The Practice Sentry, LLC
Behavioral Solutions, P.C.

Memo

To: All Clinicians

From: Bruce A. Maloof

Date: December 23, 2011

Re: Please pay close attention to the items below

A very happy holiday season, and our wishes for a healthy, happy and prosperous New Year from all of us at Behavioral Solutions, P.C.—Paula, Gail, Janet, Michele and myself.

Unfortunately, these greetings are tempered by my having to announce the tragic death of one of our long-standing clinicians, Ellie Jacobs. Ellie died very recently. She was grievously injured by a hit and run driver while a pedestrian. Ellie was a kindly and considerate woman and a clinician with years of experience. She had just started to enjoy her new grandchild. We miss you, Ellie.

- **Practice Management Items:** The end of the year and beginning of the next are times to be attentive to several matters: **(1)** Please check with your patients to determine if there are any changes to their healthcare benefits. Remember, even if they retain their current plan, there may be changes to deductibles, copayments, or even covered services in 2012. **(2)** Please use the Change of Insurance Form to notify us of any changes in insurer so that we can verify benefits for you. **(3)** Remember that some patients will have their authorizations expire at year end even if you have not used up the currently authorized allotment of visits. **(4)** Please remember to send Gail updated copies of your licenses and malpractice insurance facesheets—we are required by the terms of our group contracts to maintain current copies on file. **(5)** Please remember to use the revised Billing Form that we sent you. This revision is part of our ongoing effort to reduce your paperwork. This new Billing Form eliminates the need for you to use the Initial Patient Contact Form. The revised Billing Form can be downloaded from the Members Page of our web site.

- **New EAP Contract:** We were recently awarded a group contract with The Lexington Group, Inc., a national EAP company with specialization in the field of hospitality, i.e., hotels, restaurant chains, etc. You are all automatically enrolled. We negotiated a fee for EAP visits of $70.00. No paperwork is required other than keeping your own medical record as you would for any patient. The usual model is three visits with the possibility of a very small number of additional visits requiring

prior authorization. Self-referral is allowed, so when necessary, the patient can continue to be seen by you under the provisions of their healthcare plan. It will also include the usual opportunities to deliver wellness seminars, and respond to workplace crises for those who are interested and qualified.

- **Healthcare Reform in MA, i.e. Global Payments:** The biggest news continues to be healthcare reform. We mentioned in a previous memo that the specific proposal was developed through Secretary Bigby's office and relied substantially on a Commission representing all healthcare stakeholders that reported to her. The legislation calls for the use of Global Payments to replace the fee-for-service structure that has been in place for decades. This new payment structure will also require the use of new delivery structures known as Accountable Care Organizations (ACOs)—there are many other names in general use for these ACOs, such as Medical Homes. The Governor's Office is hoping that this new legislation will pass by the Spring of 2012—already delayed from its initial projection of the Fall of 2012. While this may be an optimistic date, it will probably be sometime in 2012. It has a lot of support from all stakeholders, but working through the details will take some time and compromises. Countless hearings have been and will continue to be held by the State Legislature to get more input at an operational level from interested parties.

  There are too many details to be worked through to know precisely what the new structure will look like, but here are some of the probabilities:

  --Insurance companies and managed care organizations may no longer regulate care, and may no longer be the entities to which providers submit claims. Rather, insurers and MCOs will award a lump sum of money to an ACO with the expectation that the ACOs will deliver all of the necessary care to a predetermined population. All of the care will be provided to the predetermined population by the staff of the ACO or entities with which it contracts. And the ACO will distribute payments to its providers and contractors using whatever mechanism they see fit. Therefore, insurers will no longer have networks or claims processing departments.

  --Only large entities will be able to qualify as ACOs because managing the financial risk will require that the risk be amortized over a very large patient population (usually a minimum of 5000 patients).

  --Outcome measures of quality and effectiveness will reemerge with greater importance because ACOs will need to demonstrate that they are serving their population well in order to qualify to receive a Global Payment. This will very likely require that ACOs have an electronic patient record that integrates the information from all of its staff and contractors.

  --Providers are less likely to be enslaved to the CPT Codes as they currently exist, thereby allowing for innovation in the delivery of services. On the behavioral health side this might be more akin to the old model of the Comprehensive Community Health Center, except there is the expectation of a lot more integration and collaboration between health care and behavioral health care.

  These core developments mean that in a new environment of ACOs and Global Payments, large groups such as Behavioral Solutions, P.C. are likely to thrive because we provide the scale, geographic distribution, central organization, and financial access to digital technology that will be attractive to and needed by ACOs. Furthermore, Representative Steve Walsh who is Co-Chair on the Joint Committee on Health Care Financing indicated that behavioral health professionals may very well continue to be paid on a fee-for-service basis, but they will have to be contracted with

ACOs, physician practices, or with groups who in turn are contracted with the ACOs or medical practices.

I have been very involved in consulting to and collaborating with professional associations, consumer groups, other practices and likely ACOs to discuss the various options and opportunities that may be presented by this new legislative initiative. This could be a very exciting time for us and our affiliated providers. In preparation, one of the other goals for us is to significantly expand the number of our provider affiliates. I have indicated previously that II would like to add as many as 50 additional providers in a "beltway" around Boston over the next 18 months. Please recommend us to your colleagues.

The very best to each of you.

Thank you.

BAM