NWX-HHS-AOA-1

Moderator: Lauren Solkowski
January 29, 2014
12:00 pm CT

Coordinator: Welcome and thank you for standing by. At this time all participants' lines will remain on a listen-only mode. During the question-and-answer session, please press star 1 on your touch-tone telephone. You will be prompted to record your name in order to be introduced. To withdraw your request, you may press star 2.

Today's conference is being recorded. If you have any objections, you may disconnect at this time. I would like to turn the call over to Lauren Solkowski. You may begin.

Lauren Solkowski: Thank you (Sandy) and my apologies to everyone for the late start. We had a few technical difficulties with our presenters but I think we are all set so thank you everyone for joining us today. This is the ACL targeted technical assistance Webinar, network models for integrated care of partnerships.

On today's Webinar we will be hearing from the Ohio Association of Area Agencies on Aging and from Bay Aging on both of their experiences and lessons learned in developing network models.

So before we introduce our speakers, I have a few housekeeping announcements that I wanted to go through, first of which if you have not yet done so, if you could use the link included in your calendar appointment to get onto WebEx so that you can not only follow along with the slides as we go through them but that you can also ask your questions via the chat function.

If you don't have access to the link that we e-mailed you, you can also go to www.webex.com and click the attend a meeting button at the top of the page and then enter the meeting number which is 665094380 so that meeting number is 665094380.

If you continue to have problems getting on, you can also call WebEx technical support at 1-866-569-3239. That's 1-866-569-3239. As our operator had mentioned, all participants are in listen-only mode.

However, we do welcome your questions throughout the course of the Webinar and there are two ways that you can ask questions, the first of which using the chat function in WebEx. You can enter your questions and I will sort through them throughout the Webinar and we will answer them as best we can when we take breaks for questions after each speaker presentation.

And the second way to ask questions is through once the speakers wrap up, the operator will come on and give instructions on how to queue-up to ask your questions. Okay, if there are any questions that we don't get to throughout the Webinar, please feel free to e-mail them to me and I will be sure to follow-up with you following the Webinar.

My e-mail address is lauren.solkowski - that's L-A-U-R-E-N dot S as in Sam O-L-K-O-W-S-K-I at acl.hhs.gov and also as (Sandy) had mentioned, we are recording this Webinar. We will post the recording, the slides and the transcript of the Webinar on the ACL Website as well as on O4A's MLTSS network Website.

As you received in your calendar appointment for today's Webinar, the slides are currently available on O4A's site under the learning collaborative section. I will notify everyone once the slides, recording and transcripts are available on both sites.

So with that, I would like to introduce our first speaker who is Larke Recchie. Lark is the CEO of the Ohio Association of Area Agencies on Aging so thank you so much for joining us today Larke and I think I will turn it over to you.

Larke Recchie: Okay, thank you so much Lauren. I have a little bit of a challenge because I cannot see - for some reason I can't get onto the WebEx - so I'm going to instruct Lauren on changing the slides and hopefully we'll stay coordinated.

I was asked to talk about some of the approaches that Ohio has taken to try to address the changes in the Aging Network and the changes in the health and long-term care arena that are affecting triple-As so and specifically I'm going to focus on Ohio's triple-As development of a limited liability company which is called Direction Home.

So on the second slide I just gave a little bit about my background. I am currently and I'll talk about this more but acting as the CEO for both O4A and Direction Home. I've been a triple-A director. I've been in senior housing development and I also started my career in a nursing home and then did some work as a director of a small home care provider.

So on the next slide I will talk about what are the kind of things that I want to talk about in this whole presentation and what I hope you will learn which is why we did an LLC, you know, what is sort of background for that, structuring an LLC, what that means.

I want to spend some time on lessons learned because there are always many lessons learned when you're trying a new venture and also what we're identifying as current and potential business opportunities as we move into this sort of new way of doing business in Ohio.

So on the next slide as far as why Ohio's triple-As created an LLC is something not new to any of you in terms of we really saw a couple of years ago or longer, this whole shift in terms of it seemed to be more of a move towards managed long-term services and supports.

And I think most of you know that Ohio has operated the nursing facility - Medicaid nursing facility waiver - for 25 sometimes 25-plus years. It is statewide. It is operated by all of the triple-As so they all have that function.

In addition to that, many of them have built on with local property tax levies and of course all of them have older Americans Act dollars so they've kind of been coordinating all those roles.

But that traditional role as the waiver case management and administrators has changed and just a little side light there, we've always operated the waiver for individuals 60 and older and just recently the state has gone out to bid on the under-60 waiver and currently 9 of our 12 triple-As in Ohio are doing the under-60 waiver too.

There is a movement in our state to move to a single waiver where all waiver services for those over and under 60 that are physically disabled would be under one waiver but that's a couple of years away at least.

We recognize that businesses practices must evolve to stay relevant, that we couldn't continue to do things sort of as we've always done them because it didn't with the direction that seemed to be the national trend.

