BEHAVIORAL HEALTH IN THE PRIMARY CARE PRACTICE

A business plan to add a behavioral health service line in a primary care or multispecialty practice in order to improve patient centered care.

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Table of Contents

PROJECT SUMMARY .......................................................................................................................... 2

EXECUTIVE SUMMARY ............................................................................................................. 2

ORGANIZATIONAL PLAN ............................................................................................................. 7

MARKETING PLAN ..................................................................................................................... 14

FINANCIAL PROJECTIONS .......................................................................................................... 18

INNOVATIVE ELEMENTS AND EXPECTED BUSINESS OUTCOMES ............................... 21
**Project Summary**

Improving patient outcomes is the goal of every physician and every practice. Today, that is becoming more challenging due to increased requirements by Centers for Medicare & Medicaid Services (CMS), third party insurance payors, as well as the opioid epidemic impacting all areas of our country. Physicians are expected to fully engage patients in their own healthcare as well as comply with additional documentation to prove they have discussed and provided the services billed. In order to comply with certain criteria, counseling services are needed for patients with addiction disorders as well as those with other mental health diseases such as attention deficit hyperactivity disorder (ADHD), depression, anxiety or even stress.

Physicians are finding themselves stretched thinner and thinner trying to meet the demands of today’s patients and provide the best care. With the national shortage of primary care physicians, it is up to healthcare administrators to find creative and better ways of managing patient loads in order to impact the patients in our communities. One way of doing this is to offer counseling services in the primary care setting by a licensed mental health counselor (LMHC), psychologist or psychiatrist. Both psychologists and psychiatrists are in short supply and the need outweighs their ability to effectively treat every patient in need. Adding behavioral health counseling will provide needed relief to these specialists as well as provide relief to primary care physicians in their own practices. LMHCs can see and treat patients ranging from addiction, depression/anxiety, to marriage or life counseling, or stress management.

**Executive Summary**

This proposal is not based on any one company. It is designed to be implemented by most primary care or multispecialty practices to improve the lives of patients while freeing up physicians to see more patients and/or have better work/life balance. This plan is unique in that it incorporates counseling services directly into the primary care setting.
Across the United States, there is an increased need for mental health/behavioral health counseling services due to stress, increased family demands, addiction, depression, ADHD, post-traumatic stress disorder (PTSD), autism, etc. The stigma of mental health issues is beginning to subside as more people are being diagnosed, but there is a lack of support to treat these disorders other than short periods of counseling with the primary care physician or often, just medication to try to treat and resolve. Although medication can be an important tool, it should not be the only treatment plan or option available by physicians for their patients. Adding specially trained counselors will allow patients to have better understanding and control in their health and welfare. Providing separate counseling services to children at a younger age will allow them to have more control over their health as they grow and may prevent future breakdowns leading to societal disruption or terror states such as we see all too often in today’s society.

The mission of this program ties directly to the mission of any organization involved in patient care—better care for patients as well as increased patient engagement. Patients will be able to receive counseling services without the stigma of going to a mental health facility or separate office as their counselor is located in the primary care office. The presence of a counselor will also allow physicians to have more options in their treatment plans and can facilitate better patient integration into society. Patients can participate in counseling sessions that are more focused and more intense than the current primary care physician can offer, allowing the patient more focused treatment and more engagement in their own health, leading to more productive and content living.

The addition of LMHCs will improve patient centered care by teaching patients how to be actively engaged in their own treatment plan instead of passively reacting to problems. Providing patients with the opportunity to actively engage in their health will facilitate more balance, empowering them to be more productive and in the case of addiction, prevent relapse. Often times, patients lack coping skills so having a program to teach them such skills will aid in preventing future health issues as they are more prepared to take better care of themselves. This
can lead to an increase in physician compliance with patient centered medical homes as well as pay for performance contracts by insurance payers since patients who are actively engaged and participating in their care are more likely to be compliant with testing and medication regimens.

