Building the Western New York Integrated Care Collaborative

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About the Network

The Western New York Integrated Care Collaborative (WNYICC) is a group of aging network providers who have been working together to make the most of emerging opportunities. It is composed of two county-based Area Agencies on Aging (AAAs), a local United Way, several nonprofit community-based organizations (CBOs) operating at the neighborhood (sub-county) level, and a small number of regional CBOs. Most have been a part of the Erie Niagara aging network for decades and provide core Older American Act services including case management, social adult day care, home-delivered meals, personal care services, and traditional senior center programs such as congregate meals. Although this group of providers believes they have a valuable role to play in turning the curve on healthcare and long term care spending, they recognize that there are considerable obstacles to participating in the evolving marketplace as stand-alone organizations.

Obstacles in New York State

Although the densely populated "Big Apple" usually comes to mind when people think of New York, much of the state is rural. It is made of small towns and a handful of mid-size cities dotting Interstate 90. Given its geography, the state has traditionally relied on county agencies for the delivery of aging and disability services, including both Older Americans Act services and Medicaid-funded long term services and supports (LTSS). These services have been delivered through networks of neighborhood-based CBOs in partnership with county governments.

Although county-level service delivery networks are still the norm and heavily relied upon in New York, emerging opportunities in the health

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and human services marketplace increasingly require greater geographic reach. Medicare Advantage plans, Medicaid Long Term Care plans, and New York's newly created Delivery System Reform Incentive Payment (DSRIP) Performing Provider Systems (PPS), are all responsible for health outcomes across multi-county regions and they need partners that can deliver services across those regions. Even state agencies, such as the NY State Department of Health and the NY State Office for the Aging, are increasingly opting to work with statewide and regional organizations rather than defaulting to traditional county-level partners. To appeal to both new buyers and traditional funders, aging and disability services providers must be able to offer programs and services that are consistently available throughout regional coverage areas. Limited geographic reach is quickly becoming the number one obstacle to working in the evolving healthcare marketplace. It can serve as an elimination factor for competing for new contracts.

Given the increased emphasis on regional service delivery systems, an integrated care network that brings agencies together from across Western New York can yield several benefits to traditional county-based AAAs and CBOs. The question has been how to proceed toward that end. To respond to immediate opportunities, WNYICC has been relying on its loosely affiliated structure. It has afforded WNYICC some success, including a five-year contract with the NY Department of Health to provide caregiver services to families affected by Alzheimer's Disease. However, securing

this contract was only possible because the funding opportunity allowed "a group of existing partners" to apply. That will not always be the case. To be well-positioned for future opportunities, a more formal network structure is needed.

Building an Integrated Care Network

Networks can be organized in several ways, and organizers must take community readiness into account if their efforts are going to be successful. With the assistance of the Health Foundation for Western and Central New York, WNYICC explored how integrated care networks can best be organized to meet both organizational needs and community readiness in western New York. After that work, WNYICC determined that there were three features we would need in an integrated care network—regional reach, low set-up and organizational costs, and the ability to evolve along with the work.

It was clear that integrated care networks can provide the geographic reach needed to apply for regional grants, seek accreditation for programs, and join Medicare Advantage provider networks. At the same time, we recognized that, while valuable, this initial work would need to be done on a shoestring budget so that partners have the ability to realize true gains from participation. Otherwise, individual providers may not see the value in the network and opt to "go it alone."

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Beyond cost and reach, it was also important to build a network that would eventually be able to offer a range of services to members to demonstrate and articulate their value to potential new partners, including those working under value-based payment systems, where patient outcomes matter most. As WNYICC progressed through the learning phase of its efforts, we took the opportunity to talk to others in the community who had done similar network building work among health care providers. Those conversations pointed to the success of employing incremental strategies to network development. For instance, a group of primary care providers known as the Safety Net Association of Primary Care Affiliated Providers of WNY (SNAPCAP) described their collaborative efforts—which spanned several years—as evolving from what organizers describe as a "coffee club" to a Limited Liability Corporation (LLC), before finally going on to become a 501(c)(3).

The question for WNYICC was how to go about doing that during several months rather than several years. Did we need a 501(c)(3) to reach our immediate goals, which would be a time-consuming undertaking, or could we set up a LLC, which can be done in as little as a couple of weeks? What were the responsibilities, obligations, and potential obstacles? And how would a proposed venture be met by the governance bodies of potential partners? It was clear that we wanted something expedient, and needed something that was relatively easy to understand for

both public sector principals, and nonprofit board members.

A Solution Made to Grow

To address these questions and concerns, WNYICC met with an attorney that assisted several local collaborations, including SNAPCAP, to form network organizations. The attorney presented several options along with their advantages and disadvantages, and there was one alternative that clearly met our needs—forming a taxable nonprofit corporation. A taxable nonprofit had several advantages over alternative arrangements for WNYICC. First, it passed the speed test. Taxable nonprofits can be established as quickly as an LLC, while providing many of the benefits of the 501(c)(3). Moreover, the statutory law concerning these legal structures is well-defined, and can be used in lieu of organizational by-laws. This allows the structure to be operational while by-laws are being created—a plus as the network negotiates the questions that will surface as it evolves from a loose coalition to one that is more fully integrated. Although taxable nonprofits have tax obligations, those can be expected to be minimal as long as incoming revenue is used to compensate member agencies for services performed, and fund balances are kept at a near break-even point. While all these features made the taxable nonprofit attractive, the deciding factor was its ability to be converted into a 501(c)(3) at a later date when needed. This option provides

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a legal vehicle for implementing a network quickly, while giving us the ability to modify the structure as we grow.

WNYICC worked with this attorney on securing a Certificate of Incorporation to communicate the value and appropriateness of the corporation to the governing bodies of partners. The attorney has also been able to point to similar efforts that have been undertaken in western New York by county public health departments and other public-

private partnerships that are underway in the health and behavioral health fields. Securing the right legal expertise has been pivotal, as has been taking the time to research and report on system constraints that a network can help alleviate. The combination has helped us to make the case that such a network will help fulfill the AAA mission of planning, coordinating, and expanding services for the elderly, and that similar strategies have worked elsewhere.

To learn more about business acumen and find tools to get started, visit the Aging and Disability Business Institute and the Disability Network Business Acumen Resource Center.

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