



Bringing market intelligence, management advice, and strategic insights to the health and human service organizations serving consumers with chronic conditions and complex needs

Emerging Market Trends Shaping The Behavioral Health Organization Strategy – An Executive Briefing

The Coalition for Behavioral Health Policy Forum

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Trends Reshaping The Behavioral Health Field



1. Payers & Health Plans Focused On Integration – Combined Primary Care/Behavioral Health Models Emerging

Acceleration of combined model for primary care and most behavioral health services in a single capitated arrangement – CVS/Oak Street, Amazon/One Medical, and Walgreens/Village MD



Alternate Behavioral Health Delivery System Models Emerging

- 15% of primary care visits for mental health concerns
- PCPs write 79% of all antidepressant prescriptions and 45% of antipsychotic medication prescriptions
- Health plans developing ‘digital front doors’ for consumers with behavioral health (and other chronic) conditions – digital first treatment
- UnitedHealthcare (and others) offering free ‘coaching’ services to all members



Value Based Care Feb 20, 2023

42% of Oak Street Health Medicare Beneficiaries are Dually Eligible For Medicare and Medicaid. We Shared How to Deliver Exceptional Care For This Population

As a critical part of its mission to rebuild healthcare as it should be, Oak Street Health makes it a priority to bring high-quality primary care to all, regardless of income, background or zip code. Because we are focused on delivering...

[Read more](#)

This Shift Includes The Complex Consumer Population

Behavioral health conditions we treat, but are not limited to:

- Anxiety
- Depression
- Substance abuse
- Schizophrenia
- Bipolar disorder

2. Shift In Financing – Health Care Dollars For Social Services

- Starting in 2020, Medicare Advantage plans allowed to offer chronically ill enrollees nonmedical services for social needs
- Medicaid health plans now allowed to spend up to 5% of premiums on services addressing social determinants of health
 - Many states – Oregon, Arizona, North Carolina – already have waivers to pay for social services with Medicaid funds
 - Growing use of community support services (in lieu of services) in Medicaid and Medicare

3. Behavioral Health Telehealth Is Here To Stay - 60/40 In Most Markets

- Telehealth less than 1% of visit pre-pandemic – climbed to 33% of visits by May 2020
- By May 2021, 88% of consumers said that they had used telehealth services at some point since the COVID-19 pandemic began
- Consumers preference remains high (as of February 2023):
 - 60% more convenient
 - 55% better experience
 - 40% will continue to use post-pandemic
- “Hybrid” service delivery is preferred future model

