**Q1** Please provide your contact information below.

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**Q2** Please describe your company or organizations overall goals and mission.

For 70 years, Fountain House has led one of the most comprehensive and cost-effective community-based mental health recovery models in the world. Its approach, which has evolved into a Community System of Care (CSC), provides people with the most serious forms of mental illness – schizophrenia, bipolar disorder and major depression— with access to: (1) primary care (2) psychiatric care (3) social interventions in the areas of employment, education, housing and wellness.

The Community System of Care (CSC) goes beyond the concept of integrated healthcare (primary and psychiatric care) by including social interventions that address several of the most impactful social determinants of health: poverty, social isolation, lack of education, homelessness, incarceration and limited access to healthy food. The CSC model is unique in its provision of traditional care management with extensive independence-building skill development targeted at people with the most serious forms of mental illness - a high acuity, high cost population.

The social interventions provided in Fountain House's non-clinical, strength-based community center, referred to as a "clubhouse", empower its members (participants) to form meaningful peer relationships, return to school and work, obtain housing and participate in wellness activities that improve and extend their lives. Because people with more serious forms of mental illness tend to socially isolate, the clubhouse creates a place of inclusion that welcomes, encourages and engages members as active participants in their own recovery and brings meaning to their lives. In so doing, the clubhouse functions as a therapeutic intervention.

Within walking distance of Fountain House's clubhouse is the Brightpoint Health/Sidney R. Baer, Jr. Health Center ("Center"), an FQHC and one of the first integrated clinics in the United States designed specifically for people with the most serious forms of mental illness. As part of this integration at the Center, member/patients have their psychiatric and medical records in one location. Over 430 of Fountain House's 1,000 member/patients receive primary and psychiatric care at the Center.

The team of integrated care providers at the Center comprised of the Fountain House member/patient, a Fountain House social worker, a Center general practitioner and a psychiatrist – participate in a full continuum of primary and behavioral healthcare services. Clinicians maintain long-term relationships with member/patients and discuss the circumstances of patients' lives and their goals such as employment, education, housing, as well as physical and psychiatric health. Because of its connection to and communication with Fountain House, the Center is able to include a focus on member/patients' full medical, psychiatric and social recovery,

Replication is part of Fountain House's tradition and "DNA". The model has inspired the creation of hundreds of similar programs in 34 countries that serve more than 100,000 people annually. In 2014, the Conrad N. Hilton Foundation recognized Fountain House's global reach and the efficacy of its evidence-based model with the prestigious Conrad N. Hilton Humanitarian Prize.

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**Q3** Please indicate which category your organization falls under.

**Community Based Organization**

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**Q4** Innovation Executive Summary. Please describe the innovation, and how it addresses the social determinants of health. Please identify how the innovation addresses the 6 innovation criteria (i.e. ROI, scaleability, feasibility, evidence based support for innovation, relevance to the Medicaid population and speed to market).

Value Base Payment (VBP) Medicaid Reform for Serious Mental Illness :
Fountain House, in partnership with the Nonprofit Finance Fund, NYU HEAL (the Health Evaluation and Analytics Laboratory of New York University's Department of Population Health), and Brightpoint Health are proposing a 24-month demonstration project to design and implement limited Medicaid value-based payment (VBP) and contracting reforms for a high performing integrated care model targeting the high cost, high-utilizer population with serious mental illness. This would be accomplished through a combined VBP rate which includes primary and psychiatric clinical care, care management services, and psycho-social interventions, called the Comprehensive Case Rate (CCR). It would include accompanying contract reform provisions serving as an approach that would build on and sustain improvements made under DSRIP and develop a template for:

1. scaling and replicating value-based approaches for high cost Medicaid patients, and
2. adapting a wider range of social determinants of health interventions into integrated care treatment models.

