



# **NH Business Acumen Initiative**

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# **Advancing Cross-sector Partnerships**

*September 25, 2019*

# NH BUSINESS ACUMEN INITIATIVE | ADVANCING CROSS-SECTOR PARTNERSHIPS | CBO SESSION | 9.25.19

**Objective:** Participants will learn how to assess their markets for opportunities to create partnerships with healthcare organizations and how to create a business case to secure the opportunities. Participants will be equipped with resources and tools to enhance sustainability of the learning acquired.

## **Session Opening and Welcome: 9:00 am**

### **Part One: Inside Out: 9:30-10:30 am**

1. Share what we learned from the interviews, the readiness assessment results, and the market scan to illustrate what informed the design of the session.
2. Introduce the phases of partnership development and how this framework, in addition to organization readiness results can be the foundation for establishing a partnership development roadmap.

### **Part Two: Outside In: 10:30 am-12:45 pm**

1. Introduce outside in thinking and its importance when establishing and launching a strategy to acquire a new client type (healthcare organizations).
2. Provide a snapshot of the "outside": recap what we learned about the market, and most importantly what about the market dynamics are encouraging cross-sector partnership as a viable strategy.
3. Demonstrate how to go about doing a market assessment and how to incorporate market assessment as an ongoing practice.
4. Discuss how to use market information, convert it to insight, and generate interest from the healthcare sector.

## **Grab Lunch: 12:45 -1:15 pm**

### **Part Three: Beyond Interest, Create Demand by Building your Business Case: 1:15-3:30 pm**

1. Highlight the steps to building a business case, factors that strengthen the case, and how to assemble convincing evidence to support the case
2. Review common pitfalls in making the business case
3. Discuss common objections and how to counter push-back from the health sector partner
4. Incorporate group work and introduce the business case tool

## **Session Close and What's Next: 3:30 - 4:00 pm**

A close-up, artistic photograph of a woman's face. Her right eye is visible, looking slightly to the right. Her hand is raised, with fingers near her eye, as if she is looking through a magnifying glass or examining something. The lighting is soft and warm, highlighting the texture of her skin and the intensity of her gaze. The background is dark and out of focus.

# Part One: Inside Out

## Notes:

## Notes:

## Notes:



# Part Two: Outside In

**What aspects of your organization are currently inside-out?**

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**What are outside-in?**

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## BREAK-OUT #1

Rate your organization's healthcare market awareness on a score of 1 to 10

1. What do you rate your organization and why?
2. What would a 10 look like for your organization?

## BREAK-OUT #2

Enhancing market awareness within your organization

1. Why? (think policies + marketplace)
2. How? (think structure + culture)
3. Who? (think roles + skills + interests)
4. Revisit your market awareness score from above.  
What can you do to move that score up one or two places?



# Part Three: Making the Business Case

1. Calculate the ROI based on the flowing information:

| Column | Variable  | Value    |
|--------|---|----------|
| 1      | Number of clients   | 1,000    |
| 2      | Cost per client   | \$2,000  |
| 3      | Total care coordination program costs                                 |          |
| 4      | Readmissions averted  | 140      |
| 5      | Variable cost per readmission   | \$15,000 |
| 6      | ED Visits averted   | 500      |
| 7      | Variable cost per ED visit  | \$800    |
| 8      | Total benefits (Cost savings from averted readmissions and ED visits) |          |
| 9      | Net benefits  |          |
| 10     | ROI   |          |

*Insert % in the space above*

2. Suppose a CBO provider of Meals on Wheels is offered \$15 by a health plan for every meal it delivers. Suppose further that the variable costs the CBO incurs for every meal is \$12. The variable costs are direct costs for labor and materials - here the cost of the cook's time and the gasoline and driver's time to deliver each meal. For every meal delivered a contribution of \$3 (\$15 - \$12) is made towards fixed costs. Let's suppose fixed costs are \$3,000. Fixed costs do not change irrespective of the number of meals delivered, and would include costs such as the required food storage and possibly the cost of administering the contract with the plan

Calculate the breakeven quantity and place the answer in the box

3. Differences in Differences (DID)

Here you are to isolate the effect of integrated care versus a 'control group' that receives usual care. You are to use the DID method. This approach involves comparing post versus pre-enrollment utilization of ED visits (data shown in the table) by this high need population.

Enhanced Care

| Baseline | Follow Up |
|----------|-----------|
| 3.4      | 2.0       |

Usual Care

| Baseline | Follow Up |
|----------|-----------|
| 3.4      | 2.1       |

What is the true impact of the enhanced care on ED visits?

4. You will see a list of the six factors that drive the ROI that the health sector partner might enjoy from your offerings. Assign a score from 1 - 5 to each factor. The score represents your organization's strength for that factor when it comes to making your business case.

Rate your Strength  
(1 - 5) where 5 is most favorable

| Driver   | Score |
|--|-------|
| 1. Your costs are low  |       |
| 2. The population you serve are heavy utilizers of the health system   |       |
| 3. The population you serve tends to utilize expensive medical events  |       |
| 4. Your services are effective in terms of significantly reducing medical utilization                                |       |
| 5. Your health sector partners get to enjoy a large share of the cost savings from reductions in medical utilization |       |
| 6. Your health sector partners are in a position to capture additional revenues if they utilize your services        |       |



**Get in Touch!**

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