

# Technical Assistance in Creating Agency Collaboration Plans

Prepared For



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November 16, 2010

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## I. Executive Summary

The Coalition of Behavioral Health Agencies, Inc., an advocacy organization in New York City, represents more than 100 non-profit community-based behavioral health agencies that comprehensively serve in excess of 350,000 clients. Coalition member agencies offer services that run the full continuum of behavioral health.

Recently awarded a grant from the New York State Health Foundation, for the “Surviving the Business Crisis & NYS Reforms: Reengineering the Business Model for NYC’s NFP Mental Health Clinics” project, the Coalition planned to explore the collaboration of member agencies. The Coalition proceeded with the end goal of preparing member agencies for future financial challenges due to changing Medicaid regulations.

*OPEN MINDS* was retained by the Coalition of Behavioral Health Agencies, Inc. to identify and rank potential areas of collaboration among Coalition members. Specifically, the *OPEN MINDS* team was asked to provide research and consultative services and to facilitate the following:

- Presentation on collaborative models and trends in the field
- Brainstorming workshop session facilitation

The *OPEN MINDS* team provided information on a variety of collaborative options, including but not limited to:

- o Mergers and acquisitions
- o Shared staff
- o Group purchasing organizations
- o Administrative Service Organization models

To do this, the *OPEN MINDS* team developed an information request list, comprised of items like organization charts, programs offered, existing areas of collaboration and financial data, for distribution to member agencies. After compiling the information submitted by the agencies, the *OPEN MINDS* team, along with the Coalition, organized an on-site planning meeting. The meeting, designed to create awareness, educate agencies about the benefits of collaborations, and generate dialogue, led to the identification of the top collaborative opportunities for the Coalition.

Following the on-site meeting, the *OPEN MINDS* team conducted research to assess the prioritized collaborative opportunities indicated by the Coalition. Additionally, the *OPEN MINDS* team performed a cost/benefit analysis to determine specific areas, in order of relevance, where collaboration may best serve member agencies.

Based on the results of the research and analysis, the *OPEN MINDS* team identified both immediate and long-term opportunities on savings.

The following recommendation addresses immediate savings:

1. Coalition members should join a group purchasing organization that is familiar with the non-profit sector and provides a group purchasing experience that saves members money. Membership in a purchasing collaboration will benefit Coalition agencies specifically in the areas of:
  - Food
  - Telephone
  - Other insurance
  - Office supplies
  - Information technology

As an alternative, agencies may decide to come together as group to purchase, but not to join a GPO.

The following are *OPEN MINDS*' recommendations addressing longer-term savings:

1. Coalition agencies should examine the possibility of jointly providing crisis intervention services.
2. Coalition agencies should explore the possibility of jointly purchasing new software.
3. Each agency should determine whether or not a merger or acquisition is part of its strategic plan.

## II. Methodology

The Coalition of Behavioral Health Agencies, Inc. (the Coalition), an advocacy organization in New York City, represents more than 100 non-profit community-based behavioral health agencies that comprehensively serve in excess of 350,000 clients. Coalition member agencies offer services that run the full continuum of behavioral health.

The Coalition was awarded a grant from the New York State Health Foundation, to fund a special project, “Surviving the Business Crisis & NYS Reforms: Reengineering the Business Model for NYC’s NFP Mental Health Clinics”. The project is meant to assist the Coalition in fundamentally reengineering the business model of small, community-based organizations that operate mental health clinics in New York City. With the goal of preserving the network of clinic programs, the Coalition plans to develop a sustainable business model that brings together vulnerable agencies as a collaborative group and prepares member agencies for financial challenges due to changing Medicaid regulations.

The *OPEN MINDS* team developed a comprehensive research methodology and approach to identify the top three areas of collaboration for the most vulnerable NY Coalition agencies.