The Need for Innovation:

Increasingly, meaningful and lasting VBP and related contract reform are viewed as the vehicles necessary to sustain the gains that were achieved under DSRIP in driving the cost savings and improved outcomes achievable from an increased operational focus on value over volume. The need for this VBP and contracting reforms is particularly pressing to capture the value of integrated care that is achievable through partnerships between (i) community based organizations addressing behavioral health and social determinants of health and (ii) the various organizations in the health system providing primary care and specialty care.

With the DSRIP and associated Medicaid funding coming to an end in 2019, many are looking for ways to sustain and replicate successful pilots, in particular, to support the full cost of delivering the social interventions, which currently are not covered under standard Medicaid billing procedures.

Currently, Medicaid and Medicare do not have policies and practices for reimbursement applicable to preventative social interventions for employment, housing or education support. These social interventions are a cornerstone of the effectiveness of Fountain House's Community System of Care (CSC) integrated model. A Comprehensive Case Rate (CCR) would focus on specific outcomes, e.g., reduced hospitalization; reduced emergency room use; employment; school completion; housing; and quality of life measures. By shifting to a VBP approach, support would be provided for the tracking and outreach to patients who – if unconnected to care – often drive up costs through the use of jails and prisons, homeless shelters, emergency rooms and other less effective and appropriate settings. The Comprehensive Case Rate approach for a CSC would capture the proven cost reductions and improved outcomes; if replicated broadly it could capture not only savings from outcomes such as reduced visits and re-hospitalizations, but also reductions in incarceration and homelessness costs.

Project Description:

Fountain House, the Nonprofit Finance Fund, Brightpoint Health and the Health Evaluation and Analytics Laboratory of New York University's Department of Population Health (the "Project Team") propose a 24-month project to demonstrate a Medicaid Value Based Payment redesign that bundles services and payments in a monthly Comprehensive Case Rate (CCR). The Comprehensive Case Rate would be based on a proven integrated care model for high cost, high acuity populations with serious mental illness called the Community System of Care (CSC), which provides medical, psychiatric, and social interventions and has been proven to reduce overall costs and improve health outcomes. Successful implementation of this project would establish the basis for a replicable and scalable contract-level solution for this particular population with the potential for large-scale cost savings and improved health outcomes.

The project includes three major phases: 1) Design and Planning; 2) CCR Design and Data Analysis; and 3) Dissemination.

1. The first phase, Design and Planning, would involve gathering an array of partners and stakeholders to identify commonly agreed- upon VBP structures and accompanying contract-level solutions that could support Fountain House's integrated care model and have potential for broad replication and scaling. The assembled group would assist the Project Team in developing the Comprehensive Case Rate, which would help to identify a bundle of medical, psychiatric and social interventions to support improved health outcomes and a single monthly rate to support the full cost of service delivery. This group could also support the contractual implementation of the finalized Comprehensive Case Rate once developed.

2. During the CCR Design and Data Analysis, the Project Team would develop the Comprehensive Case Rate to be applied to a cohort of new Fountain House participants fitting the high cost, high utilizer profile. Medical care cost and defined health outcome data would be tracked at the "per person per month" level and analyzed to confirm the previously demonstrated reduced total cost of care and improved outcomes, such as reduced need for hospital and emergency room care, better compliance with use of prescribed pharmaceuticals, reduced need for specialty psychiatric are, better control of other chronic health conditions.

3. The final phase of the project, Dissemination, would involve re-engaging with partners and stakeholders to share project data and discuss next steps toward adoption of this bundled VBP structures and accompanying contract reforms. In addition to conversations with the New York State Medicaid office, the Project Team would engage in broader conversations with other payers to discuss potential opportunities for scaling and replication.