4. Retail Health Care Is Expanding – In Numbers & Services

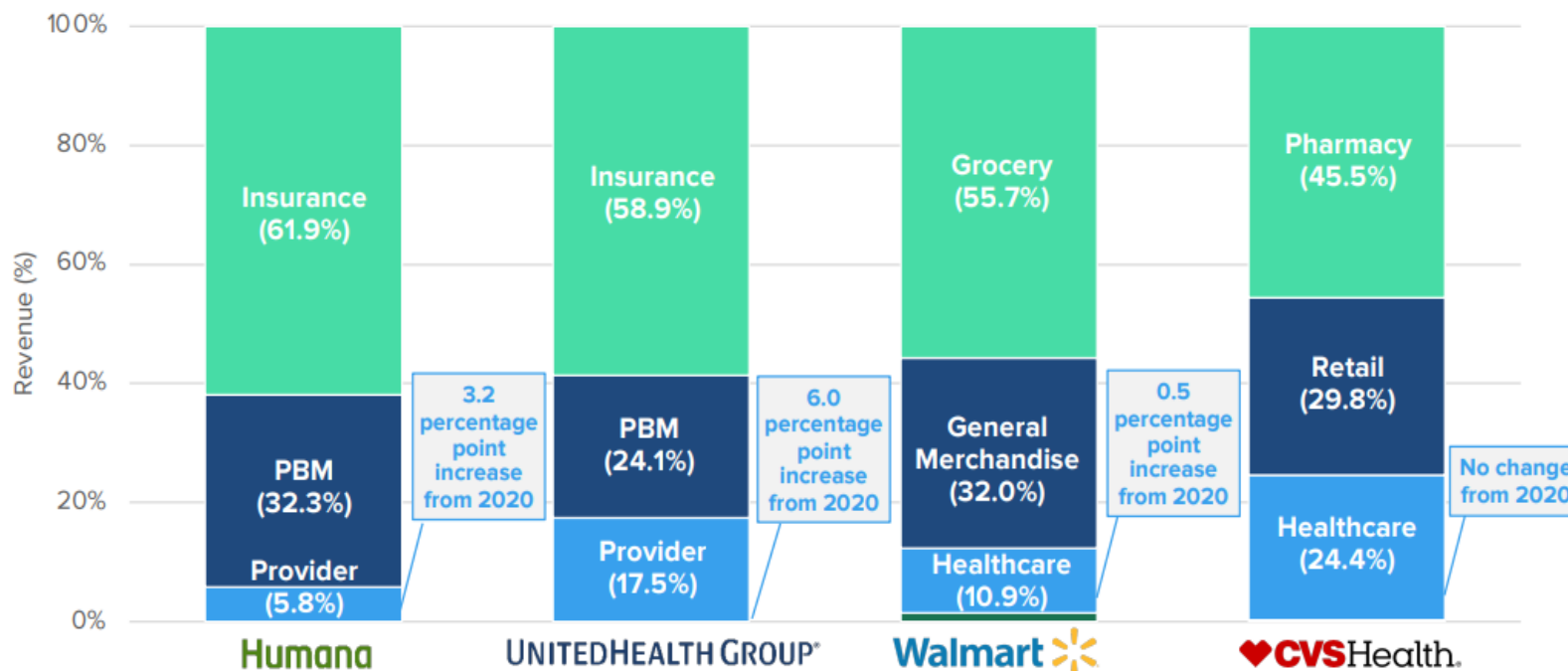
- More treatment locations
- More health plan contracts
- New primary and specialty care services

For traditional specialty and primary care provider organizations this will result in a decline in revenue for treatment for mild/moderate conditions (the 90-95% of the population using 50% of health care resources)

Payers Are Becoming Providers...and So Are Retailers

New market entrants have extensive experience in consumer marketing and engagement, whether Medicare Advantage or retail. Entrants like UnitedHealth Group and Walmart are teaming up in their provider-based efforts.

PERCENT OF 2021 REVENUE DEDICATED TO HEALTHCARE SERVICES FOR NON-TRADITIONAL PROVIDER ENTITIES



- Humana recently announced plans to acquire senior-focused primary care clinics for roughly \$500M, and plan to add upwards of 50 additional clinics by 2025.
- UnitedHealth Group and Walmart entered into a ten-year collaboration to serve seniors and Medicare Advantage beneficiaries. The partnership is beginning in Florida and Georgia in 15 Walmart Health locations, and by 2023 will offer a co-branded Medicare Advantage plan in Georgia. Both companies have committed to eventual expansion into the Medicaid and commercial markets.
- Beyond its existing network of MinuteClinic locations and HealthHUB locations, CVS has expressed intentions to acquire an existing primary care provider to expand its stake as a primary care provider.

Source: Analysis of publicly available financial statements.

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For \$517 per year, or \$43 per month

- \$139 for Amazon Prime
- \$60 for RxPrime
- \$119 for PrimeRx
- \$199 for OneMedical

Benefits:

- 50 generic medications for 80 conditions
- Discounts and free delivery on other pharmacy – by mail and at pharmacy network
- Virtual primary care
- Virtual therapy and coaching
- Plus movies!