To prepare for the initial on-site meeting, held September 27, the *OPEN MINDS* team created an information request list to be distributed by NY Coalition leadership to member agencies. The list included the following items:

- Organizational charts for each participating agency
- List of programs offered by each participating agency
- List of potential areas of collaboration already developed by either the Coalition or participating agencies (if applicable)
- Revenue and expense breakouts for each participating member agency, particularly for potential areas of collaboration

*OPEN MINDS* collected the information provided by the agencies and followed up with the agencies to ensure that the data was correct and comprehensive.

The initial on-site meeting was conducted on September 27 at the Coalition offices. The agenda for the day included an overview of national trends in behavioral healthcare by *OPEN MINDS* and a presentation on collaborative models. The *OPEN MINDS* team led a brainstorming session designed to generate dialogue among meeting attendees to identify opportunities for collaboration by the participating agencies.

The group identified the following potential areas of collaboration.

- Sharing of clinical staff (psychiatrists, bi-lingual, psychologists)
- Health insurance
- Human resources management
- Information technology management
- Facilities management
  - Maintenance
  - Cleaning
- Telephone
- Training
  - Clinical
  - Quality Improvement staff
  - Clinic restructuring
  - Compliance
  - Management
- On-site consultation
  - More in depth than standard training
- Sharing rental space
  - Space maximization
- Legal costs
- Marketing
  - Provider based strategy
  - Fundraising
  - Strategy to de-stigmatize mental illness
  - Sharing grant writers
    - Federal government likes collaborations who come together to maximize funding dollars
  - Collaterals (postcards, flyers etc)
- Crisis services in the evening
  - Part 599 (Clinic Treatment Programs) requires that clinic programs provide outreach to address the symptoms and adverse effects of mental illness at their earliest stages, to avoid mental health crises where possible, and to respond in a timely and effective manner to such crises when they occur.
  - Groups that supply these services may be good to approach as a larger collaboration
- Office supplies to buy as a group but exclusively giving the business to one store (ex. Staples)
- Information Technology (IT)
  - Hardware
  - Maintenance
  - Programs
  - Data storage
  - Website maintenance and design
  - Disaster recovery
  - Help desk support

- Shredding
- Document storage
- Janitorial supplies
- Food (residential programs)
- Utilities
- Vehicles
  - o Gasoline
  - o Repairs
  - o Maintenance
- Copiers etc.
- Retirement plans

The comprehensive list of opportunities identified was photocopied and distributed to attendees. A nominal voting process was used to determine which areas of collaboration were most important to attendees. Each attendee received ten votes to distribute among the opportunity areas. *OPEN MINDS* totaled the voting results and ranked the results in descending order.

<b>Collaboration Opportunity</b>	<b>Votes</b>
Health insurance	18
Office supplies	16
Sharing clinical staff (psychiatrists)	15
Training (restructuring)	9
IT hardware	8
Liability insurance	8
Training (clinical)	8
Training (compliance)	8
Janitorial supplies	7
Training (management)	7
Cleaning supplies	6
Legal	6
Grant writing (collaboration)	6
IT maintenance	5
IT programs	5
Food	5
Crisis services	5
Shredding	4
Document storage	4
Sharing clinical staff (bi-lingual)	4
HR	4
IT help desk	3
Data storage	3
Copiers etc.	3
Fundraising	3
Telephone	3
Facilities	3



IT web site	2
Disaster recovery	2
Utilities	2
Vehicles	2
Retirement Plans	2
Clinical training	2
Restructuring training	2
Sharing clinical staff (QI)	2
Sharing clinical staff (psychologists)	2
IT staff	1
Janitorial services	1
Space maximization	1
Consultation	1
Maintenance supplies	1
Office equipment	1
Office furniture	1

The *OPEN MINDS* team, after collecting the voting results, performed a cost analysis based upon the top thirteen choices. Each choice was considered in terms of total expenses, revenue and potential cost savings. The *OPEN MINDS* team followed up the analysis with a review of value-add capacity and ease of implementation of each opportunity.

### III. Estimated Costs and Benefits for Potential Areas of Collaboration

The *OPEN MINDS* team collected revenue and expense data from 12 participating agencies of the NY Coalition, including the NY Coalition. The data was collected to determine key expenses areas, the financial impact of those expenses, and in which areas collaboration may participating benefit agencies. *OPEN MINDS* compiled and reviewed the data for completeness, then followed-up with agencies to clarify any data inconsistencies.

