member Total Revenue:	\$	118,043.75
		Team Member Total Costs/Expenses:	\$	111,000.00
		Team Member Total:	\$	7,043.75

# Pro Forma Example

## Direct Revenue

## Billing Codes

	Averaged Reimbursement Rate	Percent Number of Lives Served/Billed	
90833	\$56.25	50%	\$49,218.75
90836	\$71.25	50%	\$62,343.75
99212	\$50.00	40%	\$43,750.00
99201	\$67.50	50%	\$59,062.50
	\$0.00	0%	\$0.00
	\$0.00	0%	\$0.00
	\$0.00	0%	\$0.00
<b>Total Visits &amp; Direct Income</b>			<b>200% \$214,375.00</b>

Insurance	1. Medicare	2. BS/BC	3. Medicaid	4. Sliding Scale	Codes
Average:					
\$56.25	\$65.00	\$70.00	\$65.00	\$25.00	90833
\$71.25	\$88.00	\$80.00	\$82.00	\$35.00	90836
\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	99212
\$67.50	\$70.00	\$75.00	\$75.00	\$50.00	99201
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

## Indirect Revenue

Contribution	Additional Amount Collected	Number of People Per Year	
	\$0.00	0	\$0.00
	\$0.00	0.00	\$0.00
<b>TOTAL</b>			<b>\$0.00</b>

## Grants/Funding

Grant Name	\$0.00
Grant Name	\$0.00
Grant Name	\$0.00
TOTAL	\$0.00

Total of Indirect Revenue

\$0.00

Total of All Revenue Generation:

\$214,375.00

## Costs/Expenses

Salary & Benefits w Overhead Cost from Table	\$127,050.00
Rent	\$15,000.00
EHR	\$10,000.00
Billers/Coder	\$18,000.00
Office Staff	\$40,000.00
Other Expense	\$0.00
Other Expense	\$0.00
<b>Total Costs/Expenses:</b>	<b>\$210,050.00</b>

Position	Salary/FA Rate	Benefits/Costs**	CME	Total	Overhead* 5.00%	FTE	Total Cost / FA
Salary	\$90,000.00	\$30,000.00	\$1,000.00	\$121,000.00	\$6,050.00	1	\$127,050.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00
<b>Total:</b>						<b>1</b>	<b>\$127,050.00</b>

40 hours per week for full time

\* Add in any overhead or additional percentage of costs to cover items you are unaware of.

\*\*Benefits/Costs may include: SS, Medicare, FUTA, SUTA, Workers Comp., Insurance, Retirement, PTO, computer, items, and support.

Total Revenue:	\$214,375.00
Total Costs/Expenses:	\$210,050.00
Calculation of Revenue Total:	\$4,325.00



Pro Forma Worksheet

1. Role/Process: \_\_\_\_\_
2. Annual gain/income from individual/process (follow steps to calculate below)

a. Billable patients/services each day: # \_\_\_\_\_

b. Estimate number of patients/services reimbursed (not all visits are reimbursed): # \_\_\_\_\_

c. Daily revenue (calculate below)

Service codes	Revenue per code	# Patients/services per code	Total

Total daily revenue/gain = \$ \_\_\_\_\_

- d. Monthly revenue (calculate below)

# Days per month provider works x Total daily revenue/gain = \$ \_\_\_\_\_
- e. Annual revenue (calculate below)

Total monthly revenue x 12 = \$ \_\_\_\_\_

3. Estimate percent to be reimbursed (annual revenue x percentage): \$ \_\_\_\_\_

4. Indirect revenue (calculate below)

Indirect Revenue Name	Amount
Contribution 1:	
Contribution 2:	
Contribution 3:	
Grant 1:	

Pro Forma Worksheet



Direct  
Revenue

Costs

Indirect  
Revenue

Grants,  
Incentives

Pro Forma  
Development:  
What you  
need to know

# 1. Identify Revenue: Direct & Indirect

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Billable Reimbursement

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Other Income or Cost Savings

