Transitioning to Outcomes Oriented Service Delivery

August 11, 2017
• Provide an introduction to outcomes oriented service delivery

• Showcase examples of outcomes oriented mental health contracting

• Outline how outcomes oriented service delivery may help drive enhanced mental health outcomes in LA County
Third Sector is a non-profit advisory firm that partners with providers & governments to develop outcomes-oriented social service contracts.

Third Sector’s work across the United States

- **Consulting Engagements**
  - Community-level changes to improve societal outcomes

- **Outcomes Contracts in Development**
  - Actively negotiating outcomes-based contracts & building necessary systems

- **Launched Outcomes Contracts**
  - Self sustaining efforts with outcomes focused contracts tied to government end-payments

Since 2011, Third Sector has supported outcomes-oriented work in 40+ communities & driven over $100M in public funding to new outcomes-oriented social service contracts.
Traditional contracting models lead to one-way flows of information that inhibit the ability of providers and government to improve lives together.

**Traditional Social Sector Service Delivery Model**

- **Government**: Deployed in a prescriptive manner based on top-down priorities.
- **Services**: Delivered with limited visibility into whether intended outcomes are being achieved.
- **Data**: Gathered primarily for compliance purposes, in disconnected and non-uniform ways.
New performance feedback loops can align incentives to achieve better social outcomes

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**Potential Social Service Service Delivery Model**

**GOVERNMENT RESOURCES**

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**SERVICES**

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**DATA**

**Deployed to yield measurable outcomes**, with room for innovative solutions

**Delivered with visibility into indicators & outcomes**, enabling **dynamic adjustment** and **continuous improvement**

**Gathered to analyze trends, measure outcomes**, and identify areas of improvement and need

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**Information Flows**

Traditional  ---  -

Future  

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Data informed performance feedback loops support provider learnings and service improvements to measurably improve lives.
Paying for outcomes is part of a continuum of flexible contracting options for mental health services

**Mental Health Contracting Options: A Range of Possibilities**

- **Traditional Cost Reimbursement**
  - Case rate payments to cover mental health services costs

- **Payments for Outputs**
  - Payments to reduce the time between mental health service requests & treatment

- **Payments for Outcomes**
  - “Value Based Payments” to reduce utilization of inpatient & crisis levels of mental health care

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**Traditional Contracting**

**Outcomes Based Contracting**
So how do providers and government develop outcomes oriented contracts together?

Process and questions for developing outcomes-oriented contracts together

1. Understand the local landscape
   - Develop an understanding of what’s happening in the community:
     • Who is most in need & what negative life outcomes they face?
     • What existing services are provided?
     • What are the population & outcomes data tracking abilities?
     • What are the government & provider contracting priorities?

2. Develop a plan for future services
   - Develop a plan for outcomes-oriented services & contracting:
     • What life/social outcomes are sought?
     • What services are required to achieve outcomes?
     • How will services be contracted around outcomes?
     • How will new contracts incentivize providers?

3. Execute an outcomes-oriented contract
   - Develop & execute new outcomes-oriented contracts addressing:
     • Service design & budgets
     • Outcomes targets, values, & validation
     • County funding commitment & provider $ outcome incentives
     • Contracting mechanisms/features
In 2016, Santa Clara County executed an outcomes oriented mental health contract to serve those most in need

Santa Clara County’s Process

1. Understand the local Santa Clara landscape
   - Used data & local stakeholder interviews to understand:
     • The County’s mental health population needs & outcomes
     • Existing mental health services in Santa Clara County
     • County & service provider priorities/capabilities
   - Result: Mental health landscape analysis for Santa Clara County

2. Develop a plan to pilot new services
   - Facilitated the planning for new ACT-based mental health services:
     • Target population identification
     • Mental health outcomes prioritization
     • Service features to meet population outcomes
     • Draft budget & contract features
   - Result: Outcomes oriented mental health services contract RFP

3. Execute an outcomes oriented contact
   - Worked with the County & selected provider Telecare to refine:
     • Service design, enrollment, & budget
     • Outcomes targets, values, & validation
     • County funding commitment & provider $ outcome incentives
     • Contracting mechanisms
   - Result: Executed outcomes-focused contact in August 2016
Los Angeles County has been moving towards outcomes oriented contracting since 2014 and will soon execute its first contract with DHS.

- **June 2014**: Landscape Analysis (Part 1) - Explore how outcomes contracting could be operationalized across LA County.
- **Dec 2014**: Landscape Analysis (Part 2) - Explore populations to serve, outcomes to pursue, & services to provide.
- **Sept 2015**: Contract Execution - 5 year outcomes contract.

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A shift towards outcomes oriented contracting in LA County may benefit Providers, the County, and above all mental health populations in need.

1. Client centric approach
2. Focus on outcomes that drive “whole-person” social impact
3. Incentives for serving the most in need and achieving outcomes
4. On-going data feedback loop to assist Providers in achieving outcomes
5. County-Provider thought partnership on service delivery and outcomes
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