Currently, there is a lack of psychiatry resources in the United States. Patients are often put on waiting lists or are not offered counseling services because they are not available, especially in rural or outlying areas. This shortage can be offset by having licensed, trained mental health counselors working directly with physicians to increase accessibility and early intervention leading to better outcomes in the long term. Some insurance payers are already recognizing the benefits of such counseling services and paying for their treatment.

Capital costs to implement this plan would be minimal. Adding a counselor to a physician office does not require capital for any equipment. Expenditures would be limited to the wages of psychologist and/or LMHCs along with any needed office furniture if not currently in place. Other potential expenses would be select testing tools with a cost of less than $5000, but these may not be necessary at start up and could be added at a later time once the service line is fully engaged.

The return on investment from this project would include revenue from billing insurance payors that will cover the LMHC, additional bonus money for increased compliance in pay for performance contracts, as well as the contribution to Patient Centered Medical Home requirements and overall patient outcomes. Additionally, physicians will have better balance as they can see more patients and focus more on medical issues without having to invest additional time with certain patients for counseling. This will allow for an increase in physician productivity and revenue.
The management of the LMHCs would be overseen by a psychologist and/or primary care physician. Some insurance companies will cover the counseling sessions by a licensed counselor if the treatment plan is signed off by the physician or by a licensed psychologist. Since no prescriptions would be written by the mental health professionals, the treatment plans could easily be coordinated without extensive physician time. If the patient could benefit from medication, the physician would prescribe and oversee the patient’s response, while the patient continued with counseling services.

Staffing and office flow are overseen by current office management in place at the practice. The office manager would hire and staff the office as is currently done. Depending on current staffing levels, an additional team member may be needed to assist with registering and checking in patients. Rooming the patient is usually handled by the LMHC, so no additional staffing would be required.

Competition would be other mental health facilities and providers within the area. In most communities, and especially rural communities, there is a severe shortage of resources; thus, if there is a mental health professional in the area, they are most likely booked and timely access is an issue. The goal of having counseling in the primary care office is to facilitate treatment for the patient before they have significant problems and end up in a facility or institution.

Other community services and resources provided by non-profits and churches can offer counseling; however, these are not always licensed and do not necessarily coordinate care for the

<table>
<thead>
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<th>Projections</th>
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<td>Potential Net Revenue Counseling</td>
<td>147,840</td>
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<td>Potential increased Physician Revenue</td>
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<td>Total Revenue Change from Service Line</td>
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<td>Potential Expense Adding Service Line</td>
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<td><strong>Net Profit Adding Service Line</strong>*</td>
<td><strong>40,840</strong></td>
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*Projections explained in greater detail throughout proposal*
patient with their physician. In addition, many community resources are grant funded and when
the grant runs out, so do the services. While these resources are valuable and could be used in
conjunction with the physician and LMHC, they should not be considered the only solution.
Many of these resources only focus on addiction issues or family counseling leaving a gap in care
for those who have more problems than just addiction. It is feasible that patients could benefit
from the services of both, LMHC and other community resources.

The advantage of this proposal is providing services that will lead to improved patient
care and potentially lower cost for insurance payers and the community by improving patient
outcomes. Utilizing resources to provide earlier intervention could prevent larger issues and
higher costs for patients. Offering counseling in the office by a LMHC can improve patient
compliance as they will not have to go to a different location and appointments can be scheduled
while they are at their current physician visit.

Financial Changes

The table below outlines the impact the program will have on a clinic. Since this is an
addition to current services and there will not be a large investment required for start-up, the
overall impact will be minimal. The goal of the program is to be self-sustaining and not
negatively impact the current financial position. Depending on payor mix, the program can even
become profitable. Success is dependent on the relationship and trust between physicians and
counselors.

The projected revenue for counseling services ranges from $110,000 to $193,000
depending on the number of patients seen and payer mix. The expenses of adding a LMHC
would be $107,000 per year while a psychologist would run $132,000 per year (See financial
documents for breakdown). Based on these assumptions, it is likely the program could break even
or show a profit from year one. The LMHC has the highest profit margin, theoretically, but
cannot get reimbursed from CMS as they do not recognize the credential. Depending on the
number of patients in that payer mix, it might be more prudent for a clinic to employ the
psychologist. If the CMS payer mix is not as high, the LMHC makes more sense and will be easier to recruit. The profitability of the program will increase in years two and three since the practice will be built up and the counselor can see more patients. Assuming a break even in year one, the return for year two and year three would be roughly $86,000 per year for the LMHC. If the physician is able to increase his/her schedule by two patients per day, the increase in revenue could be $34,000 or higher (See financial documents). Therefore, the overall yearly impact would be $120,000 or more after the first year.

