

The CFO Role In Preparing For Value-Based Contracting – How The CFO Helps Lead Through The VBR Process

CFO – Architect of Value

2023 Open Minds CFO Summit February 15, 2023



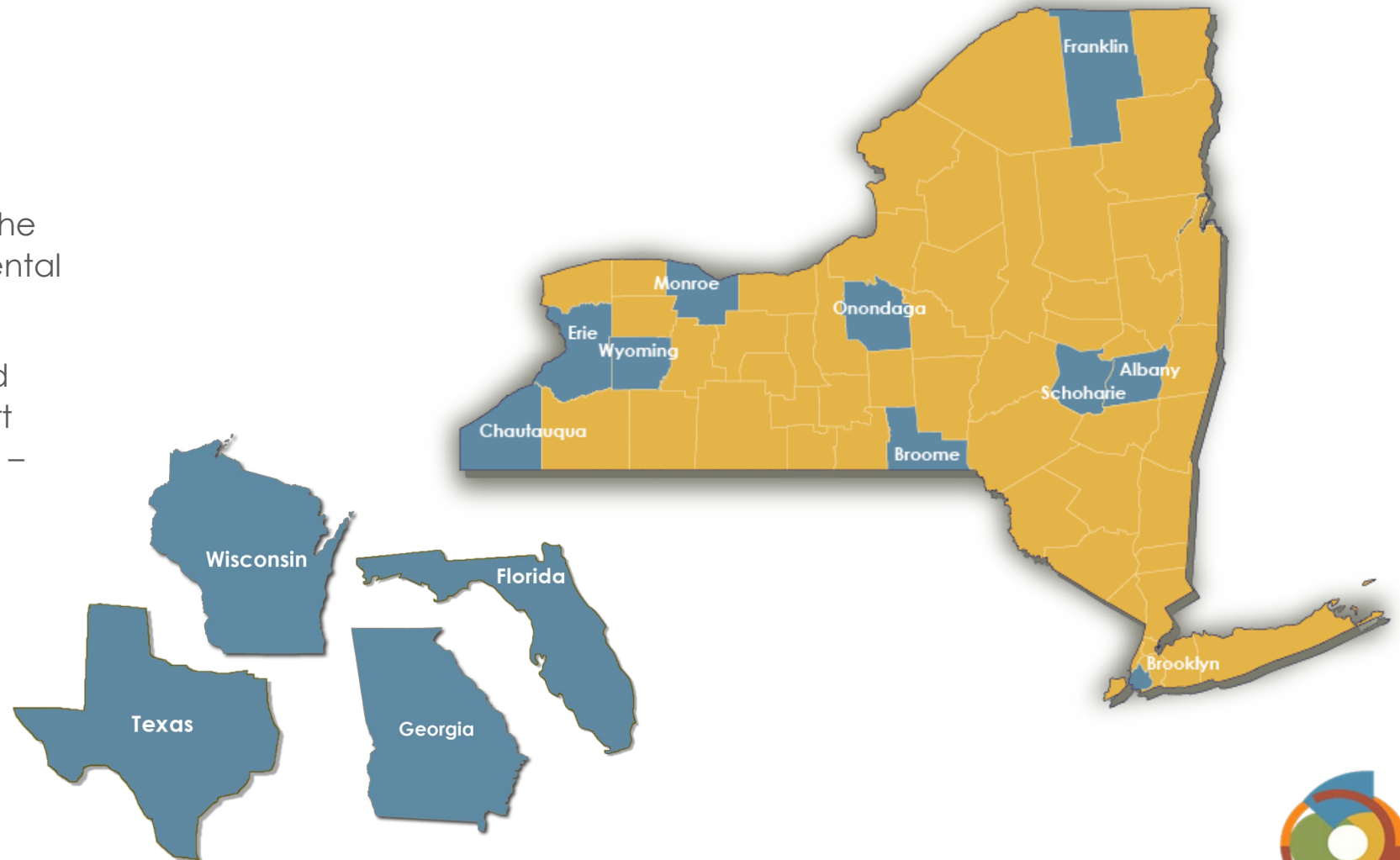
CCSI

Coordinated Care Services, Inc.
Innovative Solutions in Human Service Delivery

About CCSI



- Not-for-Profit Management Services Organization
- Founded in 1992 to support the Monroe County Office of Mental Health
- Today - staff of >400 talented individuals working to support customers across Upstate NY – and beyond



Presenter



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CCSI Consulting Services

We provide the expertise and support organizations need to understand, implement, and sustain practices aimed at improving the way healthcare is provided. Our Consulting Division is made up of two Centers of Excellence - one focused on Trauma Responsive Practice / DEI and the other on Organizational Effectiveness



CFOs Unique Position in an Organization


- Understanding and management of financial inputs and outputs
- Skill set in quantitative analysis, projections, planning and reporting
- Ability to leverage technology to build efficiencies and monitor outcomes
- Ability to quantify and manage risk
- Responsibility for allocating and leveraging resources
- Has a direct relationship with the Board and other Executive leadership

This unique set of skills places the CFO in the best position to be a leader in your organization journey from volume to value



Value-based reimbursement requires change

- Financial inputs and outputs need to be redesigned and understood differently than legacy reimbursement models
- Quantitative modeling, projecting and reporting must be retooled to accommodate risk related to not meeting or exceeding expected outcomes
- Leveraging current and new technologies must be implemented to build efficiencies and mitigate risk
- A new level of risk “outcome risk” must be quantified and managed
- Limited resources will need to be reallocated
- Leadership and boards will need to be educated and mentored to operate effectively in the new reimbursement environment