Cost-savings and ROI:

The CCR will produce financial payoff to the Medicaid program through reduced expenditures on inpatient hospital care and on a range

of other types of medical services that is expected to occur for patients who receive this integrated system of care.
Fountain House's CSC provides a strong platform from which outcomes would be tracked based on both (i) health outcomes and (ii) cost savings seen in the reduction in emergency room visits, hospitalizations, re-hospitalizations, length of stay, better compliance with use of prescribed pharmaceuticals, etc.
A research study released in May 2017 by the NYU Health Evaluation and Analytics Lab (HEAL) demonstrates, in fact, that Fountain House members/patients in the CSC who have severe mental illness and spent over $18,000 on Medicaid services the year before joining Fountain House (i.e., they were in the highest cost half of the sample studied) have a 21% decrease in total cost of care (Solis-Roman and Knickman).
What is additionally important about the findings from this study is that the reductions in utilization that led to the costs savings included substantial reductions in hospital use (a 36% decline compared to the comparison group) and emergency room use (a 46% decline).
An important component of this Project will be careful measurement on an ongoing basis of the cost savings and health outcomes resulting from the use of the Comprehensive Case Rate. Impacts will be tracked using New York State's Medicaid claims files that researchers at New York University use regularly for research related to Medicaid innovation. The data at NYU will allow comparisons o the total costs of medical care for the new population that receives the CSC model approach relative to a matched comparison sample. Medical care costs and defined health care outcomes related to a range of specific medical care services and specific outcomes would be tracked for both the treatment and comparison samples for a period of 12 months before the Project starts and then for at least 12 months after enrollment of the treatment sample at Fountain House. Reporting on outcomes, utilization and costs could be provided at intervals of six months after the start of enrollment.
These analytics will provide evidence that the proposed VBP approach using a Comprehensive Case Rate will reduce the total cost of care for participants with serious mental illness (including social services, primary care services, medical care for psychiatric conditions and care coordination) and improves a series of outcomes such as reduced need for hospital and emergency room care, better compliance with use of prescribed pharmaceuticals, reduced need for specialty psychiatric care, better control of other chronic health conditions, etc..
Scalability:
Practitioners in the field of recovery from serious mental illness know Fountain House to be a well-proven and important source of innovation and new methods for the past 70 years. The resulting evidence of the benefits of the CSC model is likely to produce more replication among other clubhouses and mental health practitioners. This demonstration could also be replicated by other community-based organizations that develop initiatives focused on people with other chronic, intensive conditions that can be linked with associated medical care and care management to form bundled payments that create incentives for value-based care.
In establishing the viability of the Comprehensive Case Rate's limited Medicaid contract reform, the proposed Project would also provide a template for sustainable replication and scaling of the CSC and similarly structured integrated care models. By producing such a replicable template, the proposed Contracting Project could significantly leverage the scope and scale of the improved outcomes and cost savings achieved for the populations served and the Medicaid programs that support them.
Feasibility:
The CSC model is an established, evidence-based approach that is currently reducing Medicaid costs and hospitalizations, while addressing the major social determinants of health that affect the ability of people with serious mental illness to become contributing members of society.
Central to the design of the proposed Comprehensive Case Rate is that it will:

- incorporate existing NYS Medicaid service codes in statistically valid proportions into a qualifying Medicaid payment contract proposal applicable to all four care components of the CCSC integrated care model (care management, primary medical care, psychiatric care and effective community-based psycho-social services); and
- support the disciplined and responsibly phased migration from a fee-for-service payment approach based on volume to a monthly bundled payment per person for a range of specified services no matter what the monthly utilization volume is.

A core component of the phased approach that would be taken in this Project is the intentionally limited aspect of the contract reform involved. The proposed Comprehensive Case Rate VBP reform would be structured to meet (or meet without significant changes) the structural requirements for adoption by Medicaid. This means that, to the fullest extent possible, the anticipated contract reform in the Project would involve a limited adaptation and extension of the core elements of the existing Medicaid provider contracts, rather than an extensive redesign and restructuring of standard payment procedures. An important part of this Project will involve the process of identifying exactly which medical and psychiatric services would be covered by the monthly per member bundled payment.
As an example, for the purposes of this Project, we are proposing to use a recent DSRIP contract form as the basis for illustrating the limited contract reform changes that would be targeted to incorporate the Comprehensive Case Rate and achieve the associated cost savings and improved health outcomes.