**Organizational Plan**

**Summary Description of Project:**

The short-term goal of this program is to reduce current primary care physician patient overload. Doing so should help reduce burnout as well as provide additional opportunities for providers to see more medical patients and/or have a better work/life balance. Physicians who are content in their job can provide better care to their patients and thus improve lives in the community. The program will increase patient awareness and provide necessary tools to cope with everyday stressors. In addition, more in-depth counseling and assistance can be provided for those patients with a higher acuity of problems.

The program provides opportunities to impact and/or prevent addiction or relapse. Prevention and awareness will help reduce the need for emergency or urgent care services due to overdoses. By empowering patients with the life-skills they need to avoid or handle stressful situations, counselors will help patients to avoid situations and prevent a relapse. This can lead to reducing the overall number of using addicts and make an impact on the current addiction problem.

A long-term goal of the program aims to engage patients to be more active participants in their own health. By doing so, communities can become healthier overall and patients can be more productive. Patients taking an active role in their health will reduce the need of other
medical services since they will be able to better control diseases such as hypertension and hyperlipidemia. Once patients become engaged in a more active lifestyle, obesity and diabetes can be reduced leading to overall healthier communities.

Another goal is to improve the work/life balance for physicians, so they can better focus on patient medical needs and improve outcomes. Providing relief for physicians from burnout and patient overload gives them a better opportunity to focus on patient engagement and improved lifestyles. Better work/life balance provides physicians with the necessary down time to rejuvenate and better care for themselves which will lead to more productive time at the office.

The program aims to increase the clinic’s patient access to allow more community members to become healthier and allow physicians to focus on preventative rather reactive care. Moving patients to engage in their own health will aid physicians in the ability to be proactive. No longer will physicians only be addressing the immediate crisis but can look to improve the lives of their patients and help them become healthier. Healthier populations will put less strain on critical services and will reduce healthcare costs overall with a reduction in emergent services.

As patients become more engaged and active in their care, it will be easier to educate them on better health outcomes and disease prevention. Once physicians are able to focus more on prevention, care begins to move to proactive rather than reactive. Patients will be able to prevent emergent episodes and stay out of the hospital, thus reducing costs since more expensive hospital services will be reduced.

Another important long-term goal is to advocate for insurance payors to recognize and reimburse for services of LMHCs. Better reimbursement for these services ultimately will lead to reducing cost of care overall. As counselors are able to help patients deal with daily issues and provide tools and resources, patients will become more active in their own care, reducing the need for emergent services and reducing the overall cost of care. It is less expensive to pay for counseling services and an office visit to the physician than it is to cover the cost of an overdose or a hospital stay because the patient is not compliant to keep their chronic conditions controlled.
This approach to mental health is unique since it focuses first on the patient, then on the primary care physician, and lastly on the money. By including counseling services in the practice without regard to reimbursement, it allows the patients to get the care they need while freeing up the primary care physician to see additional patients. The primary care physician only needs to monitor the proposed plan of care and follow with the patient in periodic intervals. The relationship built between the counselor and physician would also provide a convenient and quick opportunity to intercept larger or more acute issues that arise and work together to aid the patient and prevent possible negative outcomes.

The ability of the physician to see more patients instead of spending extra time counseling patients will provide greater reimbursement to the practice. In addition, the LMHC will be able to bill for services with those payors who recognize the credential. Additionally, with continued positive outcomes it should be possible to garner steam to push all insurance payors to recognize and support payment for a LMHC since counseling can prevent episodes that would require hospitalization. Overall, the patient will be receiving the care and counseling needed to be more productive and healthier.

