

Developing a Business Case for Social Determinants of Health

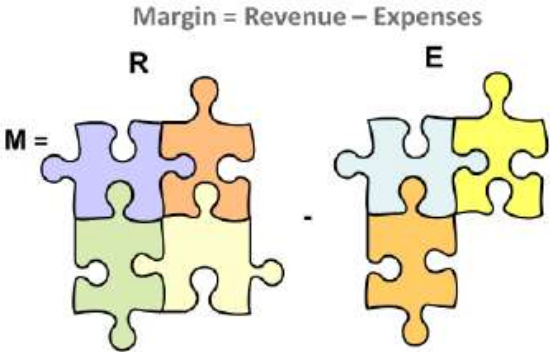
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The basic formula

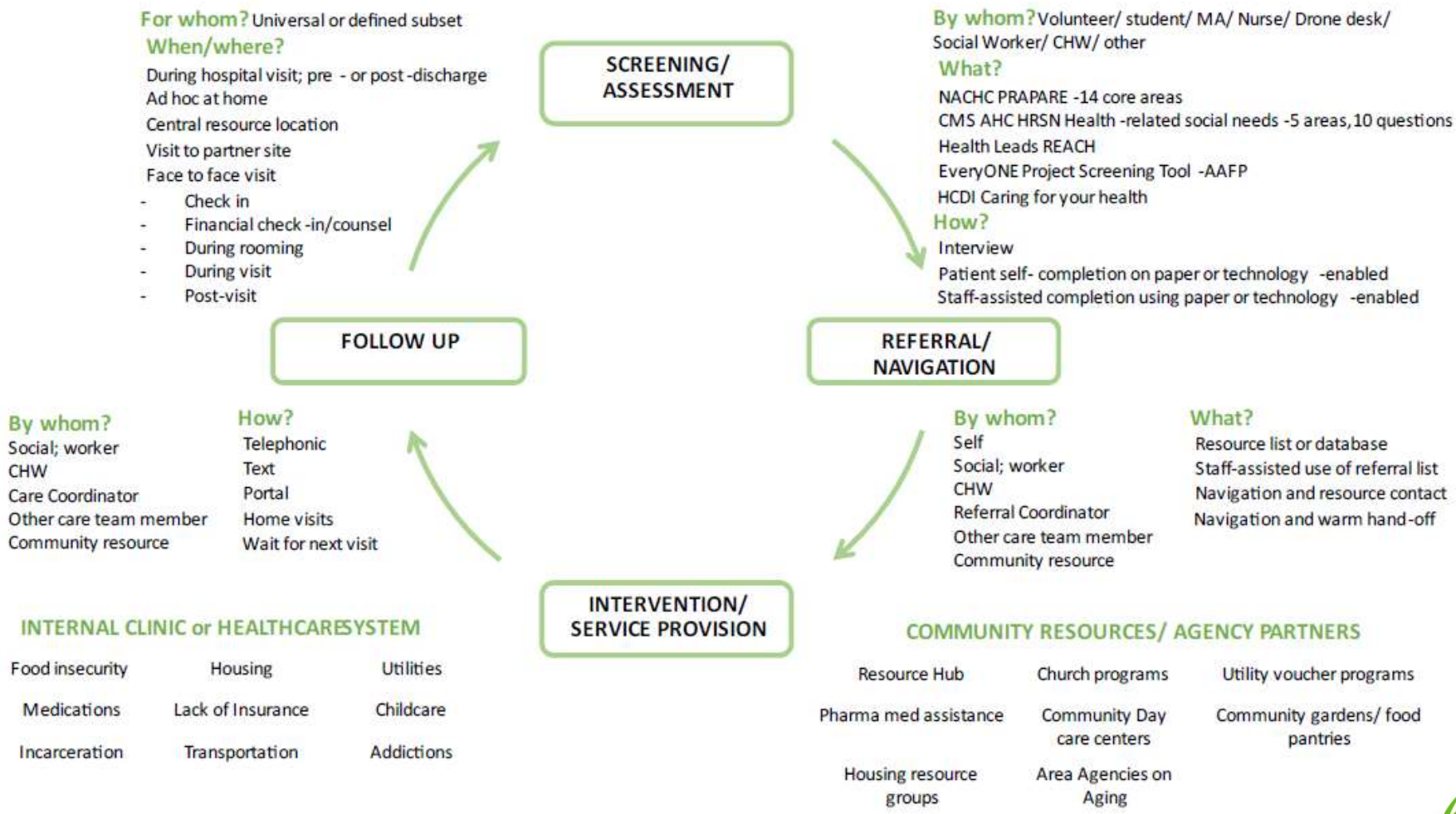
$$\text{Margin} = \text{Revenue} - \text{Expenses}$$



Key concepts

- There is not always a direct financial business case for a social determinant of health intervention- There are no magic bullets.
- Because there is no direct financial business case does not mean you should not be disciplined in your analysis.
- There are often hidden case, not self-evident that can lead to a business case.
- One needs to understand the “total cost of quality” to truly understand the business case.
- Contribution to the mission has value. The question becomes what is the tipping point for the organization.