And as it turns out, Ohio really moved forward quickly with their dual-eligible demonstration project and that will begin here in Ohio - it's been delayed one more time - but it will start in May and will be phased-in to seven regions in our state and that are seven triple-As in those regions.

So we formed this at a time when we saw things changing and in fact things did start to change quickly in Ohio and we recognize that we needed to not only figure out how do we keep doing what we've been doing but also how do we create new business lines in order to stay relevant.

In addition to that, we have 12 triple-As that while they've been very congenial, they've worked together extremely well, they have their own separate identities, their own, you know, within their regions which is completely appropriate.

But we also saw that there was a way to kind of harness the power of, you know, and strengthen our brand by kind of joining together when it's appropriate and I'll talk a little bit about that too.

So the next slide is and I think it's always important to look at what are your core competencies or kind of recognize the skill base that you have as you look to develop any new enterprise or any new venture in that way.

So we looked at, you know, what is the power that exists in the triple-A network in Ohio that doesn't exist in the for-profit organization and some of those things include, you know, the community connection, the altruism which motivates community volunteers, it also motivates individuals who receive your service.

They have 40 years of a very successful history. They've built-up enormous good will. They have been extremely collaborative not only in their own regions with other entities but also among themselves in the state and there has been, you know, necessarily a great deal of transparency so these are all strengths that don't necessarily apply in a more of a for-profit-driven world.

So on the next slide I talk a little bit about, you know, with this move towards managed long-term services and support, what that means and when it comes to long-term services and support, really the triple-As are the system now and we operate - our waivers - have 35-36,000 people in them.

We've done a good job in cost containment. We've done a good job with balancing not as good as it could be in terms of the state hasn't done what they need to do in terms of, you know, closing down more nursing homes so there continue to be an ample supply of nursing homes which of course makes it even more difficult.

But that is something that the triple-As have the knowledge base. They are the experts. They're who everybody has turned to in the community so this is what the managed care companies were coming into Ohio to say oh well we can do that.

And let's see, in 2006 they first started regular Medicaid-managed care in Ohio and then that gradually was phased-in so we have regular Medicaid-managed care. We have a fair number of Advantage plans in Ohio and then of course we have these dual demonstrations that will be starting-up this year which we'll be managing and integrating the long-term services and support.

So while we recognize that what we're doing what the managed-care companies need to know how to do an (unintelligible) impediment to a managed-care maximizing their profit.

And that's why we're really focusing on trying to, you know, really maximize our ability - our role now - but also we've got to, you know, we have to show our stuff and we have to add value to the managed-care companies and that's one reason that we look to trying to find different ways for contracting.

And we also recognize that, you know, government doesn't always go back when a policy ends-up not being the right direction or if they do go back, it might take a long time.

So the next slide really talks to and I like to talk about this because I think sometimes we forget about and there's all people talk about the speed of business and all these things and sometimes we don't always fully appreciate what as governmental agencies or nonprofits what triple-As have kind of brought.

And I reference here a book about what (unintelligible) about morals (unintelligible). Bear with me, it may not sound totally relevant but it gets across the point things that they talk about in this - (Michael Sandal) does - is an experiment that was done in Switzerland where they were looking for communities to be able to have nuclear storage sites.

And when they polled the community, there was 60% approval for that but they decided well, that's not good enough. You know, we want higher approval than that so they changed it so that people would receive an incentive or get paid for that.

And when they did that and they polled again, what they found out was that approval went down for having those nuclear storage sites and the point of this is that when you appeal to people's altruism - you're a government agency or a nonprofit - a lot of times people with respond to that in terms of what they're willing to do as far as their own care plans or what the family's willing to kick in.

And it may not be the case if it is a for-profit managed-care company or what they see as a health insurance company or an HMO, they were like well they're giving you all that money, you should be always taking my mom to the doctor or whatever rather than necessarily pitching in.

So that's a little bit off track but I want to try to get the point across that you have to remember what you have - what you bring to the table - when you do work with managed-care companies so you can often call on people to contribute much more.

So the next slide talks about the kind of things and it sorts of mentions briefly but continuing to think where is our power? How do we harness that? How do we structure for that? How can we be innovative? How do we again collaborate to strengthen our brand so that we're even better known in a broader reach so also what are the different market arenas?

You know, many were used to working in their own regions and not necessarily thinking about contracting on a bigger level, focusing on interdisciplinary collaboration, looking at both private and public innovative funding streams and of course pricing for services is absolutely critical.

I know there are a lot of models out there, I know our Council of Aging a triple-A in Southwest Ohio has done workshops on this and also the (Scan) foundation has a really excellent I think price model so getting on the next slide about the structure of Direction Home limited liability company, we actually use the marketing firm to help us.