**SWOT ANALYSIS**

**Behavioral Health Services in Primary Care**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tr>
<td>Improve patient care outcomes</td>
<td>Shortage of psychiatrists and psychologists</td>
</tr>
<tr>
<td>Increase revenue—bonus money from payors as well as revenue billed for services</td>
<td>Lack of recognition of mental health counselors by insurance payors</td>
</tr>
<tr>
<td>Meet criteria for Patient Centered Medical Home</td>
<td>Lack of understanding regarding counselors practice needs, set up, coding and billing</td>
</tr>
<tr>
<td>Meet criteria for CMS Quality Payment Program contributing to higher reimbursement</td>
<td>Lack of participation/oversight by primary care providers</td>
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<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique service attracting more patients</td>
<td>Costs involved</td>
</tr>
<tr>
<td>Reduce stigma as patients are seen in their PCP office setting</td>
<td>Lack of payment for services by some insurance payors</td>
</tr>
<tr>
<td>Increase awareness for better outcomes</td>
<td>Increased patient demand may outweigh available resources</td>
</tr>
<tr>
<td>Improve outcomes for addiction patients by providing additional resources and support</td>
<td>Provider burnout</td>
</tr>
</tbody>
</table>
The strategy for the short-term objectives are to provide the needed counseling and care to patients of addiction and other mental illnesses such as depression, anxiety and stress along with freeing up physicians to better care for other patients. Engaging patients in counseling and providing tools to cope with everyday triggers will allow patients to better function while improving their overall wellbeing. This can lead to a more productive life and less time off work for patients. Physicians are able to free up more time for other/new patient visits and thus be able to address more of the medical issues affecting the patients in their community.

Long term objectives of the program will be to incorporate mental health treatment plans into all areas of the practice. Employers currently offer employee assistance programs which offer services to employees facing difficulties or stress. Incorporating these services into the primary care practice can reduce the need of these programs as the services are readily available to patients at their physician’s office. Offering these services at the physician’s office will improve access and compliance as patients can see the counselor without the stigma of going to a mental health facility. A number of people still regard mental health as taboo or a dark secret. Allowing patients to get the care they need without fear of stereotyping will make care more inclusive. In the long term, this will allow more patients to get the care they need and will improve their overall health and productivity.

The most critical strategic relationship in this program will be the physician to counselor relationship. Without a solid foundation and trust between both providers, the program will not succeed. As this relationship continues to strengthen and both parties are comfortable with the treatment provided, the program will continue to grow. The physician is still the key component to the patient’s care and the counselor will enhance that care. The trust and communication between both parties will be the foundation of treatment and care for the patient.

The counselor’s relationship with treatment facilities will also be a key strategic relationship. The rising need for treatment of addiction will require a positive and collaborative relationship with treatment facilities and programs. After care will be required and the patient
will need the support of all parties. In order for a patient to be successful in treatment, they need to learn tools to cope with life stressors and triggers to their addiction. This is not something that can be obtained during a short inpatient stay or a short rehabilitation stay. These tools are developed and often require reinforcement throughout a lengthy timeframe such as six months to a year. Periodic follow up care is also essential to patient success. Physicians and counselors are in a position to see the patient and follow them after their treatment in a care facility.

Strategic relationships with schools for ADHD, autism and other disorders in children are essential as many adult problems develop or materialize in childhood. Working with schools to identify and treat children at a young age can lead to prevention of larger issues as teenagers or young adults. The prevention strategy should be a core element of the program and counselors will be able to assist children with coping mechanisms and education in conjunction with the physician. The relationship with the school would facilitate better communication between the physician, teachers, counselors and parents to develop a more personalized care plan that focuses on better outcomes for the child.

Physicians are key stakeholders in this program as they are the foundation and cornerstone of the project. Their interaction and referrals to the counselor will determine the success of the program. Success for the patients spills over to success for the physician as they will have a better balance within their practice with regard to education and counseling services. Counselors will be able to remove some of the workload allowing physicians to care for more patients and have a better work-life balance.

