



# CalAIM Academy for Hospitals and Health Systems

Session 5: Payment Models for the Future  
Wednesday, April 9, 2025 | 12-1:30 p.m.







# Let's Hear From You!

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Chat in your...

- Name
- Role
- Organization
- Location
- *& Given what you have learned thus far, what support might your organization need going forward?*

# Academy Norms

1. **Build connections** – use the chat box to connect and exchange contact information with others.
2. **All teach, all learn** – we all have something we can learn, and we all have something we can teach others.
3. **Create a safe space** – for sharing of learnings, challenges, and vulnerability.
4. **No sales, please** – this is not a space to sell your product or technology to others.
5. **Own this with us** – bring your questions and ideas for improvement.

# Academy Logistics

- Continuous participation
- Discussion-based breakouts
- Recording calls (not breakouts)
- Accessing resources
- End of Call Feedback Survey
- Continuing Education Credits:
  - 1.0 ACHE Qualified Education Hour per session
  - 1.0 BRN Credits per session for sessions 2, 3, and 4

## EDUCATION & WORKSHOPS

Roundtables, Webinars, Podcasts, Workshops

View All



### Education and Workshops



**October 2, 2025 – Save the Date! Supplier Diversity Conference**

### Education and Workshops



**CalAIM Academy – Session 2: Hospital's Role in CalAIM Leadership**

### Education and Workshops



**CalAIM Academy – Session 3: Building the CalAIM Infrastructure**

<https://communities.hasc.org/education-workshops/>

# Our Six-Session Arc

1

Introduction &  
