



# DEVELOPING YOUR VALUE PROPOSITION: A STEP-BY-STEP GUIDE FOR BEHAVIORAL HEALTH PROVIDERS

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Can you articulate the value your organization brings to payers or potential partners? Having a clear understanding and articulation of the value that you bring as a behavioral health provider is essential to positioning your organization for value-based payment arrangements. This tip sheet was developed to help guide you through the process, from understanding what a value proposition entails to using it in the real world.

## **STEP 1 UNDERSTAND WHAT IS MEANT BY “VALUE PROPOSITION”**

In the simplest terms, a value proposition is a positioning statement that explains what benefits your organization provides, for whom they are provided and why your organization is uniquely positioned to provide them. Your value proposition should offer some key pieces of information to payers or potential partners about how your organization provides a solution to a need in your community, define your targeted clients and explain the benefits of partnering or contracting with your organization. In other words, your value proposition builds the case that you are better positioned to meet the community's need than your competitors. Sharing your key accomplishments and using compelling data will demonstrate the impact and cost-effectiveness of your services.

## **STEP 2 CONDUCT A STAKEHOLDER ANALYSIS TO UNDERSTAND WHO YOUR VALUE PROPOSITION IS FOR**

Conducting a stakeholder analysis helps you identify who you need to influence with your value proposition so you can tailor it appropriately. Start by brainstorming who your stakeholders are. Think about the people, groups of people and agencies who are affected by your work, have influence or power over it or have a vested interest in the success of your services.

Some questions you may want to consider about potential stakeholders for behavioral health providers include:

- ▶ **POLICYMAKERS:** How do your services help improve the health and well-being of the community members represented by policymakers and how do they reflect their legislative priorities?
- ▶ **STATE AND COUNTY ADMINISTRATORS:** How do your services help the state or county reach its intended goals and obligations to the Centers for Medicare and Medicaid Services (CMS), the state legislature and the public.
- ▶ **MANAGED CARE ORGANIZATION (MCO) OR HEALTH PLAN CONTRACT STAFF:** How do your services help the health plan reach its obligations to the state and its organizational goals? To what measures does the state hold providers accountable? For what are they held accountable? What are the state's expectations of providers?
- ▶ **ACCOUNTABLE CARE ORGANIZATIONS (ACOS):** How do your services augment those of other providers within the ACO and help the ACO meet its contractual obligations or value-based payment goals?
- ▶ **OTHER CURRENT OR POTENTIAL PARTNERS:** How do your services align or supplement those of large health systems or community-based organizations? For example, potential primary care partners may be held accountable for reducing hospitalization and improving health outcomes for patients with chronic disease. Your value proposition may be focused on the role behavioral health can play in co-management of chronic disease among shared patients.

Once you have determined this list, you can establish priorities. For behavioral health providers, payers will be near or at the top of the list. Consider your patient payer breakdown, for example, what percentage of your patients are covered by Medicaid, Medicare and private insurance? If you are in a managed care environment, the patient population breakdown of MCO attribution is relevant to establishing priorities. Also, assess what decisions are made at the Medicaid agency level in your state, in contrast to those made at the MCO level. For example, where are decisions made on who will participate in a pilot program that uses a value-based program methodology – the state or the MCO?

Finally, assess what your key stakeholders care most about. Consider what they want to accomplish, their agency goals and pain points and how can you help them. To get a better understanding of this, you can review contract solicitations, news articles, press releases and payer websites. In the case of public payers, there may be public meetings such as advisory groups or government hearings where this information is shared. If you already have a contractual relationship with an agency, you should also review the terms of your contract and ask about priorities with your provider liaison or other key contacts at the agency.

### **STEP 3** IDENTIFY AND COLLECT DATA YOU NEED TO BUILD YOUR VALUE PROPOSITION

Taking what you learned from the stakeholder analysis, begin compiling the data that will be most compelling to your audience. What data will demonstrate positive outcomes, the impact and at what cost? Is there additional data you need to augment that which you currently collect? You also may want to benchmark or validate your performance and determine how it compares to state or nationwide data. Consider pulling and running a comparison from state databases, such as New York State's Psychiatric Services and Clinical Knowledge Enhancement System for Medicaid (PSYCKES) program or your state's Medicaid or All Payers Claims Database (where available), reports or the National Committee for Quality Assurance (NCQA).

Useful data or metrics include:

- ▶ Reductions in emergency department utilization, hospitalization and/or hospital readmission.
- ▶ Access data (e.g., how quickly patients get seen from time of referral).
- ▶ Physical and behavioral health outcomes (e.g., reduction in depression symptoms as demonstrated through PHQ 2/9, reduction in hemoglobin A1C, reduction in hypertension, reduction in alcohol and other drug use).
- ▶ Patient satisfaction.
- ▶ Patient engagement.

### **STEP 4** CRAFT YOUR ACTUAL VALUE PROPOSITION

Once you have completed the first three steps, you are ready to start crafting your actual value proposition. Develop both a short "elevator speech" and a written value proposition document that highlight the services you offer, whom they benefit and your unique advantages in providing them. Incorporate the data you collected in Step 3 and weave in anecdotes or personal stories from patients who have experienced positive outcomes. You may also include the price or cost you offer for the service and provide details to illustrate that you deliver services efficiently. A simple outline for this would answer:

- ▶ WHAT community need do you address?
- ▶ WHOM do you serve?
- ▶ HOW do you meet the community's needs?
- ▶ WHY are you better than your competitors?

## **SAMPLE VALUE PROPOSITION**

The Center for Behavioral Health (CBH) has provided evidence-based mental health and addiction services since 1978. With clients ranging in age from 1 to 91, we provide a continuum of recovery-oriented services that help ensure that adults experiencing a serious mental illness or substance use disorder and children with serious emotional disturbances can lead healthier, more productive lives.