We started it up immediately and called it Care Connections LLC because it was just sort of a price-holder. We wanted to get it in place because we had an opportunity and then we had a marketing company who came in and helped us to develop a brand.

We haven't yet taken it to the next step to kind of figure out how to capitalize on that brand completely but we have the brand and we have the Website now which I'll give to you later on.

The limited liability company was started by the 12 triple-As and it is actually owned by the 12 triple-As. It is what we call a for-benefit organization which is a term of art. It's a for-profit that's driven by mission and not by profit and all the funds go to mission and I'll talk about that a little bit more as well.

So it operates as one entity selling statewide services of the triple-As or it can act as an entity selling services across multiple regions. That's another way you can do it.

If you look at the next slide, that's just a graphic depiction of the legal structure so the 12 triple-As are all members of our Ohio Association of Area Agencies on Aging and they're all owners of - they're equal owners - of the Direction Home LLC but I will talk in a little bit about how any profits from that LLC get distributed.

The next slide shows you a little about the management structure. As I mentioned I am currently operating as both the CEO of O4A as well as Direction Home and the next slide shows you our very small staff that we're operating with on the LLC.

So we have a COO who is also a chief policy officer for O4A and so it's like a job-shared position and then is the COO and also happens to be an attorney so does some in-house legal advice as far as helping when we're doing contracts.

We do have outside counsel but that is primarily though we try to keep our costs down by using (Beth) internally. Then we have a contracted more like a bookkeeper who helps keep the books as far as the contract where the funds come in to the LLC and then we disburse them to the triple-As depending on who's done the work for the managed-care company.

And then in addition to that we have a consultant who is a former Department of Aging, former head of the agency that ran Medicaid in the State Department. She's retired but she does help us in terms of strategy and also interfacing, you know, a lot of times when we go out.

We are contemplating right now adding a position probably on a consultant basis or maybe a success fee for marketing because we see that as something that we need to (unintelligible) right now so the next slide talks a little bit about that for-benefit company that I mentioned.

Any profit and there hasn't been profit at the LLC yet but any profit that would be generated at the LLC gets distributed according to the amount of work that was performed so it's not distributed equally to the owners. It is instead distributed according to who did the most work.

So if your triple-A does 20% of the work for a contract, you would get 20% of any profit that was retained or earned by the LLC and it is distributed to those triple-As. It is for mission-related activities so it is a non-taxable event at the triple-A and then the LLC also does not have to pay taxes because they distribute that.

We went with this particular way because we want and it's purposely acceptable if you wanted to do something like this to do it as a nonprofit so we are doing it this way. Maybe someday we'll have a nonprofit arm but we looked at different things in terms of, you know, the flexibility, we wanted to try to see what the flexibility of that for-benefit company would be.

So we looked at when we did this and let's go to the next slide, there's sort of three different ways that you can fashion the legal entities. We chose a limited liability company which can be both a for-profit or a nonprofit.

It's not a corporation. It's a type of company and it is a limited liability and that was another reason for forming the LLC, it does provide another layer of protection in terms of liability for the triple-As and it's more of an active partnership.

A limited partnership was not where we wanted to go with this because the limited partnership is more like a silent partner. It's more like what an investor would be. If you brought an investor in, they would be more of a limited partner.

And then there are some states that have L3Cs which are called low-profit limited liability companies. Ohio doesn't happen to be one of those but if you are one of those states and I don't know who all's on the call but there's, I don’t know, Louisiana, Maine, Michigan, North Carolina, Rhode Island, Utah, Vermont and Wyoming and maybe there are others now that do that.

But it is a way that it’s recognized by the IRS, it’s a way to be a profit entity but you can - it’s very favorable - from a taxation standpoint. Clearly you would need legal advice and legal counsel. I just wanted to give you what some of the possibilities are there for you.

(Unintelligible) slide is kind of how we saw, you know, where we’re looking in terms of focusing on contracts and collaborations. Some of these you recognize, you know, hospitals and physicians’ practices. Many of you are doing that, insurance companies, managed-care companies.

We’re doing our chronic disease self-management and some other programs with our statewide Ohio Public Employees Retirement System and we have been working really closely with our State Department with that but we have other retirement systems like State Teachers’ Retirement System and others that are kind of waiting to see how this goes with OPERS which is our Ohio Public Employee Retirement System.

And they currently they’re just reimbursing for some of the materials but they are putting into their 2015 budget a reimbursement which we are negotiating right now that would be somewhere in the range of $300 for completed 4A the chronic disease self-management.

The current contract that we’re working on is for traditional Medicaid. It is not for the dual project (unintelligible) provide care transitions work so that is one of the services that we see marketing and when I give you the link to our Website, we have a downloadable brochure on there too and you can kind of see some of the services that we have out there.

So in addition to these that I have listed, we're also particularly around chronic disease working with looking to work with large employers, with the Veterans Administration. We already have some triple-As doing that with rehabilitation and correction facilities, behavioral health and the developmentally disabled.

