



Anka Behavioral Health, Inc.

**Anka Behavioral Health, Inc.**  
**Operational Strategic Plan 2016-2021**

Revised October 2016

# Strategic Plan 2016-2021

## Introduction

The Board of Directors and Staff of Anka Behavioral Health, Inc. developed this strategic plan. It provides Anka Behavioral Health, Inc. with a five-year roadmap for supports, services and organizational development. The Board of Directors and staff will review and update the plan annually as needed.

This plan was developed with broad involvement and guidance from the Board of Directors and staff. A Strategic Planning Committee was developed and included one board member acting as strategic planning consultant and seven staff on the management team. This Committee met in a two-day retreat to reflect on the mission, vision, core operating values and assumptions underlying the organization’s approach to its work. These meetings set the stage for a work session of the full board and over 40 key management staff during which the organization’s strategic direction was explored and a SWOT analysis of four key areas was completed as a backdrop to developing the strategic plan.

- i) Expansion of fee-for-service and negotiated rate contracts.
- ii) Expansion of existing business into new markets and geographical areas.
- iii) Continuation of current business while growing organically.
- iv) Development of new services.

Utilizing the SWOT analysis of these four areas, the data was applied to formulate strategic objectives for the strategic plan over the next five years.

## Consolidation of Strengths, Weaknesses, Opportunities and Threats

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Diversity of expertise</li> <li>Reputation/Professional Credibility</li> <li>Building on Service Niche we already have</li> <li>Dedicated Staff</li> <li>Great relationships within the community</li> <li>Nimble</li> <li>Experienced in providing services</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Financial limitations</li> <li>Staff retention at entry level</li> <li>Inadequate staff/resources</li> <li>Program growth exceeded infrastructure</li> <li>Referrals systems from customers not adequate</li> <li>Government funding</li> <li>Limited Start-up funding</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Expansion on existing programs</li> <li>Standardization across programs</li> <li>Leverage technology</li> <li>Increase Business that provides bottom line</li> <li>Medicaid expansion</li> <li>High need for services</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Limited funding</li> <li>Not in my back yard (NIMBYism)</li> <li>Competition</li> <li>Political</li> <li>Healthcare staff shortages</li> <li>Lawsuits</li> </ul>

The Board of Directors and Staff of Anka Behavioral Health, Inc. conducted an environmental scan including an internal organizational assessment, interviews with several community stakeholders and a review of demographic and market data. The environmental scan and organizational assessment helped Anka Behavioral Health, Inc. assess both the challenges and opportunities it is likely to face over the next five years and set the context for the choices reflected in this strategic plan.

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## Direction and Results

The strategic direction and goals included in this plan are Anka Behavioral Health, Inc.'s response to its understanding of what its stakeholders value most about the organization, and current opportunities and challenges for offering a high quality system of behavioral health services for people with a multitude of behavioral health needs.

The five-year period of this strategic plan will be a time of assessing and deepening Anka Behavioral Health, Inc.'s approach to its work including taking more of a leadership role in working with a broader array of government and foundation funders, community resources, managed care markets and actively engaging the input of persons-served.

With a fresh perspective on its mission, understanding what it does well, and the environment in which it operates, Anka Behavioral Health, Inc. will pursue the following strategic direction:

## Executive Summary

### Mission Statement

To eliminate the impact of behavioral health problems for all people.

### Vision Statement

To be recognized as the premier behavioral health care leader through state of the art, cost-effective, client-centered services.

### Values

Anka encourages **Personal Growth** among those we serve and those we employ while providing **Compassionate, Ethical** and **Financially Responsible** services in an **Innovative** atmosphere using a **Team Approach**.

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## Strategic Direction

The following strategic direction for Anka Behavioral Health, Inc. over the next five years will focus on four main goals.

### Strategic Objectives:

1. Diversify Payer Sources and expand business in all core competencies.
2. Implement new data-driven tools to drive performance, business decisions and strategy.
3. Increase Marketing Presence to market reputation and improve market position.
4. Take advantage of Healthcare Reform, as well as regulatory and funding changes.
5. Add Infrastructure to drive performance and support business growth.
6. Increase revenue 5% annually while keeping 1% of revenue over expense on the bottom line.