The doctor's
office, reimagined

amazon

one medical

5. Health Plan Contracting Preferences Are Changing

- Fewer provider organizations
- Reducing use of preauthorization for 'preferred' organizations
- 19% of provider reimbursement now in risk-based contracts with downside financial risk
- Focus on HEDIS, consumer experience, and cost containment

What Do Payers Want? “Value”



- Low total cost of care
- Low per beneficiary spending
- Consumer satisfaction
- Low unnecessary use of ERs
- Low rehospitalization rates
- High use of preventive and wellness services

What Do Health Plans Want? “Value”

- Member retention
- Better HEDIS scores
- Better CMS Stars scores
- Low unnecessary use of ERs
- Low medical loss ratio
- Profitability



What Do Consumers Want? “Value”

- Rapid access
- Convenient positive experience
- Low-cost services
- Low out-of-pocket spending



Consumer Metrics In The Current Market

Experience (Net Promoter Score)

- **BetterHelp:** -50 with 0% Promoters, 50% Passives, and 50% Detractors.
- **CVS Health:** 10 with 44% Promoters, 22% Passives, and 34% Detractors
- **Teladoc:** 22 with 52% Promoters, 18% Passives, and 30% Detractors
- **Cleveland Clinic:** 37 with 62% Promoters, 13% Passives, and 25% Detractors
- **One Medical:** 49 with 67% Promoters, 15% Passives, and 18% Detractors
- **Talkspace:** 67 with 67% Promoters, 33% Passives, and 0% Detractors
- **Walmart Health:** 80
- **Genoa Pharmacy:** 93

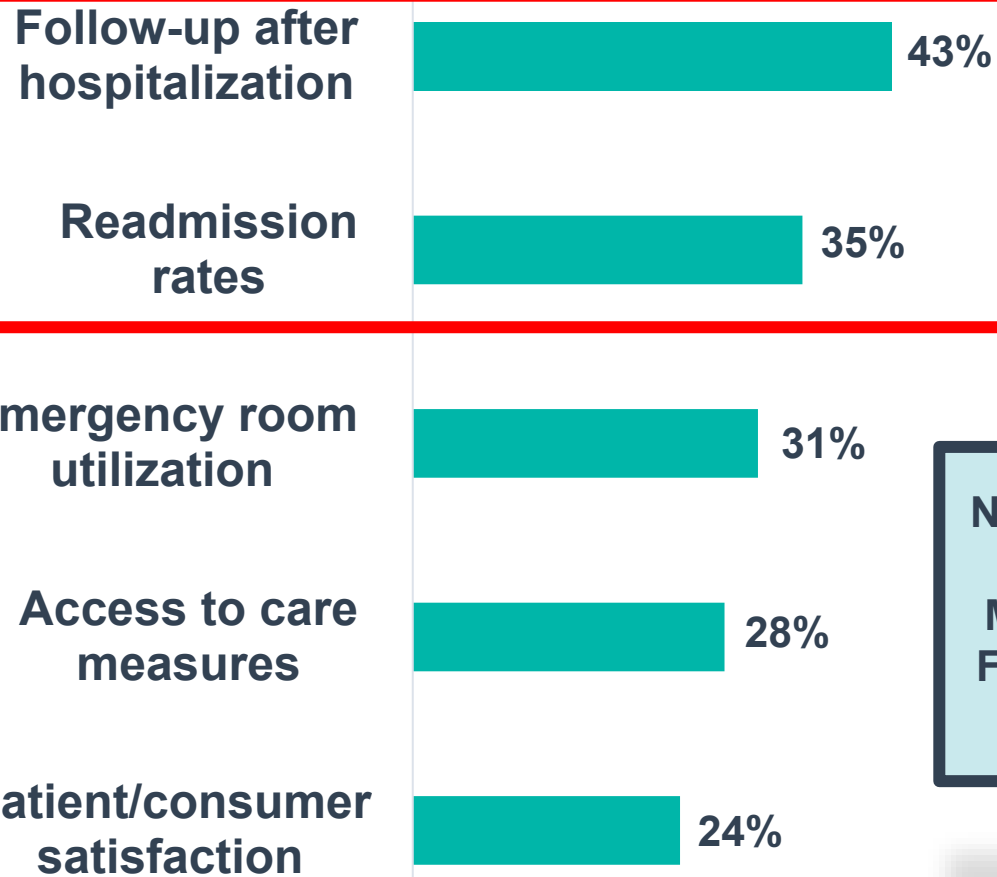
Access

- Average wait time at a MinuteClinic is 22 minutes.
- At Teladoc, 10 minutes.
- Average wait time for WalMart virtual care visit is 8 minutes
- Therapist response time on Talkspace is 4 to 6 hours of sending a message
- Average U.S. consumer appointment wait time 26 days (November 2022) **Days in 202**