#### A. Revenue and Expense Summary

*OPEN MINDS* focused the analysis initially on the 13 categories that the agencies identified as potential areas of collaboration at the September 27 meeting. At the request of the NY Coalition, *OPEN MINDS* removed health insurance from the list of items for collaboration. Janitorial supplies and cleaning supplies were merged into one category due to minimal data provided from respondents in the janitorial supplies category. Legal services and audit services were also combined into one category. The data was analyzed, by agency, and by the combined total of the 12 participating agencies, to highlight:

- Combined expenses for all 12 agencies
- Combined revenue for all 12 agencies
- Overall expense for each agency as an individual entity
- Overall revenue for each agency as an individual entity

The data revealed a range of revenue and expenses across agencies. Table 1 lists the major revenue categories for responding agencies.

- Revenue for individual agencies ranged from \$1.3 million - \$32.8 million
- Expenses for individual agencies ranged from \$1.3 million - \$32.7 million

The total revenue for agencies was \$110,343,344. Table One lists the total revenue sources for all agencies.

<b>Table One: NY Coalition Total Revenue Sources Across Agencies</b>	
<b>Revenue Sources</b>	<b>% of Total Revenue</b>
Medicaid (including COPS)	47%
Government contracts & grants	23%
Other	16%
3 <sup>rd</sup> party reimbursement & Self-Pay	6%
Other contracts & grants	4%
HRA/DASIS	4%

The total expenses for agencies were \$110,309,796. Top expense drivers ranged from 1% to 67% of total revenue. The Other category included items like utilities, travel, conferences and recruitment expense. Other insurance is comprised of property, liability and general insurance. Table Two lists major expense categories for responding agencies.

Table Two: NY Coalition Total Expense Sources Across Agencies	
Expense Sources	% of Total Expense
Salaries & Fringe benefits	67%
Other	14%
Rent	7%
Health insurance	5%
Food	1%
Telephone	1%
Office supplies	1%
Other insurance	1%

## B. Data Analysis and Review

*OPEN MINDS* performed a data analysis that included an assessment of expense categories for impact to individual agencies, and to the overall group. The analysis reviewed the following:

- Actual percentage of expense for each expense area as compared to the combined total expenses for all agencies
- Actual percentage of expense for each area as compared to the total expenses for each agency
- Average dollars spent by agencies in total for each expense category identified
- Average potential savings for each agency, assuming a 5%, 10% or 15% reduction in expense dollars

The *OPEN MINDS* team reviewed the analysis and determined that the largest expense categories were food, telephone, other insurance, office supplies and legal and audit services. The combined total for these key expenses areas was \$3,957,631 or 3.58% of the overall total expenses. The range of expense for participating agencies across the largest expense categories was .03% for legal and audit services to 5.16% spent on food. Food costs ranged from \$32 to \$390,407, the widest range of expenses for participating agencies.

*OPEN MINDS* identified the expense areas most costly to the agencies, as well as the areas initially identified by the agencies at the September 27 meeting, and ranked them in descending order, by expense impact, by dollar and percent of expense. Table Three lists the expenses for areas identified by the agencies, across participating agencies, by percentage. Table Four lists the expenses for areas identified by the agencies, across participating agencies, by dollar.

<b>Table Three: Expenses for Identified Areas Across Agencies: Percentage</b>				
<b>Expense Area of Potential Collaboration</b>	<b>Total Expenses for All Agencies</b>	<b>Percentage of Total Expenses for All Agencies</b>	<b>Range of Percentage of Expense per Agency</b>	<b>Average Percentage of Expense per Agency</b>
Food	\$1,049,177	.95%	.12% - 5.16%	.89%
Telephone	\$973,561	.88%	.42% - 1.44%	.81%
Other insurance	\$774,287	.70%	.24% - 1.77%	.79%
Office supplies	\$754,497	.68%	.19% - 3.18%	.77%
Legal & audit services	\$406,109	.37%	.03% - 1.28%	.42%
Training (general)	\$267,544	.24%	.02% - .63%	.19%
Cleaning/Janitorial supplies	\$258,456	.23%	.08% - .59%	.16%
Information technology	\$249,528	.23%	.05% - 1.58%	.33%
Training (restructuring)	\$33,805	.03%	Up to .45%	.04%
Grant writing services	\$10,625	.01%	Up to .23%	.02%
Training (management)	\$2,500	.00%	Up to .03%	.00%
Training (clinical)	\$1,000	.00%	.00%	.00%

