



March 4, 2009

TO: COHC Board of Directors

FROM: Jeff Klingler

RE: Collaboration for Providing Mental Health Services

The COOs of the three adult hospital systems met today to discuss options for increased collaboration among the systems for the provision of mental health services. Representing the hospital systems were:

- Steve Markovich, OhioHealth
- Alan Papa, President and COO, Mount Carmel West
- Radu Saveanu, Chair, OSU Harding Hospital

The COOs are seeking to study various options in order to reduce cost and increase quality, primarily through standardized protocols and efficiency best practices, in the area of mental health care within the hospital community.

As you know, the three adult hospital systems have been working cooperatively the past 18 months with local public mental health providers to place the right patient in the right bed at the right time. As a result of this cooperative effort, hospitals are seeing significant reductions in the number of uninsured patients in their psychiatric units as well as a reduction in the length of stay in the emergency department for uninsured patients.

However hospitals are still experiencing longer lengths of stays in the ED for insured patients, indicating a need for additional capacity on the private side, as well as relatively high costs for operating psychiatric units for many reasons, including the high costs associated with physician and other health professional coverage.

At today's meeting, the COOs discussed three different options for collaboration:

**Forming a joint venture.** The hospital systems could form a separate entity, with equity in and management of the venture to be shared by the three systems. This new entity would oversee staffing and care coordination among the psychiatric units at each facility. This, in essence, would establish a single community private-sector mental health system rather than three separate systems working to serve the community. Pros include anticipated lower costs, especially in the area of physician and other professional staffing; better outpatient care coordination; and increased quality through shared learning. Cons include possible legal



challenges to forming such an entity as well as possible negative push back from OSU employees regarding leaving the public system and its benefits.

**Purchasing professional services from a single hospital.** Much of the capacity issue stems from the challenges the systems have in recruiting physicians and certified nurse specialists to provide coverage, especially on the weekends. Specifically Mount Carmel, which has 19 licensed beds has challenges with coverage, which often results in the unit operating at 16 beds during the week and 12 beds on the weekends. Another option discussed is for OhioHealth and Mount Carmel to contract with OSU for coverage by physicians and other health professionals. Pros include capacity needs may be met through sufficient physician and health professional coverage and quality could improve due to coordination of staff by one entity. Cons include (help with this one, please).

**Opening additional private psychiatric beds.** While OhioHealth does not have space to open additional beds within its system, both Mount Carmel and OSU have indicated that space could be made available to open additional beds in order to meet capacity needs. Pros include capacity needs may be met with additional licensed beds. Cons include professional shortages challenge the ability of the systems to provide coverage of the new beds. Also there are capital challenges to this option.

**Next steps:** With approval of the COHC Board of Directors, the COOs will continue to meet to flush out these and possibly other options and determine costs associated to further analyze the option which the group determines would best reduce costs and improve efficiency within the system. This summer, the group should be in a position to recommend a strategy to the COHC Board in this area.