### Strategic Objectives 5 Year Plan

Strategic Objective #1	Diversify Payer Sources and expand business in all core competencies.
Action Steps	<ol style="list-style-type: none"> <li>1. Hire a Senior Vice President in charge of all Managed Care Services, Business Development Department and the Projects Department in FY 16/17.</li> <li>2. Develop 50% of new service contracts focusing on expansion of managed care and fee-for-service contracts annually.</li> <li>3. Expand new managed care contracts resulting in referrals from 3 new payers annually.</li> </ol>
Accountability	<p>#1 CEO, COO            #2 COO, SVP, VP Business Development and Marketing            #3 COO, SVP, VP Business Development and Marketing</p>

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<b>Strategic Objective #2</b>	<b>Implement new data-driven tools to drive performance, business decisions and strategy.</b>
Action Steps	<ol style="list-style-type: none"> <li>1. Purchase and implement a new EHR system better designed to meet the needs of Anka Behavioral Health by the end of 2017.</li> <li>2. Improve and update annually, executive dashboard reports with current and new databases improving fiscal, clinical and performance measures.</li> <li>3. Update all managers' job descriptions to include performance based key indicators in FY 16/17.</li> <li>4. Develop and pilot a pay for performance annual review process for all managers in FY 17/18.</li> <li>5. Full implementation of pay for performance deferred compensation program for FY 18/19, 19/20, 20/21.</li> </ol>
Accountability	#1 VP Quality Management, VP of IT #2 COO, CFO, SVP, VP Quality Management, VP of IT #3 COO, SVP, VP Business Development #4 CEO, CFO, COO, CMO, Corporate Counsel #5 COO, CFO

<b>Strategic Objective #3</b>	<b>Increase Marketing Presence to grow reputation and market position.</b>
Action Steps	<ol style="list-style-type: none"> <li>1. Develop and implement a comprehensive company marketing plan in FY 16/17.</li> <li>2. Evaluate effectiveness and update marketing plan accordingly using metrics indicating growth or lack thereof in company reputation and improvement or lack thereof in market position in FY 17/18, 18/19, 19/20, 20/21.</li> </ol>
Accountability	#1 SVP, VP of Business Development and Marketing #2 SVP, VP of Business Development and Marketing, VP Quality Management

<b>Strategic Objective #4</b>	<b>Take advantage of Healthcare Reform, as well as regulatory and funding changes.</b>
Action Steps	<ol style="list-style-type: none"> <li>1. Develop a monthly report evaluating market opportunities related to healthcare reform, regulatory changes and funding changes in FY 16/17.</li> <li>2. Develop 50% of new business contracts directly related to healthcare reform, regulatory changes and funding changes annually.</li> <li>3. Develop one new contracts for tele-medicine or tele-behavioral health services by FY 18/19.</li> </ol>
Accountability	#1 SVP, VP Business Development #2 SVP, VP Business Development #3 CMO, SVP, VP Business Development

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Strategic Objective #5	Add Infrastructure to drive performance and support business growth.
Action Steps	<ol style="list-style-type: none"> <li>1. Reorganize Human Resources department and staff to increase skillsets and reduce hiring time by 50%, reduce staff turnover by 50% and reduce payroll error rate to below 2% in FY 16/17 and benchmark for new performance standards annually.</li> <li>2. Add one FTE to Business Development &amp; Marketing department to increase managed care business by 50% and produce company annual report in FY 16/17 and benchmark for new performance standards annually.</li> <li>3. Add FTE to Projects (Start-up) Department to open 100% of new contracts within 12 months of funding and benchmark for new performance standards annually.</li> <li>4. Increase Information Technologies support of all programs from 12 hours per day M-F to 24/7 in FY 16/17.</li> <li>5. Reorganize Quality Management department to support full implementation of EHR within 12 months of purchase in FY 16/17 and benchmark for new performance standards annually.</li> <li>6. Increase capacity of Professional Internship Department by 10% annually resulting in 10% more permanent hires from Internship program.</li> <li>7. Benchmark and report on employees required training monthly with a 90% goal of all employees receiving required training on time.</li> </ol>
Accountability	<p>#1 CEO, Corporate Counsel            #2 COO, SVP, VP Business Development and Marketing            #3 SVP, VP of Project Management            #4 COO, VP of IT            #5 CMO, VP of Quality Management            #6 SVP, Director of Professional Internship Program            #7 SVP's, Director of Human Resources</p>

Strategic Objective #6	Increase revenue 5% annually while keeping 1% of revenue over expense on the bottom line.
Action Steps	<ol style="list-style-type: none"> <li>1. Increase annual revenue by 5% through securing new business contracts annually.</li> <li>2. Develop consolidated annual budgets that provides for 1% revenue over expense annually.</li> <li>3. 90% of programs will maintain utilization management to 85% average daily census annually.</li> <li>4. Evaluate all new business proposals on ability to provide revenue over expense using 5% as a baseline.</li> </ol>

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	5. Establish reserve funds at the end of FY 16/17 of \$300,000, FY 17/18 \$525,000, FY 18/19 \$918,750, FY 19/20 \$1,607,800, FY 20/21 \$2,813,600.
Accountability	#1 SVP, VP Business Development and Marketing #2 CFO, SVP's #3 COO, SVP's #4 CFO, SVP, VP Business Development

### Background and History

In 1973 Anka Behavioral Health began as a small organization (We Care) serving children with disabilities and has since expanded into a large, multi-site agency. Anka's Mission now embraces a broader spectrum of behavioral health problems. Anka Behavioral Health, Inc. provides comprehensive Behavioral Health services to adults and children in many vulnerable populations including those with mental health, addictive and intellectual disabilities. With close to 1000 employees and more than eighty locations in California and Michigan, Anka is recognized as a premier provider in the healthcare industry.