CalAIM Overview

2

Hospital's Role in  
CalAIM Leadership

3

Building CalAIM  
Infrastructure

4

Coordination in  
Community-Based  
Health Care

5

Payment Models  
for the Future

6

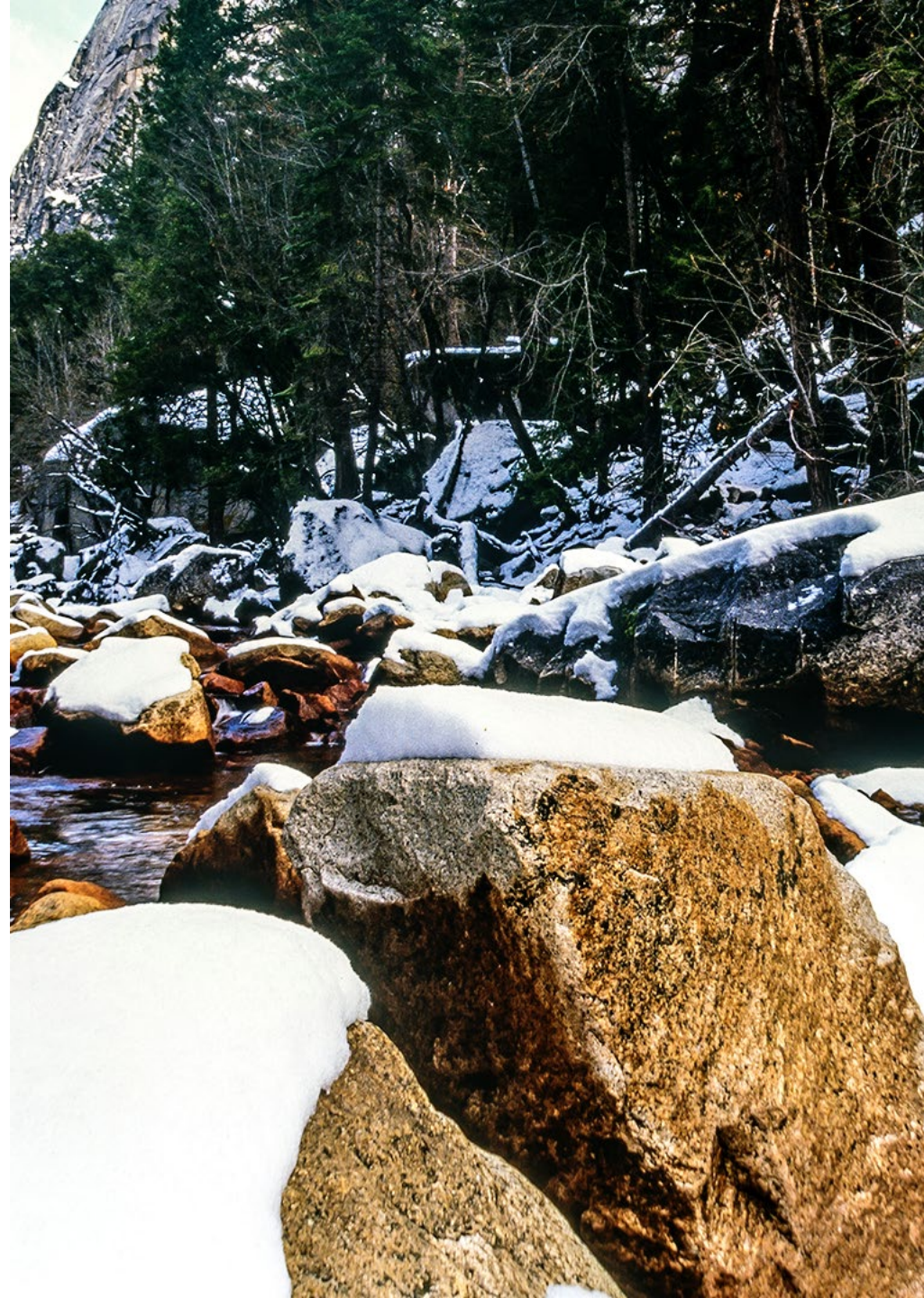
Bringing It All  
Together



# Today's Objectives

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- Interpret ways to make CalAIM financially strategic and sustainable in the context of planned and political developments in the field.
- Understand new revenue streams and incentives presented by CalAIM and how they relate to other funding flowing into a community.
- Connect blending and braiding funding to developing population health/value-based payment infrastructure for underserved populations.
- Strategize how to make the value case for CalAIM to your CFOs and leaders.







# Today's Agenda

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Welcome to Session 5

Payment Models for the Future

Bright Spot Example:

- Eastern Plumas Health Care

Discussion/Q&A

Closing Announcements

Breakouts





# Payment Models for the Future



# A Paradigm Shift in Building Ecosystems

## Culture

- Mission
- Executive sponsorship
- The external environment

## Incentives

- CalAIM funding
- Appropriate utilization
- Quality improvement
- Value-based care



## Structure

- Organizational Infrastructure and developing new service lines
- Building a system of care in partnership with community
- Data

## Competencies

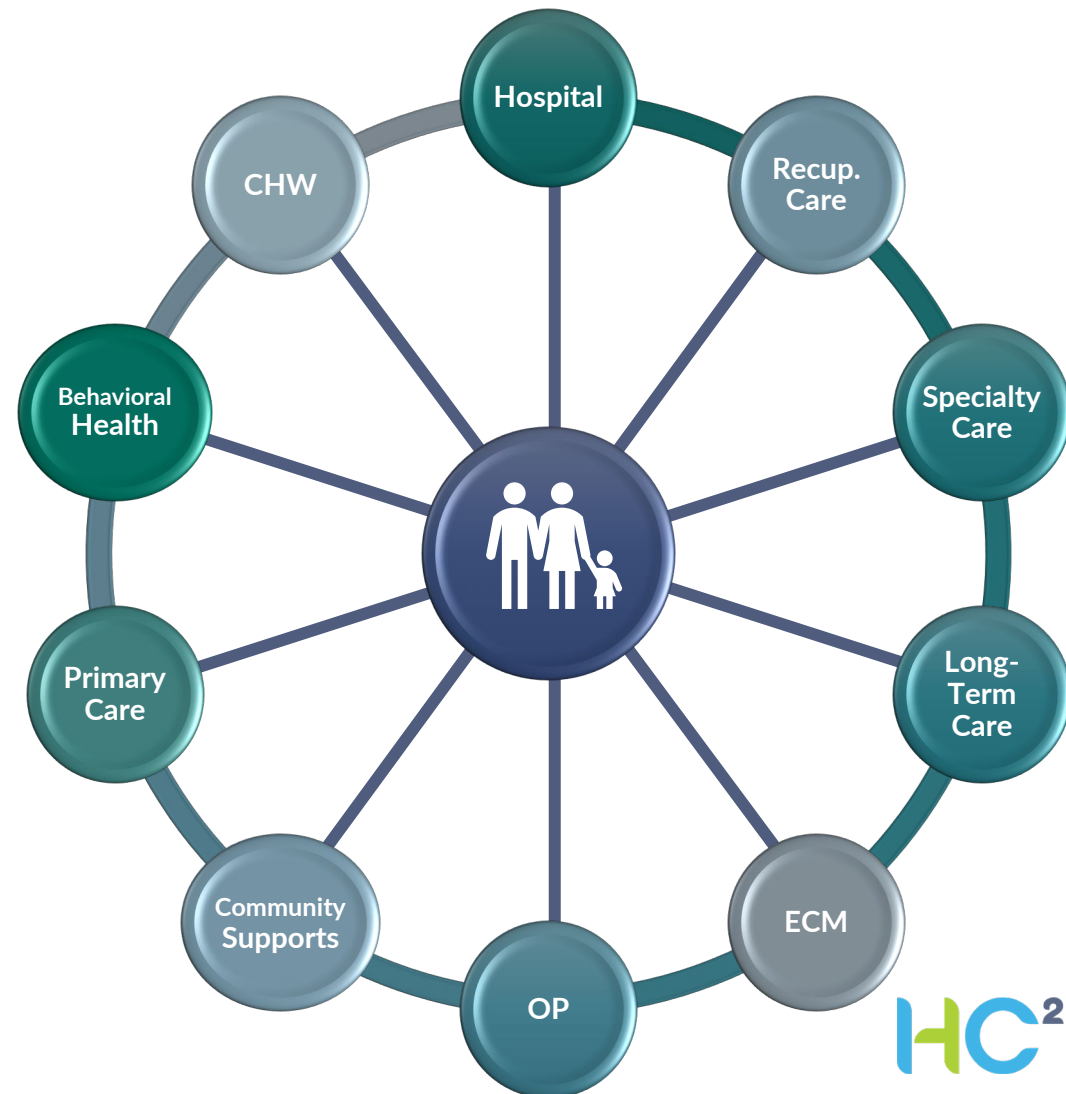
- Staff and team roles
- Integrating workflows to address high utilizers and ED challenges
- Integration of social and clinical care