Administration is a key stakeholder since they are involved in the financial aspect. Administrative support allows physicians and counselors to treat patients without regard to economic status or financial worry. Patients that qualify will garner a reimbursement from their insurance carrier but those that don’t qualify or don’t have insurance that recognizes counseling services will still have available the mental health care they require.
Patients are one of the biggest key stakeholders in this program. The program is built around providing the patient the best care possible within the constraints of the practice. Opening up the possibility of counseling and providing it in a safe, non-judgmental environment encourages patients to seek treatment which will empower them to take control and participate in their own care. Patients engaged in their own health care plan will be able to sustain a more productive life as well as leading to a healthier community overall.

The community will benefit as a stakeholder from the overall improved health of its members. Improving patient health reduces the burden on the community to pay for more expensive services patients may have needed due to a lack of resources, education or access. Reducing the burden on emergency rooms and hospitals can improve the perception in the community as they are no longer having to pay for these services by means of higher taxes or healthcare premiums. Allowing patients to be more productive benefits employers as they will have less turnover and less employee absenteeism and can better manage their business.

Products or Services

The sole product of this project is counseling services located inside the primary or multispecialty practice and in conjunction with primary care physicians. The single location for services will allow for better access to care and more compliance from patients. Offering counseling services in the primary care setting can reduce the stigma and increase compliance for patients who need these services. Patients are more likely to participate in an environment they perceive to be safe and more comfortable.
Administrative Plan

The administration of the program falls in line with other mid-level providers. The administrator or office manager oversees the practice and staff as they do currently. The additional staff, if needed, would be added to the current team. The physician has oversight for the counselors and any mid-level (Nurse Practitioner or Physician Assistant) providers. The additional oversight includes monitoring and approving treatment plans prepared by the counselor. The counselor would provide regular updates and recommended changes to the physician for review and signing. The physician would follow up with the patient at regular intervals as they normally would for medical treatment in the primary care practice.

Operational Plan

First Year Timeline for operation:
- 0-3 months: interview, hire and credential psychologist and/or licensed counselor for individual practices. Smaller, less busy practices could initially share counselors until the demand grows for additional resources.
- 3-6 months: integrate counselor into practices and begin seeing patients.
- 4-12 months: increase community awareness about the program; increase patient load of counselors to maximize schedules.
- 0-12 months: advocate and negotiate with insurance payors to recognize licensed counselors and reimburse for their services.
First year milestones for success will be successful hiring and integration of the LMHC into the practice. Adding a counselor and building their schedules up to maximize their time sets the stage for future success. Depending on the size of the practice and number of physicians, the need may increase or be greater than one counselor can handle. Additional counselors may be needed once the program is up and running.

Future Years Timeline for operation:
- Continue to grow behavioral health practice volume along with physician productivity.
- Continue to negotiate increases in reimbursement revenue for counselors.
- Monitor patient outcomes to substantiate cost of services and show improved patient outcomes.
- Monitor and promote additional pay for performance options with third party payers to include counseling services.
- Establish group opportunities for patient education and support to continue increasing support for patients and physicians. Group sessions will allow counselors to increase their volume further while still providing the needed care for more patients.

Future years milestones will include building a successful practice for the counselor(s) as well as looking at additional opportunities for patients. Some patients may benefit from group counseling while others would not. Those patients that group counseling is appropriate will allow the counselor to treat more patients in the same amount of time which will increase the counselor’s ability to impact patient care. If group counseling is not an option, future threats will be counselor burnout due to increased or overloaded cases and may require hiring an additional counselor. Financial obligations may become a threat for continued success if insurance companies refuse to pay for services or change the pay for performance contracts. Proving positive outcomes and demonstrating the benefits of the program on patient health overall will be a key milestone to impacting industry changes to recognize and continue services for all patients who could benefit from counseling services.

Marketing Plan

The marketing plan for this program is minimal. Advertising the counselor or psychologist is possible but not mandatory. Most patients will come from provider referrals in
the clinic. In the event a clinic does not have enough patients to fill the counselor’s schedules, minimal advertising should provide the additional patient load needed. Smaller practices could partner together to employ the counselor based on practice needs. Each practice could employ the counselor on a part-time basis or one could utilize a lease arrangement to share in the cost portion of the service. The goal of this program is to provide counseling in collaboration with the primary care physician allowing for better patient outcomes and increased physician productivity. The counselor will continue to get referrals from the physician on an ongoing basis as new patients are added to the clinic panel. 