All of Anka's programs and services share the same mission: *"To eliminate the impact of behavioral health problems for all people."* In furtherance of this mission, Anka provides a multitude of services with its own unique models, including specialized crisis, transitional and permanent residential services, mental health clinics, forensic mental health services, supportive housing, day treatment programs, socialization and dual diagnosis programs, case management services (intensive, targeted, and community-based), as well as a comprehensive array of job preparation/search and housing options (emergency, transitional, and supportive living) to people with a host of behavioral health challenges.

Anka has continually developed and maintained its high quality standards through measured outcomes ,and the use of licensed professionals including Psychiatrists, Psychologists, Licensed Clinical Social Workers, Marriage and Family Therapists, Registered Nurses, Licensed Vocational Nurses, and Licensed Psychiatric Technicians, supported by an interdisciplinary team including Mental Health Rehabilitation Workers, case managers and administrative support staff.

### Business and Team Summary

Anka has earned national recognition as a premiere behavioral healthcare corporation as a result of our ability to design, implement and operate exceptional cutting-edge programs for individuals with intellectual disabilities, mental health and addictive disorders.

We serve more than 15,000 individuals annually and employ nearly 1,000 professional, well-trained staff. Our philosophy is to treat the whole person by fully integrating care of both mind and body, always using clinically-proven, psycho-social models designed to promote health and wellness while containing costs. Our services are provided in outpatient, residential, community and forensic settings.

Our core team members are listed below:

- Chief Executive Officer
- Chief Operating Officer

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- Chief Financial Officer
- Chief Medical Officer
- Senior Vice Presidents of Programs
- Vice Presidents of Clinical and Administrative Departments
- Regional Directors
- Program Administrators
- Direct Service Providers

### Analysis of Industry

An evolving market requires constant business evaluation and adaptability.

From the Medi-Cal 2020 waiver renewal and all its implications for mental health services; to the Coordinated Care Initiative, Cal Medi-Connect, and managed long-term services and supports; to realignment of support services for the ID/D population, California is likely one of the most rapidly evolving healthcare markets in the country.

Regarding service to individuals with intellectual and developmental disabilities (IDD), California is in the midst of a transition. Over the past few years, developmental centers have been closing as more residents have been transitioned into the community and renewed efforts have focused on preventing individuals from going into institutions. This has resulted in new types of services, facilities, and partnerships – including crisis behavioral health homes for people transitioning out of institutions; programs and facilities for individuals involved with the criminal justice system; and services for individuals with co-occurring serious mental illness (SMI), as well as an IDD.

In today's health care market, the use of treatment technologies is changing the paradigm for consumer care management and service delivery. Health care technologies are quickly becoming key to meeting consumer expectations, increasing access to care, lowering costs, and improving outcomes.

Expanded coverage for addiction treatment has created opportunities in the Drug Medi-Cal Organized Delivery System. This delivery system provides beneficiaries with access to the care and system interaction needed to achieve sustainable recovery while decreasing other system health care costs. The Drug Medi-Cal System Waiver creates a continuum of reimbursable Drug Medi-Cal services including outpatient treatment, case management, Medication-Assisted Treatment (MAT), recovery services and recovery residences, withdrawal management, short-term residential treatment in facilities of any size, and physician consultation.

In a market that is evolving this quickly, organizations need to be proactive about reinventing their business models for sustainability – with an emphasis on growth and innovation to gain the edge over the competition. Many organizations faced with this challenge are hesitant to make big changes; but optimizing strategies for the future requires rethinking core programs, looking for new opportunities for diversification, and considering new technologies. System redesign has become the norm for organizations serving complex consumers in California.

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As a private non-profit organization in the healthcare industry, we have to be aware of the current state of the behavioral health industry, the larger healthcare industry, the non-profit industry and how each of those intersect. Major trends occurring in the intersection of those industries include:

### *Increased competition for financial resources*

This is a trend that began in 2008, with the start of the Great Recession, and has continued throughout 2016 with the scarcity of financial resources available for nonprofits to meet their programmatic needs. However, it has developed into increased competition for financial resources among nonprofits and has made it more important than ever for Boards of Directors to participate in their organizations' fundraising activities.