So we're looking to try to do more of that either on a regional basis with the triple-A or where it's - and this is where it comes in handy - where we need to go across regions or we want to do something statewide, we do have this ability to do that now with the LLC.

So the next slide I tried to list-out a few of the kind of lessons learned and one of the important things that our triple-As did was that they all pitched-in in the beginning so that there'd be a very small amount of capital to start off with and I think that's an important thing to do.

You have legal costs and marketing costs and insurance and, you know, our association of course we're sort of working at doing this but we needed to add staff. To do this we had to have the bookkeeping staff clearly and then we added the COO to help with the contract management and with some of the legal work.

So we had about $100,000 and that was contributed from the triple-As to begin so we started small and it takes a lot of work because a lot of the managed-care companies that you work with are big bureaucracies so you have to really keep working at it in terms of keeping things going but they like it because instead of having to have 12 separate contract, they work with us.

We work with the triple-As and it kind of streamlines for them and frankly the triple-As I think like that interface as well because when we didn't do it that way, what we found was that some managed care - the managed-care company people - would tell one triple-A one thing and then another, another so this was a way to make sure we were all getting the same message.

We've also found that while we have evidence-based practices, all the triple-As are trained in the (Coleman) care transition model some also in others. The managed-care companies really often want you to fit into their design.

So, you know, you can't do that with the Stanford program because of the fidelity of the program but, you know, we did find that our training was good but it wasn't necessarily - we couldn't say we're doing (Coleman) - because that's not what, you know, is tweaked by the managed-care company so it was something different.

Again product pricing is essential. We did renegotiate in our second year our rate because we didn't have that exactly right but we had some history to go on then and that really helped us to, you know, hone-in on what the right prices were. I would just say that, you know, I'm fortunate that my board if very willing to talk through tough issues and to really pitch-in.

They all saw this as, you know, we're in this together and we can make this successful. Everybody's busy but, you know, they have been able to put in energy to help keep the LLC as a viable alternative and friendly competition is okay but really that collegiality is something that's very, very important.

Another issue that I don't have on there that we're just looking at now is when we run into other entities that are maybe going to compete head-to-head to us, maybe there's ways that we can work with those competitors to not necessarily co-opt but, you know, to be able to kind of, you know, come up with a win-win solution.

So those are the kind of things that you - when you're faced with a situation you didn't necessarily expect - you want to try to be able to respond to that. The next slide is really just a slide I like to throw in because it's the virtuous cycle and I think it shows where you just have to keep innovating and the more success you have, the more resources you have.

You know, and we have often said if no profit, no mission. If we don't build-in enough profit to keep this going, we're not going to be able to continue to do the mission of the triple-As so the last slide gives you my contact information with my e-mail and my phone number.

I also direct you to we do have they are - I forget the term but they're kind of linked - our O4A site is called ohioaging.org and then you can go to directionhomeohio.org is the Website that talks specifically about Direction Home so Lauren that is really all I had for today and I'm happy to take questions whenever you want to do that.

Lauren Solkowski: Excellent, thank you so much Larke. That was super helpful and I think we will go ahead and open it up for questions now so (Sandy) if you could provide instructions for asking a question through the phone, that would be great.

Coordinator: Thank you. At this time if you would like to ask a question, please press star 1 on your touch-tone telephone. You will be prompted to record your name. Once again please press star and 1. Please standby for any questions.

Lauren Solkowski: Thanks and I currently am not showing any questions that have come in through chat. Oh here a question actually did just come in and it says Larke, how long did it take you to develop your legal structure?

Larke Recchie: It actually didn’t take too long and I have a little disclaimer here. My husband’s an attorney and has formed several LLCs so I really kind of look to him to provide that. He provided that pro bono for us so that was something that we did rather quickly and if we went the - where we didn’t go nonprofit - it does take longer now to get your nonprofit IRS status.

So we just decided to do the for-profit. As I mentioned, we might do the other. That would take a longer time for somebody so a couple of months. I mean, it really was the time it took for the board to sort of figure it out that they wanted to do it and then the actual formation was minimal, a month.

Lauren Solkowski: Okay. Another question on the chat. Now they’re coming in. Did each triple-A contribute the same amount of money or was it rated by the agency budget?

Larke Recchie: The way we do our dues structure, it’s rated by the agency budgets and what happened with this is I think people they just ended-up putting in $10,000 each. There were two entities because 10 or our 12 are not-for-profits and two of them are governmental entities. They could not contribute the $10,000. That’s where the collegiality goes in because if people just accepted that and everybody put in $10,000 that could but normally we do prorate it.

Lauren Solkowski: Okay, and one more question from the chat. Let’s see, I’ll try to go in order here. How did you get agencies within the LLC to deliver comparable services and be able to document that?