Table Four: Dollars for Identified Areas Across Agencies: Dollars				
Expense Area of Potential Collaboration	Total Expenses for All Agencies	Percentage of Total Expenses for All Agencies	Range of Expenses per Agency	Average Expense per Agency
Food	\$1,049,177	.95%	\$32 - \$390,407	\$87,431
Telephone	\$973,561	.88%	\$5,559 - \$302,365	\$81,130
Other insurance	\$774,287	.70%	\$10,668 - \$133,767	\$64,524
Office supplies	\$754,497	.68%	\$2,690 - \$191,433	\$62,875
Legal & audit services	\$406,109	.37%	\$794 - \$102,367	\$33,842
Training (general)	\$267,544	.24%	\$1,766 - \$207,392	\$22,295
Cleaning/Janitorial supplies	\$258,456	.23%	\$1,143 - \$193,972	\$21,538
Information technology	\$249,528	.23%	\$2,221 - \$125,728	\$20,794
Training (restructuring)	\$33,805	.03%	Up to \$33,805	\$2,817
Grant writing services	\$10,625	.01%	Up to \$10,625	\$885
Training (management)	\$2,500	.00%	Up to \$2,500	\$208
Training (clinical)	\$1,000	.00%	Up to \$1,000	\$83

### C. Opportunities for Collaboration

The NY Coalition also asked the *OPEN MINDS* team to investigate the feasibility of participating agencies collaborating to purchase insurance (ex. liability, disability, workers' compensation).

*OPEN MINDS* reported that employers in NY State must provide disability insurance to employees. Employers are able to obtain insurance coverage through an insurance provider or become authorized to self-insure. The NY State Workers Compensation Board (WCB) defines self-insurance as an employer or group of employers assuming the liability for payment of workers compensation benefits to employees, including disability payments, by depositing securities or surety bonds in an amount required by the WCB.

Agencies have the option to purchase disability insurance or other insurance as a collaboration. *OPEN MINDS* identified disability, workers' compensation, property, liability, life, dental, and accidental death and dismemberment as areas of insurance where agencies may derive price advantages by seeking prices as a group, rather than as individual entities. *OPEN MINDS* located insurance companies in New York, including MetLife and Prudential Insurance that work with groups purchasing insurance.

*OPEN MINDS* identified group purchasing as a viable option for agencies to reduce cost. Collaborative purchasing brings separate organizations together to purchase as a

group. Group purchasing organizations (GPO), according to *OPEN MINDS* research, have a long history of working with organizations to reduce cost. The first GPO began in 1910; today more than 600 GPOs operate in the United States. Research also indicated that 98% of hospitals use GPOs to handle their purchasing needs.

Purchasing through a GPO typically generates significant savings for members. The combined size of the purchasing group increases buying power and allows the group to negotiate more competitive, national vendor contracts. Actual savings vary according to existing pricing deals that agencies may have in place already with current vendors. Funding for GPOs comes from either membership fees or administrative fees paid by vendors, although many GPOs offer free membership.

Typically, non-profits that purchase goods independent of a GPO spend substantially more for products and services than they would otherwise. Vendors who participate in a group purchasing collaborative usually reduce prices by ten to fifteen percent. The *OPEN MINDS* team researched estimated savings available to agencies, if agencies decided to join a GPO. Purchasing Partners of America, a Colorado-based GPO that works almost exclusively with non-profit organizations, provided estimated percent of savings per category to *OPEN MINDS*. Savings of at least ten percent savings were identified in the categories of food and office supplies as illustrated in Table Five.