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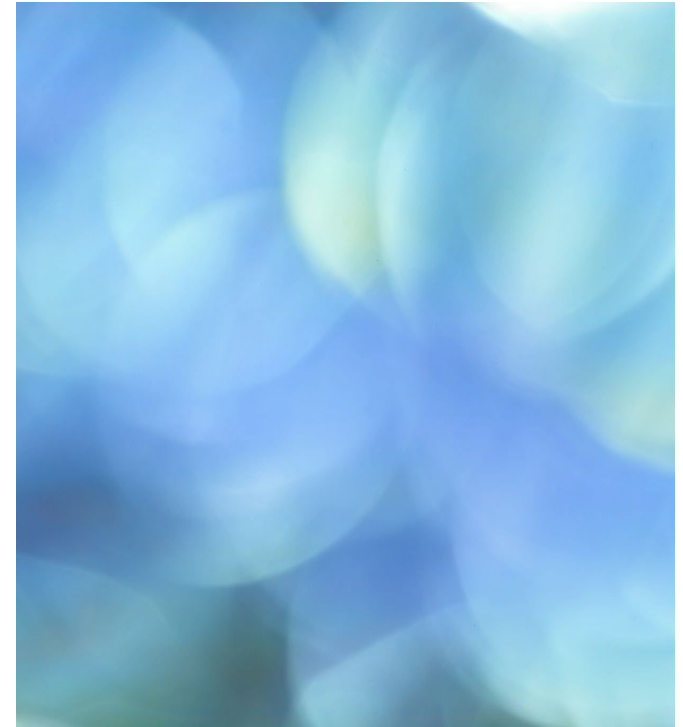
Grants or Other Business (Consultation,  
Education/Training)

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Value Based Care Incentives

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## 2. Identify IC Costs

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Salary (Bonus, Incentives, Continued Education, Planned Incremental Increases)

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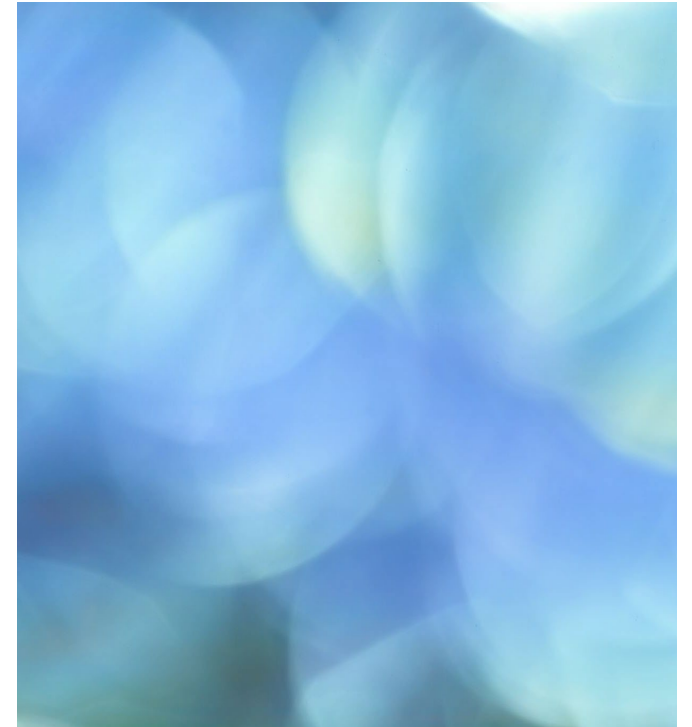
Benefits & Payroll Taxes (Health Insurance, Retirement Contributions, Payroll Taxes, Workers' Compensation Insurance, Disability & Life Insurance, Paid Time Off)

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Overhead & Indirect (Office Space & Utilities, Equipment & Supplies, Technology & IT Support, Training & Development, Recruiting & Hiring, HR & Payroll Administration, Employee Perks, Legal & Compliance Costs)

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Productivity Related (Turnover & Replacement, Absenteeism & Presenteeism)





# Calculate: Revenue (minus) Costs =

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## Revenue:

- Number of Days/Hours
- Number of Appointments / Service
- Codes Used & Reimbursement Values Average
- Average Amount Received per Month
- Cancellation and No Shows
- Other

## Costs:

- Salary
- Business
- Benefits & Payroll
- Travel
- Overhead
- Program
- Other



ROI analysis is a method / process that allows you to calculate the value of current or anticipated roles or processes



Direct ROI \$



Cost Savings ROI

# ROI analysis is important when...

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**Need to support or justify your own role on a team**

**Deciding whether to add or change a team member role**

**Considering a change in workflow or team process**

**Thinking about experimenting with a different practice model**

# Return on Investment (ROI): Direct ROI

A performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments.

ROI measures the amount of return on an investment relative to the investment's cost.

