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WHITE PAPER

Strategic Health Program Integration through Econometrics and Systems Analysis

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Strategic Health Program Integration through Econometrics and Systems Analysis

State and Federal strategy and policy decisions would greatly benefit from systems analysis and econometric cost estimates to determine the impact of decisions before implementation of programs. CALIBRE supports customers with a program analysis and evaluation methodology that provides decision makers with a holistic landscape of their entire portfolio of programs. Combining Operations Research/Systems Analysis, Systems Integration techniques, econometrics, Lean Six Sigma methodologies and other tools, CALIBRE provides: a framework for identifying program gaps, overlaps, and duplications; a process for evaluating the effectiveness of programs; and a methodology for improving services while reducing costs.

For the past decade, the Department of Defense (DoD) and the Department of Veterans Affairs (VA) have reacted to multiple issues as an outcome of the conflicts in Iraq and Afghanistan. High on the list of issues are: an increase of Veterans with post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI); a surge of Wounded Warrior and disabled Veteran populations; a rise in sexual assaults and suicide rates. In every instance, after significant public events, DoD and VA have reacted by deploying and/or developing multiple initiatives and programs without the benefit of an integrated strategy or policy, established metrics for evaluation of program effectiveness, or performance-based oversight of scarce resources. Although well intended, the conventional method of rapidly implementing programs and initiatives occurs all too often without a deliberate integration and oversight plan resulting in significant resource inefficiencies. These inefficiencies include wide variations in access to and quality of services, a disjointed and confusing care continuum or process, and potential program gaps and overlaps. DoD and VA, both noted for strategic planning, have challenges integrating and aligning their strategies with programs and resources.

> Our innovative methodology establishes the baseline cost of programs, determines their potential efficiency, identifies best practices, and seeks alternatives to provide decision makers actionable recommendations to reduce cost and maintain services.

These same issues may appear outside DoD and VA as well – particularly as the Affordable Care Act (ACA) is implemented. One ACA-driven change is that mental health is now considered an essential benefit, creating parity between Mental Health Services (MHS) and physical health. Based upon the Government Accountability Office (GAO), in the state of Michigan only 12.4% of enrolled Medicaid beneficiaries were enrolled in benefit plans providing MHS compared to almost 93% in Colorado.[1] This variation is largely due to differences in whether mandated parity was required by the state for MHS – Michigan and Colorado apply parity differently. As the ACA takes effect, Mental Health (MH) will be an essential benefit and parity of MHS will increase beneficiaries for these services in states such as Michigan. While federal matching funds max cover the increased Medicaid expansion, states such as Michigan will clearly experience increased requirements for oversight and administration. States such as Colorado will likely experience marginal increases in federal funds and workload. The issue becomes more complicated with the start of 42 CFR Part 447, Medicaid Program; State Disproportionate Share Hospital Allotment Reductions. The ACA amends the statute to require aggregate reductions to state Medicaid Disproportionate Share Hospital (DSH) allotments on the assumption that the number of uninsured people will fall sharply beginning in 2014. The statute reforms an existing Medicaid payment program for hospitals which serve a disproportionate share of low income patients, and therefore, may have uncompensated care costs. Policies that change State and hospital budgets may result in administrative and business process challenges. Collectively, an implementation of Operations Research/Systems Analysis, Systems Integration techniques, econometrics, Lean Six Sigma methodologies and other tools can provide excellent insights to resolve these challenges before they become issues/problems.

For example, as DoD and VA have realized the issue of program variances, the dearth of quality metrics, and overall resource inefficiencies,

1. Government Accountability Office; Medicaid Managed Care: Use of Limited Benefit Plans to Provide Mental Health Services and Efforts to Coordinate Care; GAO-13-780, p. 19 (Washington, D.C.: September 2013.)

CALIBRE has been called upon to help. Our program evaluation team uses an innovative approach that combines various Operations Research/Systems Analysis, Systems Integration techniques, econometrics, Lean Six Sigma methodologies and other tools to provide decision makers a linked holistic landscape of their entire portfolio (Suicide Prevention, Resiliency, Wounded Warriors, Disability Evaluation Systems, etc.). This allows decision makers to identify activity gaps, overlaps, duplication, and effectiveness that maintain and improve services while reducing costs.

Through modeling of cost estimating relationships, econometrics, and root cause analysis coupled with desired outcome measures, our proven approach provides a systematic decomposition and then synthesis of an integrated implementation strategy. CALIBRE's innovative methodology seeks the baseline cost of programs, determines their potential efficiency, identifies best practices, and seeks alternatives to provide decision makers actionable recommendations to reduce cost and maintain services.

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Dr. Sundararaman is a Lean Six Sigma Black Belt and a PMI-certified public health physician with over 15 years' experience in health policy and management of public health projects. She attained her MPH in International Health Policy and Management at the Harvard School of Public Health. She is currently Deputy Director of Health Resource Analytics at CALIBRE Systems and supports access to and quality of care, strategic integration and evaluation efforts of DoD suicide prevention programs. Dr. Sundararaman has worked on Medicare, Medicaid (including evaluation of CHIP outreach efforts) with the Center for Medicare and Medicaid Services. Until 2010, Dr. Sundararaman worked for the Congressional Research Service as the public health expert. She supported Members of Congress in their deliberations on key legislative areas, including the 2010 health reform law, Patient Protection and Affordable Care Act. Dr. Sundararaman has experience managing a federally-funded national technical assistance center, providing oversight for staff and contracts. She is HIPAA certified and has worked on quality of care, electronic health records, charge capture, ICD-10 conversion and other health IT issues, conducted analyses of healthcare costs, and worked with managed care revenue systems in Massachusetts. She was part of a leadership team that planned and implemented a division-wide reorganization at the Massachusetts Department of Public Health. Her areas of expertise span behavioral health, healthcare quality and models of care delivery in domestic and international areas. She is a recipient of a fellowship from the American Schools of Public Health. She has experience conducting trainings and facilitating meetings across the country, has assisted over 35 states with their strategic planning process and with health systems transformation.