# System Integration as a Pre- and Post-Acute Care Strategy

## Person-Centered Integrated Model

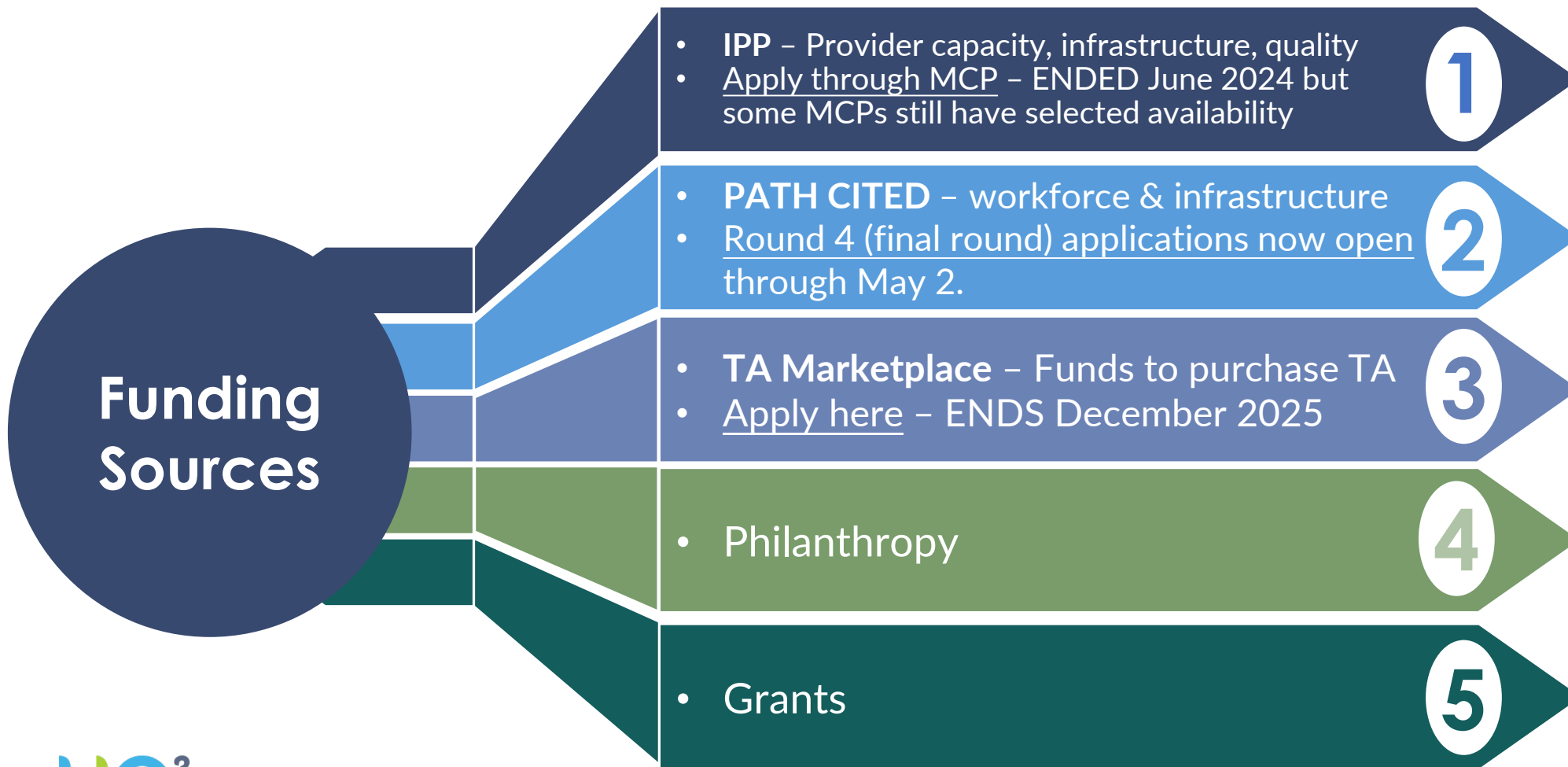
- Alternative, person-centered, intentional transitions and post-acute care strategies integrated into systems
- Value case: saves money and keeps members at home
- Build relationships to ensure successful transitions of care for patients.