Larke Recchie: That's an excellent question and that is one that is requiring ongoing work. I think that was a challenge in the beginning. What we did and we've gotten even better at is, you know, saying to the contractor tell us exactly what you want and we have it now very specified in the contracts so they're following that.

And now that we have (Beth) as the COO, she has regular monthly calls plus everybody e-mails in and she e-mails out answers to everybody about any specific questions that they would have about the work that they're doing with - what they're doing - is they're seeing Medicaid high-risk Medicaid people when they get released from the hospital to help with care transition.

So and we are now working on - it's on our list and we have a committee - and they are working and we're working with Miami University scripts on this but we are starting what we're calling Case Management University where we want to have a vehicle for training online on specific things.

We don't have that up just yet but the contract we have, they did have to do a number of online trainings with that so that was another piece of it.

Lauren Solkowski: Okay, and (Sandy), we'll go to the lines. Are there any questions on the phone?

Coordinator: Yes, we do, one moment. Tom Earle, your line is open.

Tom Earle: Yes, I was curious. I'm from Philadelphia with Liberty Resources and part of the collaborative in Pennsylvania. What quality standards and metrics are you using within the LLC to ensure that the services are delivered in a uniform and high-quality manner?

Larke Recchie: So that is a little bit related to the last question and what we're doing is really we have made the guarantee to the managed-care company that we're contracting with, then we work with the individual triple-As in terms of making sure that basically our contracts with the triple-As mirror the contracts that we have with the managed-care company.

So any assurances that we're making with the managed-care company, we have contractually have those assurances with the triple-As and at this point we don't have any like formal monitoring that we do of them although the managed-care company will be doing some and they'll be going out to the triple-As as well.

So what we've done basically is more verbally having people report in on, you know, on the processes and, you know, any issues that arise for them.

Tom Earle: Thank you.

Larke Recchie: So the quality standards are the ones that are set by the contracts.

Lauren Solkowski: Are there other questions on the line? I think we have time we could do one more question?

Coordinator: I have one more question. Our next question is from (Mary Kay Shack). Your line is open.

(Mary Kay Shack): Great, thanks. Hi Larke and thanks for the great presentation. One of my questions was answers which was what happened to the I guess how did the two government triple-As in Ohio participate and I guess only 10 actually bought into the LLC.

But then whenever you're I guess dividing-up profit or there's a need for services in those areas, those two triple-As function as part of the LLC the same way the other 10 do where they would provide services and then they would also receive, you know, their payment based off of the percentage of the profit that was taken in by the LLC.

Larke Recchie: That's correct so they are members but they are not, you know, they're members but they were not able to make a contribution to an LLC. That was just something that they couldn't do as a governmental entity.

But if there are profits distributed which we hope that will be someday and one of those actually does a large amount of business - the one that's in Columbus in central Ohio - then what we'd have to do is setup a blind trust and the funds would go to that and again this is the kind of thing that you really have to bring an attorney in to talk about that but we do have a vehicle for how to do that.

Now the other piece of that that we've discussed is that because they didn't put in the $10,000 that maybe any profit distributed, they wouldn't get the first $10,000 that was owed to them, that that would either be retained by the LLC or distributed among the other triple-As. Does that answer your question?

(Mary Kay Shack): Yes it does, thank you and I actually just did have one more. The contract that I think you currently have for seeing the high-risk and Medicaid beneficiaries for the care transitions, that is just to clarify with a managed-care organization?

Larke Recchie: Yes, it's with Care Source which is I think they're in Michigan too but they're in Ohio and maybe a little bit in Indiana so they're regional. They are the largest Medicaid managed-care company in Ohio and they are a nonprofit.

(Mary Kay Shack): Okay, great, and as of right now, the LLC, you guys are not contracting with managed-care organizations for the duals demo?

Larke Recchie: Yes, the way we structured this is what happened in Ohio we kind of worked it out with the state after a lot of pressure that the triple-As would be included as what they're calling waiver-service coordinators and that all the managed-care companies in those seven regions of the duals demo in Ohio were required to contract with the triple-As for any waiver-service coordination for people over the age of 60.

And it's a little more elaborate than that but I don't want to go into it too much so since it was seven triple-As in the seven regions - seven of the 12 triple-As - the state drew the lines of those regions to match-up with the triple-A regions.

And so therefore we felt it didn't make sense for the LLC to get involved. It would be just a contract with the triple-A and the managed-care company directly. Now the only variation from that is that in Northeast Ohio, three triple-As have the same two managed-care companies that they're all dealing with.

So they are possibly going to form a little LLC to do that just, you know, as one entity. They haven't done it yet and I don't know where they are in that process but that's, you know, another way of kind of trying to do this over multiple regions.

(Mary Kay Shack): Great, makes sense, thank you very much.

Lauren Solkowski: Excellent, thank you so much Larke and that was a wonderful presentation and we actually received several questions that we are not going to get to at the moment but I wanted to let everyone know that I will follow-up with Larke following the Webinar and get answers to all your questions and share that with everyone.