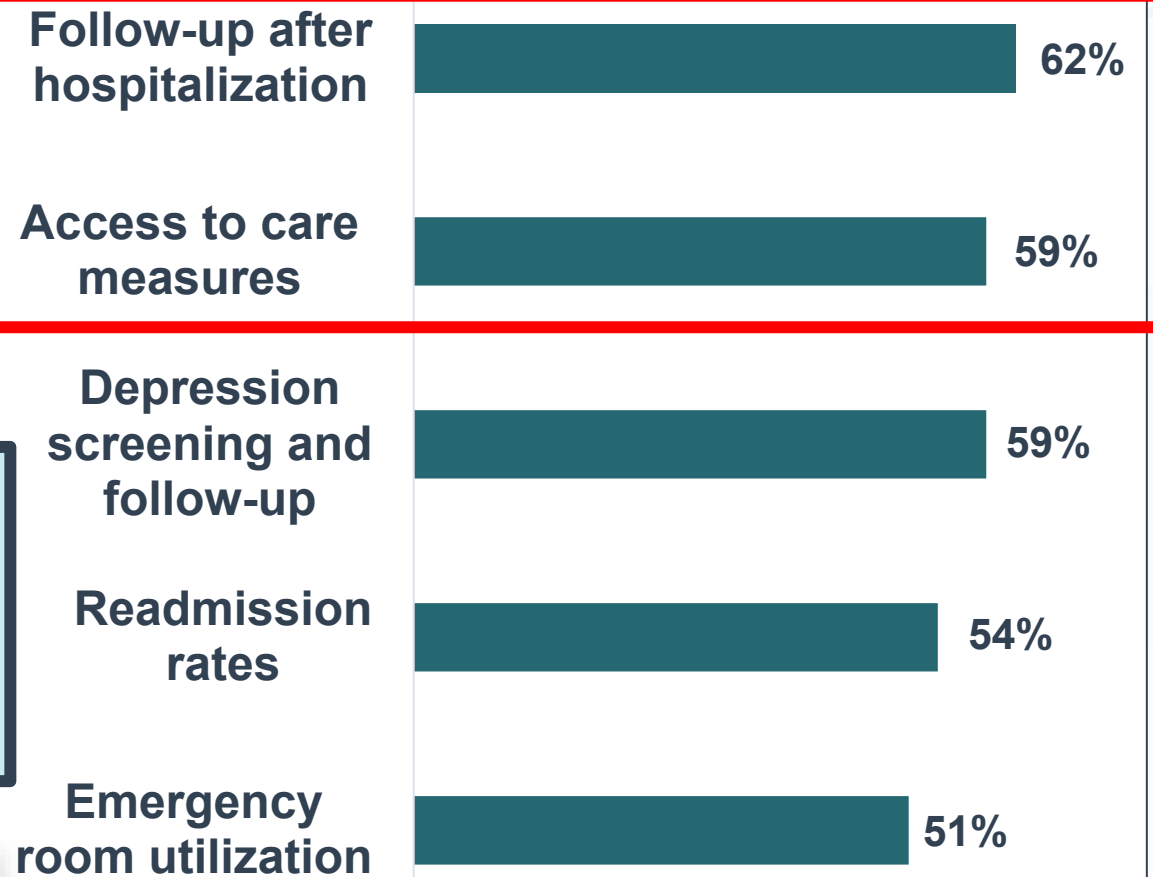
Cost

- Low-cost services
- Low out-of-pocket spending

Top Five Performance Measures In Value-Based Contracts, Specialty Provider Organizations, %, 2023



Top Five Performance Measures In Value-Based Contracts, Primary Care Or FQHCs, %, 2023



No Change In Top Measures From 2022 To 2023

6. Workforce Optimization Requires New Solutions

- Demographics are destiny
- Multi-generational workforce the norm
- New workforce characteristics



