



# Expanding via C-SNP

Keeping residents out of the hospital is the key to running a good, nurturing senior care business, believes President and CEO Molly Forrest and her colleagues at the Los Angeles Jewish Home. While that might seem obvious to some, not everybody is as aggressive about it as Forrest and crew. Their latest project — establishing a chronic condition special needs plan, or C-SNP — will be both good caregiving and business decision-making if leaders can ramp up the program this fall when enrollment opens. Executive Editor James M. Berklan spoke with Forrest recently about how the plan will work.

**Q: What brought this plan to life?**

**A:** We started planning four years ago. We looked at joining a consortium, but we didn't do that because it's hard to know all the people with whom you're in business. If you have a significant sideways or downward dip, you could very quickly find yourself financially strapped.

We are scheduled to begin enrolling in October of this year. We're going to do it first within the home. We are also reaching out to other senior care centers to see if they are interested. We have to offer it all around Los Angeles County, by California preference.

**Q: Why a C-SNP?**

**A:** If you run a chronic care special needs and really understand the value of keeping people inside [and not leaving for the hospital], and look for what a value to the client is that makes their lives better, you're on the right track.

We knew what we had done with PACE (Program of All-Inclusive Care for the Elderly). PACE is a positive revenue flow for us, and that is a total

capitated insurance plan for a distinct population. But they are the frailest and most vulnerable individuals because they live at home and would be in a nursing home without support. We were talking about residential care people AND nursing home people being in a plan. So a C-SNP works for us.

If we do a good job of taking care of people in-house and save them from going to the hospital, which was almost always a negative for their health outcomes, we could do a better job for people who were on Medicare, a Medicare Advantage plan or Medi-Cal plan.

**Q: What is the vision right now?**

**A:** We've done all the financial projections, pro formas and the like. We think once we get to 1,500 lives — which is bigger than we are — we'll do very well with this. We have about 1,200



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to 1,250 overnight stays every day now, and I'm hoping we can get 50% of them enrolled.

We had to find a way to cover the whole county because we are required to by state preference. We've been able to identify IPAs [independent physician associations] in the county who will cooperate and be part of our plan.

**Q: Why is your PACE experience so helpful?**

**A:** With PACE, we figured out how the care provider actually helps receive more capitation money into PACE by doing a better job of the doctors diagnosing and recognizing the conditions and diseases that our residents manifested.

If somebody has something with diabetes and you add other things to make sure the government knows it's more complicated than having a slight diabetes problem that you just take a pill for every day, then you are getting more money from Medicare under the capitated format. The Medi-Cal money is always based on a formula specific to each state.

**Q: How will you know when you're doing well?**

**A:** In our case, we need to show we can operate and pay ourselves to be the insurance plan for Medicare benefits for the people enrolled. The [C-SNP] has so many diseases, we felt it pretty much covered 95% of everybody we have taken care of for about three years.

The diseases we picked make it fairly safe that we would be able to enroll people. We're talking dementia, diabetes, congestive heart failure, a lot of cardiac issues, and other conditions.

A C-SNP can cover people who are in an institution or when they live in residential care or skilled nursing settings, or when they live at home, like PACE.



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The goal is to make sure institutions are for people who really need them and assure people at home are safe and secure and have what they need. Often, the obstacle is the government still operating in silos.

**Q: What are your business goals, and how will resident care expand?**

**A:** If we had more density, that would make it more profitable from the get-go. I try to be very conservative in projecting what we're doing. We know we can have two years or so of not making any money — so that we're going to have time to figure out how we can do this.

A donation we received will help us with the up-front deposit we have to make for costs of risk management. It also helps us with application fees, lawyers, consul-

tants, all that.

The biggest thing we need are strong operators who will be partners with us, who recognize keeping people out of the hospital, unless they really need to be there, is a real key to controlling the quality of life in each individual we touch.

Most facilities don't look at their hospital days and say what can we do to keep people out?

With our C-SNP plan, we can offer dental coverage, eye coverage and hearing aid coverage. We can do enhanced therapy services. You cannot really expect a 90-year-old to bounce back from pneumonia in three trips.

We're building into our C-SNP what we think will make a real difference in ensuring that stability and care wherever they live is possible.

We have applied to other foundations to help us do this, frankly,

more broadly and boldly than we first intended. With an [institutional special needs plan], you can limit it to nursing homes, but a C-SNP has to be more broadly based. We view this as a bridge to the future when we will continue to do more outside our walls than inside our walls, and more in the community.

**Q: Why do you say providers must be able, and willing, to change?**

**A:** We have to figure out how we can do this together, because the aging of America depends on us. We have to do better than we have been doing. We've got to be able to adapt.

Everybody recognizes the needs are huge and we have to bring down the costs. If we cooperate and do this together, we will. ■