Primary care or multispecialty practices specializing in addiction treatment may, in fact, need more than one counselor in order to treat all patients in the addiction program. Treatment options such as Suboxone® require counseling as part of the treatment protocol. If a physician panel is in excess of 200 patients seeking treatment for addiction, the clinic may require additional counselors in order to see all referred patients from both the addiction treatment program and regular primary care treatment. Addiction programs generally provide reimbursement to counselors as long as the treating physician approves the treatment plan. Collaboration between the counselor and physician to create the appropriate framework for a treatment plan will expedite the approval process for the physician so the time required to review treatment plans can be minimal for the physician. 

As this program will become an integral part of the current practice, there is not a separate company to market. The niche of the program is providing added services in the primary care or multispecialty clinic setting in an effort to better care for patients while allowing physicians to focus more on medical treatment instead of added counseling. What makes this program unique is the ability to target current patients in need of services and provide these services without the patient having to go outside the current practice. This allows for more comfort on the part of the patients and reduces the stigma of going to a mental health facility or outside psychiatry office.
The internal marketing within the clinic is to those patients in need of services. Physicians and mid-level providers are the key in referring patients and providing them with information regarding the program. Physician interaction is the strongest marketing tool and will ensure success of the program as patients are more likely to follow the physician’s instructions, especially if it is convenient. Physician oversight is also a key element in the program as the physician would oversee the treatment plan outlined and created by the counselor.

External marketing is possible but may not be necessary. The service line can be added to the current marketing plan of the practice. If services are advertised or marketed to the community, behavioral health services can be added to the current template. There are some patients who may self-refer but the majority of patients will be referred by the physician.

Due to the nature of the program, there are no capital expenditures required for start-up. This program is designed to be self-sustaining from the beginning. The biggest financial burden incurred by the clinic is the counselor’s salary for the first two to three months as credentialing is finalized and billing is started. Once started, the revenue cash flow for counseling will mirror the current cash flow for the practice. The revenue generated by the counselor will be sufficient to cover any expenses of the program.

The mission of the program is to support the practice’s mission of enhancing patient care and patient engagement. Adding the behavioral health service line allows for better patient engagement and improved outcomes as patients are better able to take control of their health. Providing counseling services to patients allows physicians more time to focus on medical issues and increase the overall population health of the community since they will be able to increase volume and improve patient outcomes. Patients will become more productive citizens and put less strain on the health care system since they will be less likely to visit emergency rooms or require hospital admission for uncontrolled chronic conditions. Empowering patients with the tools needed to be healthier reduces the strain on physicians as well since they will be able to
proactively help their patients instead of reacting to spikes in uncontrolled conditions due to stress or other behavioral issues.

Competition in the market for this service is minimal. Most mental health providers (psychiatrists and/or psychologists) are overloaded due to a shortage of providers nationwide. Adding a LMHC to the current clinic setting meets the needs of patients immediately as they are not waitlisted to see someone. It also allows for quicker intervention as those patients without severe need are able to be seen much sooner. Prevention is a key to success of this program as by early intervention, many more serious behavioral health issues can be avoided. For those patients in need of more in-depth services or hospitalization, the clinic can refer them to facilities or providers in the area.

Industry trends show a need for services, especially as the stigma continues to lessen regarding mental illness. More people are aware of this illness and willing to seek treatment. Reducing the stigma further by providing services in an office where patients are familiar and comfortable allows for better treatment success due to increased compliance.

Market research is not readily available for this project as it is not currently widely implemented. The need for behavioral health services has been widely recognized within the healthcare industry as recruiting efforts for psychiatrists is challenging. Physician offices attempting to refer patients have a very difficult time finding a psychiatrist or psychologist, especially in less populated and more rural areas. Insurance restrictions also make referrals difficult to psychiatrists as well as lack of participation by the psychiatrists in specific plans.