[Transitions of care policy](#)





# Start Up Funding



**Support for  
Your  
Services:  
Funding  
Opportunities  
Cheat Sheet  
([ca.gov](https://www.ca.gov))**

# Community Health Financial Model

<u>Revenue</u>		<u>Total</u>
Service Reimbursement (ECM, CS, CHW)	\$	3,808,171
Grant Revenue (Adjacent Services)	\$	<u>1,000,000</u>
Net Revenue	\$	<b>4,808,171</b>
<u>Expenses</u>		
Salaries & Benefits	\$	4,130,972
Other Expenses		<u>225,000</u>
Total Expenses	\$	<b>4,355,972</b>
Direct Contribution Margin	\$	<u><b>1,627,722</b></u>
Percent Margin		28.30%
Estimated indirect financial benefit (Clinic visits and IP utilization saved)	\$950,000 – \$1,300,000	

- **Service Reimbursement** – Payments from MCPs for ECM, Community Supports, and Community Health Workers services under contract
- **Grant Revenue** – Adjacent services supported by grants (i.e., Street Nursing, Substance Use Navigators, etc.)



# Financial Model Considerations

- **Combine all cost centers** providing services to the market.
- Revenue should **combine all revenue sources**:
  - ECM
  - Community Supports
  - Other adjacent services you want to combine in the model (i.e., CHW, etc.)
  - Both service reimbursement and grant-supported revenue
  - Any quality-related reimbursement collected related to these services (QIP)
- **Combine all direct costs** incurred to provide services:
  - Labor costs – including benefits
  - Supplies, equipment, space, sub-contractors, etc.
- **Focus on the contribution margin**
  - Avoid confusion and impact of overhead calculations
- **Value assumptions on indirect financial benefit** (but report separately)
  - Clinic visits/revenue
  - Improved utilization/reduced LOS



# Example CalAIM Proforma

Volume	Year 1	Year 2	Year 3	Year 4	Year 5
Members (ECM)	250	350	400	450	500
Total Volume	250	350	400	450	500
<b>New Service Revenue</b>	900,000	1,260,000	1,440,000	1,620,000	1,800,000
Start-up Funding (CITED/IPP)	\$ 250,000				
Total Revenue	\$ 1,150,000	\$ 1,260,000	\$ 1,440,000	\$ 1,620,000	\$ 1,800,000
<b>Operating Expense</b>					
Salaries & Wages & Benefits	\$ 613,000	\$ 700,000	\$ 750,000	\$ 800,000	\$ 830,000
Other Expenses (incremental)	200,000	225,000	240,000	250,000	250,000
Operational Expense	\$ 813,000	\$ 925,000	\$ 990,000	\$ 1,050,000	\$ 1,080,000
Contribution	\$ 337,000	\$ 335,000	\$ 450,000	\$ 570,000	\$ 720,000
Contribution Margin	37.4%	26.6%	31.3%	35.2%	40.0%