To calculate ROI, the benefit (or return) of an investment is divided by the cost of the investment, and the result is expressed as a percentage or a ratio.

$$\frac{\text{gain from person/program} - \text{cost of person/program}}{\text{cost of person/program}} \times 100 = \text{percent of ROI}$$

# Cost Savings (ROI)



A measure used to demonstrate fulfillment of the objectives of a service at a cost lower than the historical cost or the projected cost.



To calculate cost savings, the cost savings attributed to the program is divided by the standard cost of the services, and the result is expressed as a percentage or a ratio.

$$\frac{\text{cost savings}}{\text{standard cost of program}} \times 100 = \text{percent}$$



# Let's take ROI step by step...

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1. Select team member to do ROI with direct \$\$ (direct billing)

2. Calculate annual gain or income from an individual

- A. Determine the number of billable patients per day
- B. Calculate daily revenue generated (# billable patients x payment by code)
- C. Take daily revenue and calculate monthly revenue (based on the number of days the person works each month)
- D. Take monthly revenue and calculate annual revenue

Let's take ROI  
step by  
step...



3. Calculate cost for person/program



4. Calculate percent direct ROI \$



5. Review results and evaluate

$$\frac{\text{gain from person/program} - \text{cost of person/program}}{\text{cost of person/program}} \times 100 = \text{percent of ROI}$$

# Pro Forma & ROI EXAMPLE

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Service Codes	Revenue Per Code	# Pts Per Code/Service	Total

1. Title: Provider

2. Annual gain/income from individual/process

- Billable patients/services each day: **7 Average**
- Number of working days in 2025: **250**
- Average Rate Per Visit: **\$125**

3. Estimate reimbursement: **\$218,750**

Indirect Revenue	Amount
Contribution 1:	
Contribution 2:	
Grant 1:	
Grant 2:	

## Pro Forma Worksheet

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4. Indirect revenue: Consultation services  
\$10,000

5. Total Income:

$\$218,750 + \$10,000 = \$228,750$

6. Consider estimate number of patients/services NOT reimbursed (not all are reimbursed): **10% of Direct Revenue, \$21,875**

$\$228,750 - \$21,875 = \$206,875$

# Pro Forma Worksheet

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7. Estimate costs
  - A. Cost for provider (\$85,000 Salary)
  - B. Estimate other personnel expenses
8. Pro forma (total revenue – total costs)
9. Review results and evaluate
10. Complete Return on Investment Calculations





## Payroll Taxes (Mandatory Employer Contributions) – ~10%

- Social Security (6.2%) → \$5,270
- Medicare (1.45%) → \$1,233
- FUTA (0.6%-6%) → \$510 (average)
- SUTA (varies by state, ~2%) → \$1,700
- Workers' Compensation (0.5%-5%) → \$850 (estimated at 1%)

→ Total Payroll Taxes: ~\$9,500 (11%)

## 2. Health Insurance – ~12%

- Employer portion of health insurance: \$7,500–\$12,000

→ Estimated: ~\$10,200 (12%)

## 3. Retirement Contributions (401k, Pension) – ~5%

- Typical employer match: \$4,250 (5%)

## 4. Paid Time Off (Vacation, Sick Days, Holidays) – ~10%

- Cost of paid leave: \$8,500 (10%)

## 5. Other Benefits & Perks – ~5%

- Life & disability insurance, tuition reimbursement, commuter benefits: \$4,250 (5%)

## 4. TOTAL COST: \$121,700

(\$85,000 Salary plus costs)

# Pro Forma Worksheet

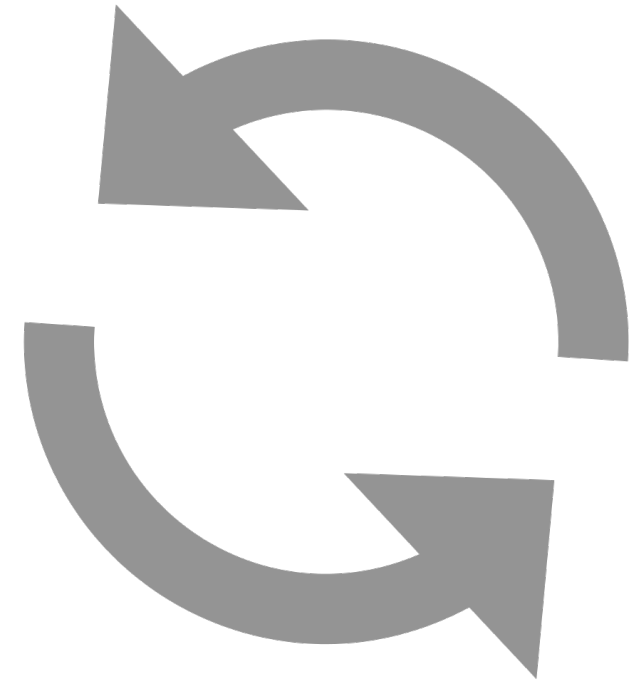
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7. Estimate costs: **\$121,700**