### *Increasing service gap*

Over the last several years there has been a significant decline in government funding of many nonprofit organizations' programmatic activities by state and local governments and the federal government due to the recession. In 2013, more than half of the nonprofits surveyed by the Nonprofit Finance Fund reported they didn't expect to have enough resources to meet increased community needs that they were projecting. This increased need for services and the lack of resources available to nonprofits has created a service gap for many nonprofits. This is likely to continue to increase until the economy improves.

### *Increased importance of advocacy*

Due to the changing environment in the nonprofit and healthcare sectors and the significance of the trends noted above, it is important now more than ever for nonprofits to advance their missions through advocacy. Advocacy is not the same as lobbying. Advocacy is the education and promotion of certain ideas, knowledge and needs of the not-for-profit's constituency to those that are in a position to change or shape current and future policy and legislation. Lobbying, on the other hand, is the act of attempting to influence decisions made by officials in the government, most often legislators or members of regulatory agencies. The difference between the two is that advocacy shares information and educates policymakers on the needs of their communities and constituents.

### *Increased scrutiny*

There continues to be scrutiny and emphasis by stakeholders, regulators, watchdog organizations and donors for organizations to focus on good governance. This scrutiny of nonprofits is often in reaction to sensationalized stories about individuals or groups that abused their organization's tax exempt status. Therefore, it is more important than ever that NFPs be transparent and adhere

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to ethical and accountable practices in all programmatic and financial areas including the very sensitive topics of fundraising and executive compensation.

### *Increased requirement for demonstrable outcomes*

It continues to be important for nonprofits to be transparent not only about their finances, but also their outcomes. Funders want to know how their money is being spent. There has been a debate in recent years about outcomes and how outcomes should be managed, measured and reported. Part of the debate has been due to the subjectivity of outcomes and the lack of a framework for measuring and reporting outcomes. Outcomes generally relate to how a nonprofit is making progress toward the change it is trying to accomplish related to its programmatic goals and mission.

### *Healthcare Reform*

Health care reform matters to nonprofits because it has made health insurance, which is a major consideration for any employer, more accessible and affordable for more employees. Health insurance benefits are a consideration for prospective employees, and offering health insurance can make the difference in a nonprofit's ability to retain talented staff members. Though costs may be lower for employees, costs are often higher for employers. Consequently, understanding the ACA's basic elements is important for any nonprofit whose mission intersects with the delivery of health care.

Medicaid expansion is a large tenet of the Affordable Care Act. As the state of California elected to accept the Medicaid expansion, non-profit healthcare providers like Anka who serves a large portion of the uninsured have to be aware of the impact of a changing insurability landscape as more people gain access to health insurance.

Finally, healthcare reform has placed a large emphasis on integration of physical and mental healthcare. As such, we have to position ourselves to be able to move from purely rehabilitation-based services, to services that combine recovery and medical models in order to serve broad-based health needs.

### *Diversion from higher cost hospital-based services to lower cost community-based services*

Community-based mental health services (which include medications, case management and therapies) are the foundation of an effective treatment system capable of moving individuals with serious mental illnesses into productive, stable lives and keeping them out of more expensive psychiatric hospitals, emergency rooms, and jails.

Community-based services also offer the most cost-effective care within the public mental health system. The average per day cost of community-based services is \$12 for adults and \$13 for children, as compared to \$401 for a State Hospital bed, \$137 for a jail bed for an inmate with mental illness, and \$986 for an emergency room visit.

Many systems in California, both public and private, are aiming to minimize the use of higher-cost services by building capacity in community-based services.

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## *Analysis of Marketing Strategy and Target Customers*

There is an increase in the use of data visualization, such as infographics, by nonprofits and others to convey their story. Through the use of infographics and other such tools, many nonprofits show how they have met their programmatic objectives, outcomes and missions. Using pictures and graphics to tell a story or to get a reader's attention is becoming more popular and organizations must ensure they are using these tools effectively.

With the advancements of technology and its increased usage in our everyday life, nonprofits are now receiving donations via text message, mobile apps and various online giving platforms, including social media sites. According to a Pew Research Center study, 60 percent of adults use their phones to browse the internet. Thus, a nonprofit that doesn't have the capacity to receive contributions online and/or through a mobile device is seemingly at a competitive disadvantage. Additionally, there seems to be a trend developing among cause-oriented charities and nonprofits to use social media to attract volunteers. Many organizations have revamped their websites to optimize viewing from mobile devices.

Additionally, crowdfunding has become an intensely popular method for small entrepreneurs to raise the funds necessary to make their ideas for products a reality, and has started to migrate over to the nonprofit sector.