# Key Assumptions (Example)

Item	Assumption
Go-Live Date	January 1, 2025
Medi-Cal Patients Eligible	500
ECM Monthly Rate (per member)	\$300 (average)
Monthly Enrollment Rate	80% of eligible (400 members)
Annual Growth in Enrollment	5%
Staffing Needs	1 ECM lead, 4 care coordinators, 1 data analyst
Average Salary (Fully Loaded)	ECM Lead: \$130K; Coordinator: \$95K; Analyst: \$110K
Incremental Admin Overhead (Billing, etc)	\$120,000

# Revenue Considerations

## Focus

- When performing financial feasibility or pro-forma – focus on incremental revenue and expenses.

## Forecast

- Monthly Revenue Forecast (ex. Year 3)  
400 members  $\times$  \$300 = \$120,000  
Annual revenue = \$120,000  $\times$  12 = \$1,440,000

## Formula

- Revenue should be expected “net” revenue – avoid revenue deduction estimations.  
Expected Volume  $\times$  Contracted Rate =  
Expected Revenue



# Cost/Expense Considerations

Salaries should include the direct wages and benefits of staff providing and supervising the services.



Include incremental equipment and space costs.

Include supplies, transportation, and other costs directly related to the provision of services.

Include incremental overhead staffing costs:

- ✓ Additional billers
- ✓ Marketing costs

# Additional Considerations



Incentive payments from managed care plans (e.g., based on engagement or health outcomes).



Shared savings if participating in value-based payment arrangements.



Subcontracting to CBOs (can shift part of costs, adjust accordingly).



Focus on Contribution Margin (should be clear how the service contributes to organizational overhead allocations).

# Check Out These Tools

## CalAIM Budget Estimator Tool



Profit/Loss Margin excluding "One-time Variable Revenue"

Profit Margin	(Net Income/Total Revenue)	0%	0%	0%	0%
		Year 1	Year 2	Year 3	Total Program
Revenue:	Total ECM Revenue (from PMPM rate)	\$ -	\$ -	\$ -	\$ -
	Community Support	\$ -	\$ -	\$ -	\$ -
	Housing Tenancy/Sustaining Services	\$ -	\$ -	\$ -	\$ -
	Other Community Support	\$ -	\$ -	\$ -	\$ -
	Medically Tailored Meals	\$ -	\$ -	\$ -	\$ -
	Total Community Support Revenue	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
Expense:	Salary	\$ -	\$ -	\$ -	\$ -
	Fringe	\$ -	\$ -	\$ -	\$ -
	Total Compensation	\$ -	\$ -	\$ -	\$ -
	Project Direct Costs	\$ -	\$ -	\$ -	\$ -
	Reimbursable - Payment	\$ -	\$ -	\$ -	\$ -
	Reimbursable Expense	\$ -	\$ -	\$ -	\$ -
	Total Program Direct Cost	\$ -	\$ -	\$ -	\$ -
	Program Gross Margin	\$ -	\$ -	\$ -	\$ -
10.00%	Indirect Cost	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
Net Income	(Total revenue - total program cost)	\$ -	\$ -	\$ -	\$ -
Profit Margin	(Net Income/Total Revenue)	0%	0%	0%	0%

## Building The Value Case For Complex Care Toolkit

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#### Introduction

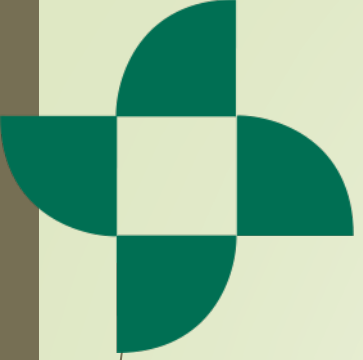
- Getting started in complex care
- Scaffolding the population
- Collaborating with finance
- Stakeholders and assets
- Demonstrating value beyond cost savings
- Return on investment
- Sharing your success
- Funding sources and opportunities
- Worksheets and supplemental materials