Organizations would be able to perform their own market need based on feedback from physicians as well as available information from the practice’s current payers. If physicians have a need for counseling services and are willing to support the counselor, the practice can perform an analysis to determine viability of the service line. One of the key elements to success is physician buy-in and support of the counselor along with a willingness to collaborate for the best
outcome of the patient. Additionally, examining the current market and availability of the service line in the practice area will provide market information on the needs of the area.

The return on investment of this program is not only financial but also in overall patient health. The program is designed to be self-sustaining and not be a financial burden on the practice. The bigger return comes in overall patient health and the practice’s ability to meet program requirements for insurance pay for performance and Patient Centered Medical Home programs. Improving community health improves the ability of local businesses to grow, populations to be more active and healthier, and hospitals and emergency rooms to be more financially stable as many of the readmissions can be reduced as patients become more compliant. Patient engagement can filter down to other family members encouraging a healthier population in the community.

Implementation of the program is relatively easy and minimal cost since the counselor’s patient load is mainly from physician referrals. Measures of success will be based on the ability to fill the counselor’s schedule during the ramp up period and sustain the schedule long-term. Since most patients can benefit at some point from counseling, the referral process should not subside. The ability to help patients deal with stress and temporary issues can be beneficial not only to the patient but to the physician. Often temporary issues require several appointments with the physician where with this program, they can be referred to the counselor. The counselor can provide the tools necessary to deal with stress or other life issues enabling the patient to get back on track. Other markers of success include overall patient outcomes based on counseling short term and long term, increased physician productivity, patient satisfaction and physician satisfaction.

**Financial Projections**

The initial outlay for this program would be the cost of hiring a counselor and getting the credentialing process completed. The counselor would be housed in the current practice.
furniture may be a requirement if none is currently available. The space requirement is an office that can be closed off for privacy during counseling sessions. Most clinics have an office or space that can be converted to an office for implementation. Office furniture should not cost more than $2000 for desk, bookshelf and chairs.

### Financial Changes by Adding Behavioral Health to Primary Care

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<td>Net Revenue</td>
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**Assumptions:** Based on payor mix reimbursement should be close to 120 per one hour of service. Average day includes 8 patients. If provider is able to increase to 12 patients/day, revenue potentially goes up to $193375 annually depending on payor mix. Contractuals calculated at average 30% of reimbursed charges.

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<tr>
<td>Overhead (rent/utilities/supplies)</td>
<td>6000</td>
<td>6000</td>
<td>6000</td>
</tr>
<tr>
<td></td>
<td>107000</td>
<td>132000</td>
<td></td>
</tr>
</tbody>
</table>

**Assumptions:** Based on mental health counselor and/or psychologist. Salary information is from MGMA and current market in the Midwest. Benefits assumed at 25% of base salary for each provider.

<table>
<thead>
<tr>
<th>Physician productivity billing codes</th>
<th>CMS rates</th>
<th>Increase 2 patients/day</th>
<th>230 days/year (46 weeks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>99213</td>
<td>99214</td>
<td>99215</td>
<td></td>
</tr>
<tr>
<td>CMS rates</td>
<td>74.00</td>
<td>109</td>
<td>148</td>
</tr>
<tr>
<td>Increase 2 patients/day</td>
<td>148</td>
<td>218</td>
<td>296</td>
</tr>
<tr>
<td>230 days/year (46 weeks)</td>
<td>34040</td>
<td>50140</td>
<td>68080</td>
</tr>
</tbody>
</table>

**Assumptions:** physician works 5 days/week, 46 weeks/year. Projections used CMS rates only; commercial rates typically higher.
The cash flow of this project is dependent upon credentialing and billing insurance payors. The goal would be to have all credentialing completed when the counselor starts. If this is done, the revenue should offset the salary expense required for the counselor.

Future budget concerns would include the reimbursement revenue along with the salary expense. There could be minimal budget expenses for testing tools in the future but those should total less than $2000 per year. Many of these tools are online and only require software licensing to utilize which could reduce the cost considerably after the first year.