So with that, I would like to introduce and welcome our second speaker who is Diana Giles. She is CFO of Bay Aging so thank you Diana and you are welcome to start.

Diana Giles: Thank you, Lauren. Good afternoon from Virginia. As Lauren explained, I am Diana Giles, Chief Financial Officer of a private, nonprofit triple-A Bay Aging. I am also the Chief Financial Officer for the Eastern Virginia Care Transition Partnership or as we call it, EVCTP. We are very excited to be included in this learning experience and so let's get started with the next slide.

The next slide is a little bit of detail of what our partnership consists of. Initially our partnership was formed as we applied to CMS for the care transition reimbursement.

We were fortunate enough to have been awarded and so we kicked-off our partnership by going out and attempting to interest health systems and have been fairly successful with that. Bay Aging previously was a direct service provider with an internal billing capacity and plenty of IT experience.

So part of getting our partnership built, it is a requirement and very, very important that you from the beginning define who your lead agency is going to be, define and detail who is going to be the fiscal intermediary and also IT is going to be a huge responsibility and you want to discuss that also looking at the additional cost to the entities that take-up these responsibilities and where the revenues will come from to cover these costs.

We have found that the health systems and the managed-care organizations have been at times and still are slow to see the value we bring to the table but slowly but surely we're seeing that change. Next slide, please.

One of the most important things that we did in our partnership was recognize how important the footprint or the area served is going to play as you work with these different partners beyond the triple-As.

It's very important to define this area, making sure to show the value of the size and mass that you cover both metropolitan and rural. This is really a big piece of folks understanding the impact that you can have.

This picture here we've used, it's been invaluable. We never would have thought of that as we put it together but it shows that we, you know, we can cover 20% of the State of Virginia on their behalf depending on their choices of services.

As we sold ourselves, we said we're the boots on the ground. We're established, we're ready. We have the reputation, we have the clients and other community-based relationships with many years of service experience and just as Larke has explained, this is a huge piece of what we do.

We do it well and we need folks to know that so again I would say that footprint is just very important and the partnership, building that footprint as big as you can is going to be much more acceptable and palatable to folks particularly when you're dealing with billing and reimbursements. Next slide, please.

From the start it is also very important to prepare the structure of your organization, the contractual agreements with business partners within your partnership and then of course there will be external partners that you'll have to be prepared to contract with also.

So as you can see, we are a partnership of four triple-As and with Bay Aging being the lead community-based organization. On the next slide we start, this is my definition of our resume or our presentation when we go out to talk to folks about what we're made up of and what we are able to do.

And in addition to as a partnership part of that is also defining the agency partners and the areas that they serve also so what you're going to see on the next two-three slides is defining the different areas, planning districts that each of the individual organizations serve.

It also details the different skills that the partners bring to the table and one of the things that we have to be aware of as we go into this is that we as triple-As are different. Some of us are private nonprofit. Some of us are government.

Some do direct services. Some contract their services out so it's very important that there's an understanding built - a very good understanding - between the partnership of the different parts that folks can play. Again Bay Aging is also the fiduciary agent and we are also the technology provider. I cannot express how important technology is a player in this partnership.

I mean, it's going to be a piece related to how you collect your data, how you store your data, how you protect your data. The support of the programs that are out there, the support to the billing processes and then of course being prepared for the cost of all of that.

The next slide is our second partner. They are Eastern Shore is actually an island off of our coast in the bay and although they are very small, they cover the entire area, have been doing it for years and we are very excited to have them with us. The next agency is Peninsula Agency on Aging.

Again we're defining the area that they serve and pointing-out their award of excellence in leadership and last but not least the Senior Services of Eastern Virginia. Again this is - they cover probably the largest population of our area - and again we're very happy to have them as one of our partners.

Next slide we start talking about the requirements of building the privacy, the confidentiality, the security. It's a requirement. It will be contractual requirements but the other thing is we also have to be ready and prepared to prove that we are capable of performing, protecting the information that is shared with us, that it will be securely stored.

One of the things you may need to consider is that there may need to be additional insurance coverage added for the exposure that is created by the agreements in regards to potential data breaches and of course HIPAA.

And again I will say that here again IT plays a huge piece in how you pull this all together and convince our partners that we can be put to the task and are able to perform. Again, the next slide builds a little bit of a diagram so that we can show to the folks and the different partners how we will manage and protect their data.

Access to their data is necessary. There is no way that we can succeed and perform without their access. This is one of those things that does take time and it has to be in some sort of a shared environment. Again, otherwise no success so this is again another valuable diagram showing to some extent how we go about handling the data.

The next slide we talk again back to we view this as a job interview. We need to come in and show our strengths, our stability, our financial stability, our longevity. We are very proud of our audits. We're very proud of the fact that in a combined manner, we handle $34 million.