8. Pro forma (total revenue – total costs):  
**\$206,875 - \$121,700 = \$85,175 / \$121,700**

9. Review results and evaluate

10. Complete Return on Investment Calculations:  
69%, for every dollar spent an additional .69 cents is added!



$$\frac{\text{gain from person/program} - \text{cost of person/program}}{\text{cost of person/program}} \times 100 = \text{percent of ROI}$$

# Keeping Track of Finances & Waste

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Pro Forma Development

ROI Development

Balance Sheets

Profit Analysis

Costing

Risks and Returns

Financial Monitoring

Budgeting

PESTLE and SWOT



# \$ Questions to Ask Yourself

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**Patient Impact** – *How does this expense improve patient care, outcomes, or experience?*

**Financial Sustainability** – *Can I afford this now, and is it a necessary cost for my practice's growth?*

**Return on Investment (ROI)** – *Will this expense generate revenue, reduce other costs, or improve efficiency?*

**Reimbursement & Billing** – *Can I bill for this service or equipment? Will insurance cover it?*

**Legal & Compliance** – *Does this align with healthcare regulations, HIPAA, and state laws?*

**Alternatives** – *Is there a lower-cost or more efficient option that provides the same benefit?*

**Scalability** – *Will this still make sense financially as my practice grows?*

**Hidden Costs** – *Are there maintenance, training, or renewal fees that could add up over time?*

**Patient Volume Impact** – *Will this allow me to see more patients or improve my workflow?*

**Long-Term Benefit** – *Is this a short-term fix, or does it add lasting value to my practice?*

# Costs to Consider

## 1. Startup Costs (One-Time or Initial Investments)

These are the expenses you'll incur before opening your doors.

- **Business Formation & Legal Fees** – Business registration, LLC or PLLC setup, malpractice insurance, legal consultation (**\$500–\$5,000**)
- **Licensing & Credentialing** – NPI number, DEA registration, state licensure, credentialing with insurance payers (**\$500–\$2,000**)
- **EHR/Practice Management Software** – Electronic health records (EHR), billing, scheduling (**\$2,000–\$10,000 upfront or monthly fees**)
- **Office Space & Lease Costs** – Rent, security deposit, utilities, renovations (**\$1,500–\$10,000+ per month**)
- **Medical Equipment & Supplies** – Exam tables, instruments, computers, PPE (**\$5,000–\$50,000 depending on specialty**)
- **Marketing & Branding** – Website, business cards, logo, online advertising (**\$500–\$5,000**)

## 2. Ongoing Costs (Monthly/Annual Expenses)

Once your practice is up and running, you'll need to track recurring expenses.

- **Staff Salaries & Benefits** – Receptionist, medical assistants, billers, coders, or additional NPs/BH/others?

- **Malpractice & Business Insurance** – Liability coverage, general business insurance
- **Medical Billing & Coding Services** – In-house or outsourced billing (typically **4-10% of collections**)
- **Rent & Utilities** – Office space, electricity, internet, phone
- **EHR & Tech Costs** – Subscription fees for EHR, telehealth, and IT support
- **Supplies & Inventory** – Medications, gloves, syringes, testing kits
- **Marketing & Patient Acquisition** – SEO, social media ads, community outreach
- **Continuing Education & Memberships** – CME courses, AANP, state medical boards

## 3. Revenue & Profitability Considerations

Alongside costs, you should track:

- **Projected Patient Volume** – How many patients per day/week to break even?
- **Reimbursement Rates** – Common CPT codes billed, payer mix (Medicare, Medicaid, private insurance)
- **Break-Even Analysis** – How long until your practice becomes profitable?





Let's  
Review



# Return on Investment

A basic formula is:

$$\text{ROI} = \frac{\text{gain from program} - \text{cost of program}}{\text{cost of program}}$$

- This formula, however, only shows the dollars spent vs. dollars earned (and kept as profit) implications of a program. The money not spent (cost savings) is not included.



