

Thank you to Co-Chairs of PA House Human Services Committee, Representative Kinsey and Hefley, for the opportunity to share insight on Performance Based-Contracting issued by Office of Developmental Programs. As a stakeholder providing services at Horizon House Inc. I am grateful for the opportunity to serve on ODP's Strategic Thinking Workgroup with a diverse and balanced representation of the provider community and other stakeholders to offer input to the framework of Performance –Based Contracting. I am appreciative to offer perspective and recommendations on the information that has been provided thus far.

In Pennsylvania, Intellectual and Developmental Disabilities and Autism (I/DA) services are at a critical juncture. I/DA services is in crisis. The staffing workforce crisis has left us struggling to provide quality care with minimum staff. Financially, the current Fee for Service model is unsustainable. In response to the challenge of how to sustain home and community based services in the Commonwealth, the Department of Health and Human Services, Office of Developmental Programs is implementing Performance Based-Contracting, in support of system reform.

Horizon House is committed to helping the individuals we serve live fulfilling life in the community of their choice. Through the years, Horizon House has responded to the needs of individuals by broadening its scope of programs and services for adults with behavioral health needs, individuals with intellectual and developmental disabilities, and the homelessness. Our goal is for everyone we serve to have the opportunity for growth, community, and a better quality of life. Today, Horizon House serves more than 5,000 adults annually in Pennsylvania and Delaware. Horizon House provides behavioral health services throughout wide geographical region in Pennsylvania and the state of Delaware. In Pennsylvania, Horizon House services the following counties: Bucks, Delaware, Montgomery Lehigh, Northampton and Philadelphia. In Delaware, Horizon House provides services in New Castle and, Kent and Sussex counties. Horizon House offers a variety of services to ensure individuals receive the most appreciate care and treatment and that it aligns with their specific needs. Service offerings include Community – based treatment, Outpatient support, Peer support services, Residential treatment, Housing and supported living, Representative Payee and Psychiatry, health and wellness.

Horizon House offers I/DA services and supports and operates across the Southeast region in Bucks, Delaware, Montgomery and Philadelphia Counties. We serve 150 individuals and core business includes Residential Services, Life Sharing Services, Employment Services and Behavioral Health Services and in Home and In Home and Community Supports.

It is my understanding and based on organizational experience at Horizon House in our behavioral health services, alternative payment models such as performance based contracting is a much more sustainable payment model if the rates are calculated properly. The reasons include:

- The model of payment incentivizes quality over quantity.
- Predictable revenue targets with cash flow
- Greater flexibility in operations along with potential for cost savings that could be used to enhance mission related services.
- Creates opportunity for risk and reward

In review of the 16 performance areas along with 31 measures, ODP is to be commended for inclusion of the following strategies:

- Goals that support addressing the workforce crisis including addressing wages of direct support professionals, inclusion of credentialing in support of professionalization of work force which has been shown to improve job satisfaction.
- Implementation of more outcomes based payment system
- Enhanced participant experience and satisfaction through a new focus on participant engagement and education as a means to achieve quality outcomes.
- Incorporation of Evidenced Based practices and customized interventions based

While the proposed model is reasonable from a quality standpoint, the present expectations are very aggressive for an industry in survival mode. It appears that timeframes are conflicting and overlapping at times. Further, current personnel vacancy rates remain high for the industry despite targeted efforts of residential providers on recruitment and retention strategies. In addition, although performance standards and measures align with strategic goals around population health, the number of standards could be overwhelming from a resource and financial perspective. The end result could be the unintended reductions in number of residential providers and /or increased mergers and acquisitions. Investment in technology and infrastructure could also be viewed as impediments to providers as resources to purchase or upgrade technology in support of incorporating technology in areas of data management and remote service delivery. Depending on the size of a provider organization the investment needed could be quite sizeable. I would ask ODP to consider the impact of the aforementioned concerns to the long term goal of sustainability.

As a provider, Horizon House strives to deliver the highest quality of person centered supports and service, our goal is to achieve the preferred tier rating of Clinically Enhanced Residential Provider. The efforts to achieve this status may come with new requirements but we view this as an opportunity for our organization. Over the past year, our executive and senior leadership have been focused on changing the way we work with focus areas that include embracing our work culture, improving operations efficiencies, and creating and responding to opportunities.

We have developed goals and action plans that include Wellness, Engaging a Highly Qualified and High Performing Workforce, Learning and Development and Quality. We are striving to achieve excellence in all services and in our day to day operations.

We continue to be committed to focusing on improving the core purpose of Home and Community Based Service –supporting people to have full and productive lives in the communities in which they live.

In closing, I would like to thank the chairmen and the members of this committee. I would also like to thank the Governor for his proposed investment in our system and urge the General Assembly to pass it in full. Regardless of where things stand with Performance Based-Contracting at the time of the budget passage, we do know, no matter what, that every penny of the \$217 M state investment, plus its federal match, will be needed to implement this next level- initiative.