Table Five: Ten Percent Savings Estimated for Food and Office Supplies				
Expense Area	Total Expense \$	Average Expense	Average % of Expense	Average Savings
Food	\$1,049,177	\$87,431	.89%	\$8,743
Office supplies	\$754,497	\$62,875	.77%	\$6,287
<b>Total</b>	\$1,803,674	\$150,306	1.66%	\$15,030
<b>Per Agency</b>				

Savings of at least fifteen percent was estimated in information technology, as related to information systems and the bulk purchase of laptop computers, as indicated in Table Six.

Table Six: Fifteen Percent Savings Estimated for Information Technology				
Expense Area	Total Expense \$	Average Expense	Average % of Expense	Average Savings
Information Technology	\$249,528	\$20,794	.33%	\$3,119
<b>Per Agency</b>				

Organizations that participate in purchasing groups save about thirty percent on telephone costs. Vendors typically reduce significantly the cost of wireless phone, and work with the group to provide a service plan customized to meet the specific needs of the group. Table Seven highlights savings in telephone costs.

Table Seven: Thirty Percent Savings Estimated on Telephone Packages				
Expense Area	Total Expense S	Average Expense	Average % of Expense	Average Savings
Telephone	\$973,561	\$81,130	.81%	\$24,339
Per Agency				

Groups can save on insurance plans, specifically for Workers' Compensation, disability and professional liability, by joining a GPO. Savings typically start at five percent. Table Eight shows the percent of savings for Other insurance.

Table Eight: Five Percent Savings Estimated for Other Insurance				
Expense Area	Total Expense S	Average Expense	Average % of Expense	Average Savings
Other insurance	\$774,287	\$64,524	.79%	\$3,226
Per Agency				

Most GPOs offer savings in the telephone, food, office supplies and information technology categories. The savings amount will vary according to the size of GPO membership and contracts negotiated with vendors. *OPEN MINDS* researched potential GPOs that may be of interest to the NY Coalition, should the Coalition choose to join a GPO. Each GPO includes a variety of products and services, and offers different pricing options. These GPOs are listed in Table Nine.

Table Nine: Potential GPOs for Consideration		
GPO	Description	Products & Services
Purchasing Partners of America (PPA)	<ul style="list-style-type: none"> <li>• PPA is a Colorado based GPO that focuses on supporting non-profit organizations.</li> <li>• PPA does not charge membership fees.</li> </ul>	<ul style="list-style-type: none"> <li>• Office supplies</li> <li>• Food purchases</li> <li>• Cleaning products</li> <li>• IT services</li> </ul>
Non-Profit Purchasing Group (NPPG)	<ul style="list-style-type: none"> <li>• NPPG is dedicated to serving non-profits.</li> <li>• This GPO donates 10% of net income to charity.</li> <li>• Membership fees begin at \$19 per year.</li> </ul>	<ul style="list-style-type: none"> <li>• Office supplies</li> <li>• Car rentals</li> <li>• Food products</li> <li>• Furniture</li> </ul>
Innovatix	<ul style="list-style-type: none"> <li>• Innovatix was launched in 1993 and is based in New York.</li> <li>• This GPO offers high-quality products and services with no membership fee.</li> </ul>	<ul style="list-style-type: none"> <li>• IT equipment</li> <li>• Medical supplies</li> <li>• Food supplies</li> <li>• Medical supplies</li> </ul>
Purchasing Partners, Inc. (PPI)	<ul style="list-style-type: none"> <li>• PPI is a GPO based in Louisiana.</li> <li>• This GPO processes order twice daily, and delivers bi-weekly.</li> <li>• PPI does not charge membership fees.</li> </ul>	<ul style="list-style-type: none"> <li>• Office supplies</li> <li>• Furniture</li> <li>• Printing services</li> <li>• Training materials</li> </ul>

#### D. Information Technology Options

Health information technology will be critical for Coalition member agencies in the future. Electronic health records offer a secure, consumer-centric, and long-term measure toward improving cost efficiency. Currently, stimulus funding encourages the development of technology. Interoperable EMRs will be necessary in order to bill Medicare or Medicaid in the future. Many software vendors offer complete functionality—from routine client demographic and service tracking and billing to a comprehensive electronic medical record and clinical decision support. The average three-year budget necessary to purchase this type of system ranges from \$220,000 to \$750,000. The average three-cost for this type of system is \$540,000. Hardware costs and any related travel expense for vendors were not included in the estimated expense.