# Cost Savings

If you are not looking at reimbursable amounts or revenue, it may be more beneficial to complete ROI by showing the decision makers how your intervention will decrease over- utilization of healthcare services.

ED / Hospitalizations / PCP visits

Labs / Diagnostics / Treatments / Medications

For this, use your Cost Savings ROI:

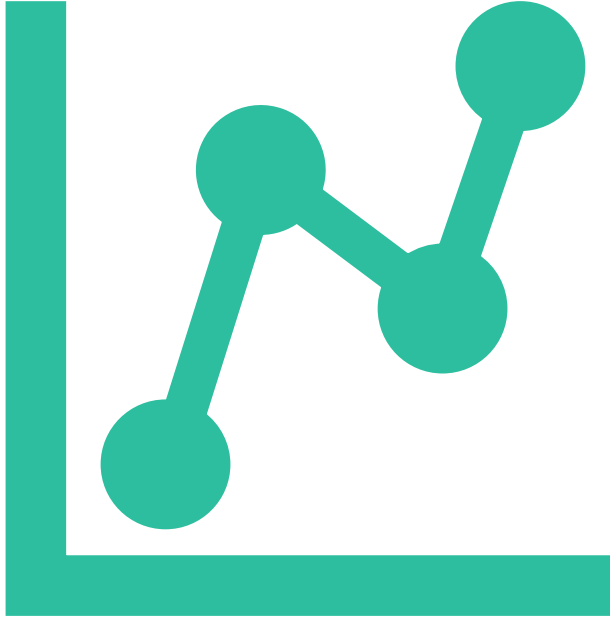
$$\text{ROI} = \frac{\text{cost savings attributed to program}}{\text{cost of program}}$$





Draw the Line...

Between the Pro Forma, ROI, and your Outcomes



# Outcomes

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TOOL: USING METRICS AND MEASURES TO  
DEMONSTRATE YOUR OUTCOMES

*WE ARE DATA DRIVEN PROFESSIONALS*



## Metrics/Measures



Financial Rewards



Align with your Mission Statement



Guide Performance



Certify Maintaining of Standards



# Metrics/Measures

National Quality Forum (NQF)

Qualified Clinical Data Registries (QCDR)

National Committee for Quality Assurance (NCQA) [PCMH/IC/HEDIS]

Healthcare Effectiveness Data and Information Set (HEDIS) measures

Quality and Performance Measures (QPM)

Uniform Data System (UDS)

CMS Part B Claims Measures

CAHPS, Merit Based Incentive Payment Systems

Joint Commission (JCAHO)

Agency for Healthcare Research and Quality (AHRQ)

Quality Payment Program (QPP) CMS

Physician Consortium for Performance Improvement

Specific Task Forces: Example: American College of Allergy, Asthma and Immunology (ACAAI), the American Academy of Allergy, Asthma and Immunology (AAAAI)]

PHM Clinical Indicators	Standardization	Model	Organizational
<ul style="list-style-type: none"> <li>• Mortality</li> <li>• Health status</li> <li>• Biometrics</li> <li>• Disease prevalence</li> <li>• Disability status</li> <li>• Health Maintenance</li> <li>• Health Assessments (screening tools)</li> <li>• ED visits</li> <li>• Re-admission</li> </ul>	<ul style="list-style-type: none"> <li>• HEDIS</li> <li>• MACRA</li> <li>• UDS / NQF / CMS</li> <li>• Annual QI Goals</li> <li>• RVUs/Productivity</li> <li>• Fiscal ROI</li> <li>• NCQA PCMH</li> <li>• QPP</li> <li>• QCDR</li> <li>• Cost of Care</li> </ul>	<ul style="list-style-type: none"> <li>• Length of visit</li> <li>• CPT coding</li> <li>• Insurance / coding requirements</li> <li>• Diagnosis coding</li> <li>• Visit type</li> <li>• Productivity</li> <li>• Huddles &amp; Communication</li> <li>• Documentation</li> <li>• Access to care</li> <li>• Team handoffs</li> <li>• Wait time</li> </ul>	<ul style="list-style-type: none"> <li>• Employee wellness</li> <li>• Job satisfaction</li> <li>• Employment sustainment</li> <li>• Satisfaction</li> </ul>