Mind the Gap: Managing Five Generations in the Workplace



The Changing American Workforce

U.S. Human Capital Stats

- 21% of adults are illiterate
- 54% cannot read at the 6th grade level
- 36% are obese
- 26% are disabled
- 11.3% have Type 2 diabetes
- 8.7% under age 65 have a disability
- 22% of Americans age 12+ have used illicit drugs in past year

U.S. Communication Stats

- Average attention span of adults is 47 seconds
- Average adult spends 147 minutes on social media per day
- Check their email 77 times a day
- Children ages 4 to 18 watch an average of 91 minutes of TikTok each day
- 51% of adults haven't read a book in the past year

U.S. Economic Stats

- 60% of millennials (ages 29-43) have parents subsidizing their shelter
 - 24% - parents pay their rent
 - 17% - parents pay their mortgage
 - 19% - live with their parents
- Labor force participation rate 62% in December 2022 - 67.3% in 2000 – 10 million fewer workers

7. Changing Scale – Big Enough Is Bigger

- Emerging ‘mega’ service organizations
- Size of ‘deals’ on the rise
- Drivers are capital for investment in new services, technology, and marketing



What We Know About The Emerging Health & Human Service Market Landscape

- 1. “Whole person” integrated care coordination models preferred**
- 2. “Hybrid’ models becoming dominant in ambulatory therapy – in clinic, in home, virtual, remote monitoring**
 - What can be done by telehealth or by new technologies? What needs to be done “face to face”? In clinic? In home?
 - The rise of hybrid service bundles
 - Home-based/virtual primary care model
- 3. Facility-based services transitioning to ‘hybrid’ and bundled**
 - Home-based/virtual addiction treatment
 - Home-based/virtual long-term care
 - SNF at home
 - Hospital at home
- 4. Price sensitivity + risk-based reimbursement**
- 5. New competition for many consumer segments**

The Opportunities Are Many... But Require New Business Models & New Technology

Focus on 5-10% Of
Population Using 50% Of
Health Care Resources

1. Programs to manage the care of consumers with complex needs – integrated “whole person” care coordination (risk-based, tech-enabled)
2. Programs to serve high-acuity episodes of care
3. Community-based supports for consumers with long-term needs
4. Primary care services for consumers with complex needs (behaviorally-led primary care)
5. Home-based services
6. Targeted social supports programs
7. “In lieu of” services (community supports) offering alternatives to traditional residential and inpatient care

**Advantage goes to any organization with
“better” performance and cost data....**

The *OPEN MINDS* Framework For Financial Sustainability – Preparing An Organization For Resiliency In Changing Market Times

1 A growth-oriented, sustainability-focused strategic plan

2 An organizational structure and processes for successful implementation of strategic initiatives to achieve strategic objectives

3 Data-driven decision-making and metrics-based management facilitated by a robust data strategy

4 Nimble service line portfolio management

5 A structured process for new service line development

6 An infrastructure facilitating competitive payer partnerships

7 The marketing competencies and tools to drive growth strategies

8 An efficient customer-centric hybrid service delivery system

9 An integrated technology platform that supports both organizational strategic objectives and data strategy

10 Financial strength to capitalize growth plans and infrastructure development

11 An executive team and leadership prepared for the new challenges



Deliberate Proactivity – Proactive But Measured...

- Times of economic turbulence are times for investment, not the time to delay planning for growth.
 - A ‘wait and see’ approach can be costly, leaving an organization too far behind the emerging market and new competitive forces.
- Investments in new services need to be data-driven and deliberate.

Leaders need a vision for the future...

Leadership needs
“prospection” to
envision the ‘next
generation’

**If you don't know where you've come from, you don't know
where you're going. Maya Angelou**

**If you don't know where you are going, any road will
get you there. Lewis Carroll**

Turning Market Intelligence Into Business Advantage

OPEN MINDS market intelligence and technical assistance helps over 550,000+ industry executives tackle business challenges, improve decision-making, and maximize organizational performance every day.