At CBH, licensed clinicians provide an array of services, including psychiatric care and medication management; individual, family and group counseling services; nurse care management and care coordination services; wellness services focused on whole-person care; and peer support.

We are unique because of our strong organizational philosophy of being patient-focused, outcomes oriented and cost effective. We use validated screening tools and track key performance indicators. The impact of our services is clear. Last year:

- ▶ 90 percent of clients referred to CBH were seen within one week.
- ▶ 70 percent of CBH clients reported that they were satisfied or highly satisfied with our services.
- ▶ Working in partnership with our local hospital, CBH helped reduce unnecessary emergency department utilization among clients by 25 percent.
- ▶ 82 percent of revenues went directly to patient care.

“Cynthia” is one of many clients whose lives have been changed by CBH. According to Cynthia, “About two years ago, I was having severe mood swings and gaining a significant amount of weight. I did not want to get out of bed and missed so many days of work that I lost my job. Fortunately, a friend referred me to CBH and I learned I had bipolar disorder. I met with a psychiatrist as well as a social worker. I also enrolled in a healthy eating group and learned how to make more nutritious meals on a budget. I feel like CBH turned my life around. For the first time in a long time, I have hope for a better future.”

With your support, CBH can reach more clients like Cynthia.

You may also want to refer to the [Value Proposition Tool](#), created by the Center for Health Care Strategies, when writing your value proposition.

## **STEP 5** DEVELOP YOUR COMMUNICATIONS STRATEGY FOR YOUR VALUE PROPOSITION

Now that you have crafted an initial value proposition, the next step is to develop your communications strategy. A value proposition can be adapted for use in different modalities such as fact sheets, newsletters, brochures or other collateral materials. It can be incorporated into formal presentations for stakeholders or shared in one-on-one conversations with them. Your value proposition should also be used in any applications or proposals you submit to payers or potential partners. A solid value proposition is also essential for leverage during contract negotiations.

### **TIPS FOR SUCCESSFUL CONTRACT NEGOTIATION MEETINGS**

- ▶ Know when your contracts can be renewed or renegotiated so you use appropriate timing.
- ▶ Enter the meeting with a good understanding of what is important to the payer per your stakeholder analysis.
- ▶ Look for the win-win: What kind of arrangement would benefit your organization and patients while meeting both your financial needs and those of the payer?
- ▶ Have the right people in the room: Bring people who can evaluate different scenarios and make decisions on behalf of your organization.
- ▶ Come ready to share your value proposition and all relevant data.
- ▶ Remember that organizations are run by people and that meetings are about building a personal relationship.
- ▶ Know your costs. This will be important for you to assess the feasibility of accepting proposed rates and/or different kinds of potential value-based payment arrangements.

## **STEP 6** ENHANCE YOUR VALUE PROPOSITION THROUGH PARTNERSHIPS AS NEEDED

Increasingly, behavioral health providers are finding it beneficial to partner with each other, primary care providers or other kinds of health care providers or human services agencies. Partnerships can enhance your value proposition by expanding your scope of services, reaching a larger patient population or bringing in additional capacity and core competencies. Consider if and why you may need to partner. What gaps or deficits could a partner help you fill, and what do you bring to the table that adds value for them? Another way to look at this is: What additional value is created by partnering that would not exist if you and your partner worked independently?

For example, perhaps you are concerned about patients with comorbid conditions such as diabetes and depression, but you are not able to monitor hemoglobin A1C effectively. Conversely, there may be a primary care provider who does not feel well prepared to address depression. By working together, you may be positioned to improve health outcomes and keep patients with comorbid conditions from seeking care in more costly settings such as urgent care, the emergency room or hospital.

Another example of how a partnership can enhance your value proposition is if your agency does not serve a sufficient volume of patients to attract the attention of a payer. Partnering with a larger system or with multiple other provider organizations would increase your footprint and the likelihood that a payer or MCO would see the value in forming alternative payment arrangements with you.

Once you have determined that you need to partner with another organization, you need to ensure a good fit. Consider whether your organizations share a common vision. If you or your potential partner are part of a large group practice or health care system, is this common vision defined across your systems? Do you share the same organizational values, and will your organizational cultures complement one another?

You will also want to define your respective roles and responsibilities and solidify the relationship in writing. Depending on the nature of the relationship, you may need formal contracts, memorandums of understanding, business associate agreements or other written agreements. It is important to work together to determine how and when you will share information. You will also want to determine a governance or decision-making structure and an operational structure.

Lastly, you will want to collaborate with your partner to ensure that you are using consistent messaging to describe your partnership and that your respective value propositions are aligned, if not shared.

## **STEP 7** UPDATE AND TAILOR YOUR VALUE PROPOSITION

Your value proposition should be a living document. Remember that it may need to be tailored for new audiences and kept up to date. Steps to take include:

- ▶ Determine a process for reviewing and updating your value proposition based on emerging needs, new partnerships, current data and/or accomplishments, significant changes within your organization, changes to your costs or within your external health care environment (e.g., if the state Medicaid agency implements new policy priorities or releases new guidance on key performance measures).
- ▶ Identify the person(s) or team who will be responsible for updating your value proposition, how often it will be reviewed and updated and how you will engage leadership and staff in this process.
- ▶ Update your value proposition in accordance with your process.

## **CONCLUSION**

Being able to define and articulate the value you bring as a behavioral health provider is essential to positioning your organization for value-based payment arrangements. The seven-step process described in this tip sheet can serve as your guide to developing and using your value proposition.

### **Have questions about this resource?**

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