We're very proud of the fact that our average indirect is 14%. We're very proud of the fact that we cover 6300 square miles, 26 cities and counties and with the population wave that is coming right at us, they need us. We are a very important part of pulling and serving our seniors.

The other thing that I thought was really important when we went to our job interview was that we also took our - each of us - took our annual reports and we put them together also so that again they can see the depth of the organizations that that's dealing with.

The one thing I will say here that is very, very important as we roll-out these services is a realization that in most cases these are going to be fee-for-service and reimbursements and most of the contracts are not always going to be 30-day reimbursements.

So cash flow and access to reserves is extremely important and has to be part of your business plan. Excuse me, I'm sorry. Again, our staffing capacity, 600 employees, $12.6 million payroll and 200 employees that work within the case management assessment staffing. Next slide.

A hundred and fifty-five years of experience. I know you all have that exact same thing. I mean, we've been out there both in the public and private sectors, 41 years of billing experience and reporting, maintaining quality records, being monitored on an annual basis and then we detailed our services.

A hundred and seventy adult daycare service clients with unlimited capacity. Again, another thing to show that's going to be very important is what is your capacity for the services that you're offering? Meals, hours of personal care, hours of respite care, transportation. All of these are services that the managed-care organizations are looking for.

On the next slide we talk about services available through our partnership. This is where we show what we've been doing and what we can continue to do but one important thing is is we do not want to include services that are losers.

We can't. We don't want to include services that we can't afford to provide. We must be prepared with understanding our cost-per-unit of service. We must be ready to negotiate both in a manner that keeps us in business but also in a manner of we can make this happen. We must move forward in a business manner with a business plan.

Just as Larke said, we have to realize that no margin, no mission and I think that the MCOs realize also that there has to be an ability to bring in a margin. Otherwise, I don't know, I mean, putting us out of business isn't going to be a successful event for them either so we really have to put all of those business plans together.

The next slide just is more detail in regards to the care transition and how we again utilize data like this to present to the hospitals in hopes of being able to have them become partners in regards to the care transition. Next slide talks about where we're headed no matter where it is or who you're talking to, results.

Results and outcomes, everything is about proof of the value of service and one of the ways that you can do that is either by looking at your past history to find if you really have piloted some projects or come out of the starting gates with a pilot so that you can show value to the products that you offer.

We have been doing veterans direct home and community-based services now for probably three years and we have not only been doing it in a manner of which that we can supply the companion or the aid but we also have been the financial management system to process payrolls for the veterans who decide to be client-directed.

This seems to be the way things are moving towards as far as the self-directed services and this may be one of the things you may want to consider is being the financial management system where you actually do - they hire, they're the employer - but they still need a third party to process the payrolls.

Next slide shows the details in regards to our collaboration and the care transition award, just gives you some ideas of how again to present yourself, create your resume and hopefully successfully build partnerships.

The final slide is just my contact information. Again we were very excited to be invited to share our experiences and our opportunities and that ends my presentation.

Lauren Solkowski: Thank you so much Diana. (Sandy), I think at this time we'll go ahead and open it up for questions if you could please provide instructions on asking a question on the phone.

Coordinator: Thank you. At this time if you would like to ask a question, please press star 1 on your touch-tone telephone. Please unmute your phone and record your name clearly so that you may be announced. Once again press star 1, unmute your phone and record your name.

Lauren Solkowski: So while we're waiting for the questions to come in, we did have a question come in via chat and the question is does Virginia have a statewide client data software provider that all the triple-As use and does that software have a billing module?

Diana Giles: Virginia uses PeerPlace and that is the statewide module. I don't know that I can answer the question in regards to its capacity for billing. At this time we do not use it for billing.

Lauren Solkowski: Okay. Let me see if there's any other. Okay, I don't see any other questions on the chat. One more item that I will share and this is sort of a logistical item, just that we are planning another Webinar in February.

So just to let everyone know, please watch your e-mail for more information about that date, time and other information so (Sandy) did we have any questions come in through the phone?

Coordinator: We do have a question. Before we take that question, once again just press star 1 on your touch-tone telephone and record your name. Our question comes from (Mary Kay Shack). Your line is open.

(Mary Kay Shack): Great. Hi Diana. Just a quick question about because you did mention how important the technology aspect was for, you know, collecting the data and then doing the billing.

So I guess, you know, my question was when you're, you know, gearing-up to contract or are contracting with, you know, managed-care organizations, how did you guys address that technology issue within your partnership and then I guess attached onto that is then how will the money flow throughout the partnership?

I understand that Bay Aging is the lead organization that would have the contract with the MCO and then how does the money flow from Bay Aging to the other triple-As? Is it similar like what they did in Ohio where like the percentage of work is the percentage of the profit that they get? How did you guys set that up in your collaboration?