As CFO we must make fundamental shifts

Instead of just looking back at where we have been we need to also begin looking forward and envision where we can go

Transition from our traditional siloed approach to managing finances to becoming a strategic partner for internal and external stakeholders

Expand our thinking about our role and accept our responsibility to ensure and support quality and take pride in the positive impact we have on our communities



*How do we get from
where we are today to
where we need to be
tomorrow?*

Start Internally



Questions to ask looking inward



- Is my trial balance clean and do I have a chart of account and cost center structure that will support VBR?
- Do I have an accurate and regularly updated shared cost allocation methodology?
- Can I quantify my unit costs, and do I understand, measure, and monitor the key expense and revenue drivers?
- Do I have sufficient analytic capacity in myself and my team (Business Intelligence tools)?
- Do I empower my staff and drive efficiencies, so I have more time to be strategic?
- Have I invested enough in data driven quality improvement?
- Am I a visible, respected, and a trusted thought leader in my organization?



Steps we may need to take to become a visible, respected thought leader




Better understand the external environment we operate in, who are the players, what are their pain points, how is my organization uniquely positioned to positively impact our communities



Determine who our competition is and who we should cultivate as strategic partners






Additional Considerations

Learn the language

Understand the federal, state, and local forces that are shaping your industry

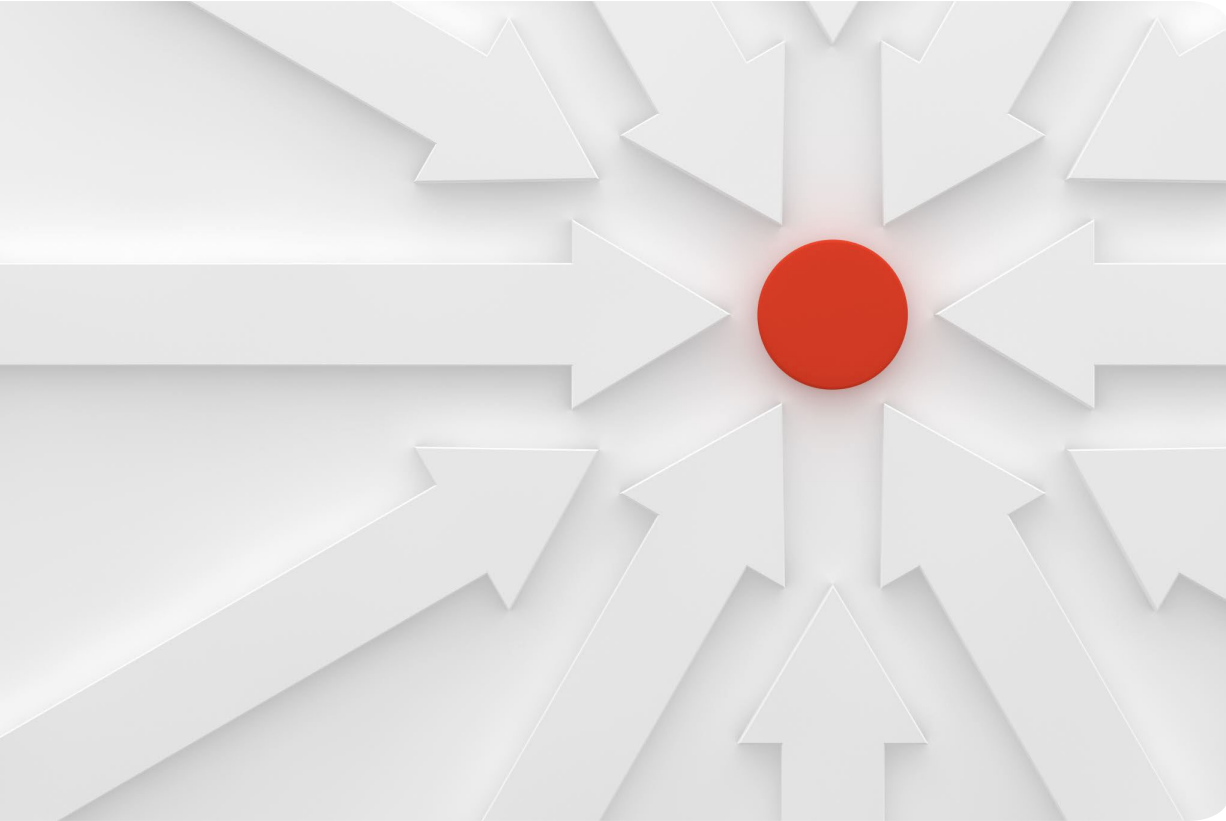
Get out more, find opportunities to become known and respected in your environment



Some shifts
might be harder

Begin to see
your payers
as partners





Approach risk
as an
opportunity



Evaluate your
emotional
intelligence –
address your
shortcomings
and nurture your
strengths

Self Awareness – do I understand my strengths and weaknesses?

Self Management – do I manage my emotions, particularly in stressful situations?

Social Awareness – can I recognize others' emotions and the dynamics in play in the situations I am in?

Relationship Management – can I influence, coach, and mentor others, and resolve conflict effectively?

Emotional Intelligence is a key leadership skill





Learn New
Skills

Business Intelligence – process needed to discover value in trends and patterns in data to make more efficient, accurate decisions in support of your business goals and strategies. Leveraging BI tools is an essential analytic skill set.

You have the tools on your desktop

Excel has powerful tools to connect to data, transform it, model it, and visualize it



Questions

Observations

Discussion