Since the program is an addition to a current clinic and not a stand-alone practice, many traditional financial statements, such as the balance sheet and historical financial statements, will not apply. The biggest impact financially is the cost of salaries which should be offset by revenue coming in to the practice. Cash flow projections are based on the referrals from the primary care providers and the number of patients a counselor can physically see in a day. Physician productivity has been included at the lowest level (99213) to give a more conservative picture of the actual cash flow increase. Based on the patient mix the physician sees, the cash flow may actually be higher than these projections.

### Cash Flow Projections:

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LMHC</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/counseling</td>
<td>40840</td>
<td>86375</td>
<td>86375</td>
</tr>
<tr>
<td>Increased Physician revenue</td>
<td>34040</td>
<td>34040</td>
<td>34040</td>
</tr>
<tr>
<td>Total revenue increase</td>
<td>74880</td>
<td>120415</td>
<td>120415</td>
</tr>
<tr>
<td><strong>Psychologist</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/counseling</td>
<td>15840</td>
<td>61375</td>
<td>61375</td>
</tr>
<tr>
<td>Increased Physician revenue</td>
<td>34040</td>
<td>34040</td>
<td>34040</td>
</tr>
<tr>
<td>Total revenue increase</td>
<td>49880</td>
<td>95415</td>
<td>95415</td>
</tr>
</tbody>
</table>
The break-even analysis shows less than one year to cover the cost of adding the service line to the practice. The program is designed to have a positive financial impact overall. Based on the analysis, the program should generate positive cash to the practice by the third quarter.

### Break Even Analysis

<table>
<thead>
<tr>
<th></th>
<th>LMHC</th>
<th>Psychologist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total annual cost</td>
<td>107000</td>
<td>132000</td>
</tr>
<tr>
<td>Average reimbursement/day</td>
<td>886</td>
<td>886</td>
</tr>
<tr>
<td>Days to break even</td>
<td>121</td>
<td>149</td>
</tr>
<tr>
<td>Average patient days/month</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Months to break even</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

Average reimbursement calculated at 8 patients/day based on 70% commercial/30% CMS rate. Patient volume calculated at 20 patient days/month for 11 months.

The overarching goal of the program is to provide better patient care and improve outcomes while allowing physicians more time to focus on the medical needs of their patients. Doing so provides improved care to more patients and can reduce costs overall in the long run. Many insurance payors are starting to include mental health screenings and treatment as part of their pay for performance program requirements. Adding a counselor to the clinic will increase the chances of success in these programs which can lead to additional revenue when compliance and performance measures are met.

**Innovative Elements and Expected Business Outcomes**

The addition of behavioral health to the primary care or multispecialty clinic can positively impact the community. When patients are able to easily access care and counseling, they are more likely to be compliant and follow their practitioner’s plan for better health. Allowing patients access to counselors frees up the physician to see more patients which will
improve the overall health of the community. As patients access care and develop tools to more effectively engage in their own healthcare, the community becomes stronger and healthier. Empowerment can be a large factor in overall population health improvement.

The first challenge facing this program is the reimbursement rates offered by payors. Most payors have begun adding counselors to their accepted provider lists, but some are still behind, including Medicare. As more payors recognize the value of counseling and a licensed counselor, more people will have affordable access to this service. This can decrease the cost of benefits for many employers who are currently paying for employee assistance programs (EAPs) and providing these services on a limited basis. Inclusion in all health care plans and payors will allow participants the opportunity to seek counseling at earlier stages rather than waiting until a crisis to find resolution to their problems.

Overcoming patient perception and physician reluctance to work with counselors would be another challenge. Some patients may be reluctant to utilize the services of a LMHC due to continued stigma around behavioral health. While this perception is starting to subside, there are still patients who will be hesitant to participate. Physician willingness to participate is another key aspect to success in this program. If physicians are not supportive, they will not refer patients which can delay program success. Physician participation is also needed to encourage patient participation in the program.

The next steps needed to put this program into action are physician buy-in and administration support. The program will not be a major profit center for healthcare systems or physician clinics, but it should not lose money either. As a break-even or potentially profitable venture, the program should be given consideration by any primary care or multispecialty clinic to improve the health of patients, to address addiction by providing treatment options and solutions, and to improve the work/life balance for physicians.