# Quality Measurement & Metrics

*THINK STRATIFICATION!*

# Structure Metrics with descriptions and timeframe

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Identified matches =  
contracted rate  
increases matching  
fee-for-service rate  
increase percentages

Numerator = Specific  
key performance  
identifier/outcome

Denominator = Specific  
population

Communication and Care Coordination: Counseling on psychosocial and pharmacologic treatment options for X

Numerator: Patients who were counseled on psychosocial AND pharmacologic treatment options for X within 12 months

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Denominator: All patients aged 18 and older with a diagnosis of X

\$ Fee for Service	Fee for Service – Link to Quality & Value	Fee for Service Architecture	Population Based Payment
No Link to Quality & Value	Foundational Payments for Infrastructure & Operations (care coordination)	Shared Savings (episode-based payments for procedures and comprehensive payments; incentives)	Condition Specific Population Based Payment (per member per month, payments for integrated care)
	Pay for Reporting (bonuses and penalties re reporting data)	Risk Based Payments Not Linked to Quality	Comprehensive Population Based Payment (global budgets- fixed \$, fixed time, fixed population)
	Pay for Performance (bonuses for quality performance)		Integrated Finance and Delivery System (global budgets- fixed \$, fixed time, fixed population in integrated systems)
			Capitated Payments Not Linked to Quality

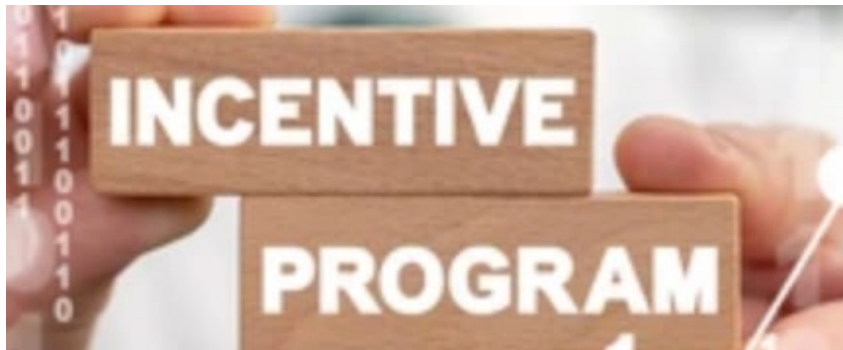
← Health Plan Risk

Framework

Provider Risk →

# Value Based Purchasing Foundational Tenants


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Financial  
incentives

Performance  
measures





# Performance measures

## Foundational Tenants

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Performance drivers

Standardized measures / Improvement activities

Flexible for program, scope, practice

High quality care / Improve patient outcomes

Cost effective care / Efficiency

Improve the experience of care / Patient engagement

Collaborative & purposeful patient engagement

Interoperability / Time cycle / Technology

Coordinated care (*shared care plans; planned care for chronic conditions and prevention; medical neighborhoods; registries*)

Health equity (*screenings*)



Financial  
incentives

# Foundational Tenants

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Pay for performance / Payment reform

Bundling

Transparent and effective payment methodologies

Risk management / Efficiency scores (*inpatient hospital, emergency room, medical imaging, pharmacy, laboratory, and specialists; patient risk flags*)

Cost savings (*drug utilization management, outpatient services, and the sickest members having a greater level of engagement with primary care*)

Financial adjustments (*cost and utilization, referral patterns, practice patterns, quality and total medical expenses*)

# Making it Meaningful

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- Create a VBP internal workgroup to determine QI/QA (PDSA cycles) and engagement plan for meaningful VBP.
- Consider a timeline which supports didactics, applied and reinforced learning (consider 12-24 mos. with repetitive learning cycles)
- Introduction to VBP
  - Models, participation, myths, facts, financial considerations, incentives, quality care, sustainability, whys and value in mission
- Overview of current status of organizations data outcomes
  - Equity, SDOH, satisfaction, finance, patient outcomes, population specific, access, team penetration, etc.
- Equity, Access, and SDOH
  - Current population needs, access, and ways integrated team-based care is an effective intervention
  - Review specific interventions, changes, challenges, and opportunities
- Risk Adjustment Factor scores (RAFs), Hierarchical Condition Category (HCC), and Specific Metrics
  - SDOH, access, population health stratification, and implications on health status
  - Intervention and documentation requirements, health plan, organization, and provider risks
- Referrals and Resources
  - Considering referrals, specific PH programs, payer support, and community collaboratives
  - Internal trainings for improved specialty screening, utilization
- Measuring Impact of Care
  - Translating data and mission and outcome driven care (don't lose the mission of our care and impact)
  - Risks and rewards (outcomes and financial implications)
- Advocacy (Workgroups, community relationships, and Legislation)
  - Developing community alignments, consider contract partnerships, join state and federal workgroups
  - Legislation advocacy to direct change, negotiation strategies