PRIMARY CARE SOCIAL HEALTH INTEGRATION CYCLE



ORGANIZATIONAL COST ASSUMPTIONS						
Number of patients						
Total patient visits in one year						10000
Unique patients seen in one year						6000
Criteria for screening						
screen all patients seen who have no previous screen in the system in past 12months						
Total patients eligible for screening						5000
Total patients currently being screened						4500
% positive screen requiring referral						60%
						3600
% of + referral accepted						80%
						2880
% of referred offered a service						100%
						2880
% following up to complete the referred service						80%
						2304
Staffing						
	Avg hourly rate	Fringe %	Total hourly paid	Internal/ external	Minutes to complete	Cost per patient or month
Screen Staff type 1	\$ 19.23	25.0%	\$ 24.04	I	5	\$ 2.00
Referral staff type 1	\$ 31.25	25.0%	\$ 39.06	I	0	\$ -
Navigation staff type 1	\$ 31.25	25.0%	\$ 39.06	I	20	\$ 13.02
Follow-up staff type 1	\$ 19.23	25.0%	\$ 24.04	I	10	\$ 4.01
Monthly follow up data collection staff	\$ 19.23	25.0%	\$ 24.04	I	45	\$ 18.03
Monthly analysis staff	\$ 38.46	25.0%	\$ 48.08	I	60	\$ 48.08
Other direct costs per patient screened			Other direct costs per patient referred/navigated			
Other annual direct costs related to screening			Other annual direct costs related to referral/navigation			
supervisor MA	\$ 12,500.00		program supervisor			\$ 60,000.00
Other annual indirect costs related to screening			Other annual indirect costs related to referral/navigation			
Other annual direct costs related to patient follow up			Other annual direct costs related to data collection/ analysis			
			monthly staff costs(from above)			\$ 793.27
Other annual indirect costs related to patient follow up			Other annual indirect costs related to data collection/ analysis			

Consider value in multiple ways.

Business Case Lens	Key Questions
Impact on Clinical Outcomes/Quality	<ul style="list-style-type: none"> • What clinical outcomes would we expect our intervention to impact? • Is there a difference in the clinical outcomes of patients after receiving SDOH support?
Patient Experience	<ul style="list-style-type: none"> • Has implementation of your SDOH integration program had an impact on those receiving support that is different from either documented experience prior to implementation or the experience of patients not receiving the SDOH intervention?
Staff Experience	<ul style="list-style-type: none"> • Is the SDOH integration program having an impact on staff experience (joy in work)?
Productivity/Efficiency	<ul style="list-style-type: none"> • Is the SDOH integration program having an impact on care team productivity that results being able to see more patients? • Have no-shows been reduced? • Have internal clinic costs been reduced in any way?
Reduction in cost to those paying for care	<ul style="list-style-type: none"> • Has total cost of care been reduced for patients receiving a SDOH intervention---compared to before the intervention or compared to patients who did not receive the intervention? • Has any utilization been reduced for patients receiving a SDOH service as compared to before the program was in place or compared to patients not receiving the service? Consider rates of ED visits, inpatient admissions, outpatient visits.
Cost Avoidance	<ul style="list-style-type: none"> • For patients without insurance...are patients who receive a SDOH service experiencing fewer ER visits and readmissions?
Clinic Revenue	<ul style="list-style-type: none"> • Are there any impacts on clinic revenue that have resulted from implementation of the SDOH integration program? • Has the clinic added any new patients? Additional service-related fees been generated? (E.g., social work fees, CCM) Current incentive-based contracts that provide rewards for improved clinical outcomes or reduced utilization?
Other indicators of value	<ul style="list-style-type: none"> • Has the SDOH integration program had a positive impact on any partners or other parts of your larger organization (e.g., obtaining referrals, perceptions of collaboration, actual funding or revenue increases, meeting enrollment or volume requirements, contributing to organization community benefit accounting, etc.?). • Is the organization feeling a better sense of readiness for future value-based payment arrangements?

What matters to you?

What questions do you have?