#### E. Crisis Intervention Centers

The *OPEN MINDS* team also reviewed the NY State regulations concerning adoption of a new set of mental health regulations by the Office of Mental Health (OMH) that went into effect October 2, 2010. These regulations, 14 NYCRR Part 599, define services, financing, and program rules for mental health clinic treatment programs.

OMH identifies key areas for the restructuring of clinics.

- More responsive set of clinic treatment services and greater accountability for outcomes
- Redesign Medicaid clinic rate and phase out Comprehensive Outpatient Services (COPS)

- Provisions for indigent care
- HIPAA compliant procedure-based payment system
- Address Medicaid Managed Care payments

The new OMH regulations mandate that clinic services must include crisis intervention services 24 hours per day, seven days per week. Part 599.12 allows agencies to share program and non-program space, as approved by OMH.

Crisis intervention, as defined by OMH, consists of three Medicaid reimbursable levels of services.

Brief Requires a minimum of 15 minute telephone or face-to-face service

- One unit of service may be billed for services of at least 15 minutes duration
- Services may be billed to a maximum of six units per day
- Medicaid fee-for-service will reimburse for individuals regardless of whether or not they have received previous services from the clinic

Complex Requires a minimum of one-hour of face-to-face contact by two or more clinicians

- Both clinicians must be present for majority of contact time
- A peer advocate, family advisor or non-licensed staff may substitute for one clinician
- Medicaid fee-for-service will reimburse for individuals who have no engaged in services at the clinic for a period up to two years

Per Diem Requires a minimum of three-hours of face-to-face contact by two or more clinicians

- Both clinicians must be present for majority of contact time
- A peer advocate, family advisor or non-licensed staff may substitute for one clinician
- Medicaid fee-for-service will reimburse for individuals who have no engaged in services at the clinic for a period up to two years

OMH indicates that agencies must provide after-hours coverage that at a minimum meets the requirement for Brief crisis intervention services. This coverage plan must be approved by OMH.

#### **IV. Recommendations for Proposed Structure and the Initial Focus of the Collaboration**

Based on our analysis, the *OPEN MINDS* team identified both immediate and long-term opportunities for savings.

The following recommendation addresses immediate savings:

1. Coalition members should join a group purchasing organization that is familiar with the non-profit sector and provides a group purchasing experience that saves members money. Membership in a purchasing collaboration will benefit Coalition agencies specifically in the areas of:
  - Food
  - Telephone
  - Other insurance
  - Office supplies
  - Information technology

These key expense areas total \$3,551,522 in annual cost, based on the data submitted by participating Coalition agencies. Potential savings for each agency, if they use a GPO, may total \$45,714 each year.

Joining a GPO will allow participating agencies to leverage the savings power of economies of scale. GPOs offer established relationships with vendors, and have performed already the research and price comparisons involved when choosing a vendor. Member agencies gain the freedom to reallocate their time to their core businesses.

As an alternative, agencies may decide to come together as group to purchase, but not to join a GPO. There are some advantages to purchasing a group, independent of a larger organization:

- Retain control of the purchasing process
- Direct involvement of all participating agencies in the group
- Benefit from advantageous current vendor contracts
- Direct contact with local vendors

Agencies may also choose to join multiple GPOs to address varying product and cost needs. Agencies will benefit from increased buying power, larger product selection, and the opportunity to compare costs across GPOs.