Diana Giles: All right. As far as software in the MCO environment, it is looking like the MCO drives that piece and is allowing us access to their system and so at this point we are actually doing that just yet because as you know, ours hasn't rolled-out but that is the direction that we seem to be moving in.

In regards to the care transitions, the referrals come in to a single referral processing center and then is sent out to the specific agency that would serve that area so each of these are tracked by area and that the how far they get completed in regards to the care transitions process.

And if they are successful, then they are billed and the money is disbursed to the agency responsible for the success so that is a per-item reimbursement and that is how I foresee that the MCO process will be handled. Now there is an administrative fee to each of those transactions because Bay Aging is also responsible for the financial monitoring, the billing and the IT process.

(Mary Kay Shack): So the administrative fee goes to the triple-A that would be being paid?

Diana Giles: The administrative fee goes to the triple-A that provides the service or for if as in our particular partnership, Bay Aging is the one that is the lead organization. It is the IT support and the fiscal administrator so that administrative fee goes to Bay Aging.

(Mary Kay Shack): Okay, got it. Thank you.

Diana Giles: And the remainder of the fee goes to the organization that provided the service.

(Mary Kay Shack): Great, thanks.

Diana Giles: And that was something that we had to work out and agree upon within the partnership.

Coordinator: And at this time I am showing no further questions. Once again if you would like to ask a question, please press star 1 on your touch-tone telephone.

Lauren Solkowski: Thanks (Sandy) and I think we have a couple of more questions on the chat and I think this one would be applicable to both of you but it maybe was originally directed for Larke but so the question is have you had or do you expect to encounter issues with one triple-A saying that they contributed more to a project than another triple-A and therefore deserves or wants a greater portion of the earned income?

Larke Recchie: So this is Larke. Do you want me to answer that or...

Lauren Solkowski: Sure.

Larke Recchie: ...okay. Well right now with our contract the way it works is they bill on a CMS 1500 form and the LLC gets a percentage of that so they and payment the LLC makes directly to them based on those CMS 1500 forms which are if you don't know what those are, those are forms where managed-care companies or anybody would bill Medicaid through a CMS 1500 for an individual.

So the LLC retains a percentage. That percentage if we get to the point where that percentage actually is a profit so it covers more than the staffing needs that we have and any consultants and legal fees and all that, that's when we would distribute "profit" and from that we would use a formula that shows the amount of activity that's done.

So we would not really leave it up to chance to say well, you did more than you did. We have all the record of what they've done which we are keeping track of so we would know who has done more and who's done less.

Lauren Solkowski: Great. Diana, did you want to speak to that anyway or...

Diana Giles: I think Larke covered it.

Lauren Solkowski: ...okay, great. Let's see, here's another question and I think this would be for Larke. How do you measure revenue over expenses? Is that up to each triple-A or the LLC management team?

Larke Recchie: Revenue over expenses. Okay, so when we renegotiated our contract with the managed-care company, all the triple-As participated in the - we called it a price modeling group - so everybody came to - this was a little bit of an onerous task - but everybody came to, you know, an agreement about what the cost on this one.

We reduced the things that we do down to three billable events and everybody came to an agreement on that and then we take a different percentage depending on the billable event as the LLC and then they all got to check it out ahead of time, you know, whether that's going to cover their expenses and whether they can make a profit locally which they all computed that they would.

So you know, it's all based on the initial contract, making sure that you're covering for all the assumptions that could come up. Now the one assumption that we have problems with is volume because of course that's all controlled by the managed-care company.

They told us they would refer all of their high-risk case management people who have been discharged from the hospital and they haven't been - the numbers that we're getting - are not as high as what they had originally said when they did the estimates as we were doing our contract negotiations.

So that's a little bit of a concern but we're, you know, in the middle of a contract and it's building so we're hoping to get to the point where, you know, it will cover the cost so that's, you know, I think that answers the question if I understood the question correctly.

Lauren Solkowski: Okay, and a quick question for Larke. How long have you been an LLC or Direction Home has been an LLC?

Larke Recchie: We formed that rather quickly - the Care Connections - back in November of ’11 I think. We have done a name change to Direction Home.

Lauren Solkowski: Okay, and (Sandy) are you showing any further questions on the phone?

Coordinator: At this time I am showing no questions.

Lauren Solkowski: Okay, well I think I’m not seeing any other questions come through the chat so and we’re just about at the end of our time so I just wanted to thank both Larke and Diana for taking time and giving us such stimulating presentations today. They were wonderful.

Again if there are other questions as I mentioned that we didn’t get to today that you want to send to me, I will definitely follow-up with the presenters and get back to everyone and you can e-mail me your questions at lauren.solkowski, that’s S-O-L-K-O-W-S-K-I at acl.hhs.gov.

So I think that concludes our Webinar today. Thank you again to everyone and I hope that you have a great afternoon.

Coordinator: Thank you. That does conclude today’s conference call. Thank you for participating and you may disconnect your line at this time.

END