Evidence-based Support:
The CSC integrated care model with the inclusion of social interventions has been determined to significantly decrease Medicaid utilization for people with the most serious forms of mental illness. A research study released in May 2017 by the NYU Health Evaluation and Analytics Lab (HEAL) demonstrates, in fact, that Fountain House members/patients in the CSC who have severe mental illness and spent over $18,000 on Medicaid services the year before joining Fountain House (i.e., they were in the highest cost half of the sample studied) have a 21% decrease in total cost of care (Solis-Roman and Knickman).
What is additionally important about the findings from this study is that the reductions in utilization that led to the costs savings included substantial reductions in hospital use (a 36% decline compared to the comparison group) and emergency room use (a 46% decline). Reductions in these types of medical care are generally seen as signals that the person's medical care conditions are being better managed with better outcomes for the people served.
The NYU study had findings consistent with a smaller, earlier study done by Zachary Grinspan, Ph.D. at Weill Cornell Medicine which reviewed use of hospitals and Emergency Departments for Fountain House members compared to people with schizophrenia, bipolar disorder and major depression and multiple co-morbidities in the general population of New York City who used similar residential rehabilitation services.
This earlier study showed that the Fountain House cohort were admitted to the hospital at a rate of 0 to 11 admissions per quarter per 100 people, which was consistently less than the rate in the New York City cohort of 17 to 23 admissions per quarter per 100 people. In addition, over the same time period, the Fountain House cohort visited the Emergency Departments at a rate of 0 to 12 visits per quarter per 100 people, which was consistently less than the New York City Cohort rate of 14 to 20 visits per quarter per 100 people.
The evidence developed in both of these studies support the case that the Fountain House CSC is a seasoned integrated care model with proven effectiveness. As such, the CSC is a strong and credible platform for demonstrating the sustainable contract reform objectives set forth in this proposed Innovation Project.

Relevance to Medicaid Population:
The New York State DSRIP and associated Medicaid funding are coming to a close in a matter of months. As this is occurring, the focus is shifting to measures that can and should be taken to sustain the structural reforms achieved under DSRIP by moving from a volume based to a value-based health care delivery system.
Value Based Payment (VBP) and contracting reforms are needed to secure, sustain and spread gains achieved by DSRIP
Increasingly, meaningful and lasting VBP and contracting reform are viewed as the vehicles necessary to sustain the gains that were achieved under DSRIP in driving the cost savings and improved outcomes achievable from an increased operational focus on value over volume. The need for this VBP and contracting reforms is particularly pressing to capture the value of integrated care that is achievable through partnerships between (i) community based organizations addressing behavioral health and social determinants of health and (ii) the various organizations in the health system providing primary care and specialty care.
At its core, this proposed Project is a logical application of the idea that investment in upstream preventative and early intervention social services that address the social determinants of health, reduce health care needs, utilization and costs and improve wellbeing.
Speed to Market:
Upon receiving adequate funding from public and private sources and approval from the NYS Department of Health Medicaid office to launch a 24-month demonstration project, Fountain House can immediately begin proving the efficacy of a Comprehensive Case Rate as a means to support integrated care models that address the social determinants of health in people with serious mental illness. The decision to subsequently scale, replicate and adopt the VBP for clubhouses and other social services organizations would be made by the NYSDOH Medicaid office and NYS Medicaid Managed Care companies (MCOs).

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| **Q5** Was your innovation implemented? If so, please explain when, the number of people impacted, and the results. | **No** |

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| **Q6** Please identify the SDH Domain that your innovation addresses. (Select all that apply.) | **Social and Community Context** , **Health and Health Care** |
| **Q7** I give the Department of Health the right to share the information submitted in this application publicly (for example: on the DOH website). I understand that there is no monetary reward/reimbursement for my submission or for attending the summit should my innovation be selected. | **I consent to have my innovation shared** |