The following are *OPEN MINDS*' recommendations addressing longer-term savings:

1. Coalition agencies should examine the possibility of jointly providing crisis intervention services. The recommendation for exploring the feasibility of jointly providing crisis intervention services includes:
  - Allows agencies to share clinical and non-clinical staff
  - Reduces expense of training staff
  - Offers significant opportunities to reduce overhead costs by using one facility
  - Requires planning and coordination to agree to common recruitment and training protocols
  
2. Coalition agencies should explore the possibility of jointly purchasing new software. The recommendation for updating new technology across participating agencies includes:
  - All agencies will be required to have compliant software
  - Adds value by creating more efficient communication between agencies and their clients
  - Improves the ability to quantify information and assess outcomes
  - Encourages paperless environment
  - Requires planning and cooperation to agree to system functionality and operations
  
3. Each agency should determine whether or not a merger or acquisition is part of its strategic plan.

## V. Next Steps

The *OPEN MINDS* team outlined a series of recommended action steps to be followed for each recommendation, should the agencies decide to pursue one or all suggested actions.

1. Coalition members should join a group purchasing organization that is familiar with the non-profit sector and provides a group purchasing experience that saves members money.

The recommended action steps for exploring the feasibility of joining a GPO include:

- 1) Determine who will assume leadership of the process (individual, committee, etc.)
- 2) Determine the potential savings from a GPO for each of the identified areas
- 3) Research potential GPOs
- 4) Contact GPOs to gather relevant information
- 5) Compare products, services, pricing and any additional fees of GPOs
- 6) Rank GPOs in order of preference
- 7) Decide which GPO best meets the needs of the collaboration

If Coalition agencies decide to purchase jointly without employing the services of a GPO, then *OPEN MINDS* recommends the following action steps:

- 1) Determine who will assume leadership of the process (individual, committee, etc.)
  - 2) Determine the potential savings from a specific for identified products and services
  - 3) Research potential vendors
  - 4) Contact vendors to gather relevant information
  - 5) Compare products, services and pricing of vendors
  - 6) Rank vendors in order of preference
  - 7) Decide which vendors best meets the needs of the collaboration
2. Coalition agencies should examine the possibility of jointly providing crisis intervention services.

The recommended action steps for exploring the feasibility of providing jointly crisis intervention services include:

- 1) Determine which agencies are interested in pursuing the collaboration
- 2) Determine who will assume leadership of the process
- 3) Gain thorough understanding of OMH regulations 14 NYCRR part 599
- 4) Consult with local government units in service areas regarding development of plan

- 5) Develop business plan for joint crisis intervention services (description of services, staffing plan, operation plan, marketing plan, pro forma)

Based on the business plan, agencies must decide whether or not to proceed with the collaboration. If agencies plan to collaborate in this area, then it is important to proceed accordingly.

- 1) Develop policies and procedures
- 2) Create job descriptions
- 3) Interview and hire personnel to staff crisis center
- 4) Develop billing processes for Medicaid reimbursement
- 5) Develop a training program for staff

3. Coalition agencies should explore the possibility of jointly purchasing new software.

The recommendations and steps for exploring the feasibility of updating technology across participating agencies includes:

- 1) Determine which agencies are interested in pursuing the collaboration
- 2) Research available software functionality and vendor services
- 3) Determine if you have any “knock-out” factors (ex. price, vendor experience in local market)
- 4) Develop and research a competitive Request for Proposal (RFP)
- 5) Conduct preliminary vendor screening from RFP responses
- 6) Conduct software demonstrations and select finalists
- 7) Conduct additional research and evaluation to make a final selection
- 8) Contract and implement

4. Each agency should explore whether or not a merger or acquisition is part of its strategic plans.

Recommended steps for consideration include:

- 1) Each agency needs to ensure that its next strategic planning process includes a thorough SWOT analysis, and a scenario planning process.
- 2) As part of this process, agency leadership should decide if it can proceed as is; if it will be pursuing an acquisition strategy; or if it will be seeking to be acquired.
- 3) Develop the appropriate tactical plans.

## VI. Appendix A. Comprehensive Data

Please see attached file.

## VII. Appendix B. Revenue Data

Please see attached file.

## Appendix C. Expense Data

Please see attached.