# Transparency Elements

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## Meaningfully

- Accessed
- Understood

## Utilized

- Healthcare managers
- Providers and team members
- Patients
- EHR, data specialists, billing/coding, QI/QA leaders
- Stakeholders



# Answer to Fiscal Sustainability

PLAN, ALIGN, DEMONSTRATE

# Expenses to Consider

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## Food & Meal Expenses (Tax Deductible)

The IRS allows you to deduct **50-100%** of business-related meal expenses:

- **50% Deductible:**

- Meals with **patients, business partners, employees, or vendors** (must be work-related).
- Meals during business travel (flights, conferences, networking).
- Meals provided at a seminar, training, or event.

- **100% Deductible:**

- **Office snacks and meals** for employees (coffee, water, catered lunches).
- Food provided at a **company-sponsored event** (e.g., health fairs, patient education events).
- Meals for staff working late or on-call.
- Holiday parties for employees.

## Marketing & Advertising Expenses (100% Deductible)

All business-related marketing expenses are **fully deductible**, including:

- **Online Advertising** – Facebook, Google Ads, Instagram promotions.
- **Website Costs** – Domain, hosting, website development.
- **Print Materials** – Business cards, brochures, flyers.
- **Billboards & Local Ads** – Newspaper, radio, TV spots.
- **Sponsorships & Events** – Health fairs, community sponsorships.
- **Promotional Materials** – Branded pens, tote bags, patient giveaways.



## Office & Facility Expenses

- **Rent or Lease Payments** – Office space, clinic lease
- **Utilities** – Electricity, water, internet, phone
- **Office Supplies** – Paper, pens, ink, postage, etc.
- **Cleaning & Maintenance** – Janitorial services, repairs

## Medical & Business Equipment

- **Medical Supplies** – PPE, syringes, gloves, bandages, medications
- **Equipment** – Exam tables, EKG machines, laptops, tablets
- **Depreciation** – Large equipment can be depreciated over time

## Employee & Staffing Costs

- **Salaries & Wages** – Employees, receptionists, medical assistants
- **Contractor Payments** – Independent billers, consultants (1099 workers)

- **Payroll Taxes** – Employer-paid Social Security, Medicare taxes

- **Health Insurance & Benefits** – Employer-sponsored plans, retirement plans

## Professional Services & Legal Fees

- **Medical Billing & Coding** – If outsourced
- **Legal & Accounting Fees** – CPA, business attorney
- **Malpractice Insurance** – Professional liability protection
- **Business Insurance** – General liability, property insurance

## Continuing Education & Memberships

- **CME Courses** – Conferences, online courses, required training
- **Professional Memberships** – AANP, AMA, state NP associations
- **Board Certification Fees** – Renewal fees for licensure

## Technology & Software

- **EHR & Practice Management Software** – Monthly fees for electronic medical records
- **Telehealth Services** – HIPAA-compliant platforms
- **Website & Marketing Tools** – Hosting, SEO, advertising, branding

## Marketing & Advertising

- **Social Media & Online Ads** – Facebook, Google, LinkedIn ads
- **Print Materials** – Business cards, brochures
- **Sponsorships & Community Outreach** – Health fairs, local sponsorships

## Travel & Transportation

- **Mileage** – Business-related travel (IRS standard mileage deduction)
- **Conferences & Meetings** – Flights, hotels, meals (50% deductible for meals)

- **Vehicle Expenses** – If used for business (gas, maintenance, insurance)

## Loan Interest & Bank Fees

- **Business Loan Interest** – Interest on startup or equipment loans
- **Credit Card Fees** – If used for business expenses
- **Merchant Processing Fees** – Payment processors (Square, Stripe)

## Miscellaneous Deductions

- **Home Office Deduction** – If working from home (based on % of home used for business)
- **Uniforms & Work Attire** – If required and not general clothing
- **Gifts (Business-Related)** – Up to \$25 per person per year



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Q&A Time!



THANK  
YOU

# Contact

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