# Bright Spot Examples





# *Eastern Plumas Health Care*

## Journey to Providing CalAIM ECM Services in Plumas and Sierra Counties

Presented by: Joanna Garneau, Program Manager and Director of CalAIM

# Opportunity Knocks...

**May 2022** Joanna started her role as Program Manager

- **May 2022** CEO mentioned CalAIM as the “new face of healthcare” and wanting to be at the forefront to support our rural communities
- **June 2022** Applied for IPP Round 1, denied
- **September 2022** Finalized ***budget and program plan***, applied PATH CITED R1, awarded \$608,014
- **March 2023** Contracted with Anthem for ECM services
- **April 2023** Offered CalAIM ECM services to our first members
- **May 2023** Applied for PATH CITED Round 2, denied
- **June 2023** Moved into our first office space
- **October 2023** Applied for IPP Round 2, awarded \$36,000
- **December 2023** Ended first year of CalAIM with Anthem with 12 members
- **January 2024** Contracted with Partnership HealthPlan of California
- **February 2024** Applied for PATH CITED Round 3, awarded \$1,743,984
- **October 2024** Currently serving 58 members, have assisted 70 total
- **December 2024** Started serving entire youth population
- **April 2025** Currently serving 100 members, 125 total

ITEM
CalAIM Labor
Program Manager (PM)
CalAIM Care Clinician (CCC)
Lead Care Manager Supervisor (LCMS)
LCMS Benefits
Lead Care Manager (LCM)
LCM Benefits
Care Companion
Billing Labor
i2i Reporting Vendor
CalAIM Labor Total

CalAIM Expenses
Cell phones (4), includes monthly plan
Gasoline
Van Maintenance
Van Registration
Van Insurance
Safety Training
Office Supplies
Laptop / Computer / Electronics
Recruiting Fees
CalAIM Expenses Total
CalAIM Funding Requests
IPP
PATH CITED
CalAIM Funding Total

CalAIM Revenue
Outreach New ECM (# of patients)
New ECM Pt Revenue
Monthly ECM Rate (# of patients)
Monthly ECM Rate
CalAIM Revenue Total
PROFIT/LOSS





# Funding Application Denial Results

- IPP Round 1 (\$230,000)
  - Denied as we were not yet contracted, nor did we have a recorded intent to contract with our MCPs at that time
- PATH CITED Round 2 (\$500,000)
  - Requested for purchase of a turn-key office building, located at the bottom of our hospital's main entry, was a dental building, perfect for office space and resource center
  - Requested for third care manager salary and benefits for 18 months
  - Denied as purchasing real estate is not a permitted expense through CITED funding



# Funding Application Approval Results

- PATH CITED Round 1 (\$608,014)
  - EHR implementation
  - Labor and benefits for two employees, care manager and care manager supervisor, for 18 months
  - Two Ford Explorers, IT equipment, office supplies, cell phones, reMarkable tablets
  - De-escalation, leadership, and empathy training
- IPP Round 2 (\$36,000, requested \$138,240)
  - Referral support
  - Billing support
- PATH CITED Round 3 (\$1,743,984, requested \$1,763,452)
  - Renovation of building owned by our Foundation Board
  - Labor and benefits for third care manager for 18 months
- **TOTAL FUNDING To Date: \$2,387,998**

# Other milestones in our journey...

- Growth from 12 members December 2023 to a current 100 members, served 125 total
- Population growth:
  - At Risk for Avoidable ED or Hospital Utilization
  - At Risk for Long Term Care
  - Long Term Care Return to Community
  - Birth Equity (added January 2024)
  - 18-21 year-old portion of youth population (added October 2024)
  - 0-17 year-old remaining portion of youth population (added December 2024)
- Identifying and growing our core team
  - Joanna Garneau, Director of CalAIM
  - Katy Bynum, CalAIM Care Clinician, August 2022
  - Venissa Irwin, Supervisor of CalAIM March 2023
  - Laura Lophthien, Care Manager, May 2024
  - Carol Torimino, Care Manager, January 2025
  - Currently hiring a CalAIM Coordinator
  - Requesting PATH CITED R4 funding for our 4<sup>th</sup> and final care manager





# Office growth

- Started in the lab at our Skilled Nursing Facility, March 2023
- Moved into an old barbershop in Loyalton, June 2023
  - Also use space in Portola, next to our Dentist
- Ready to start our new office renovation
  - 5 office spaces, welcome room, break area, guest and employee rest rooms, conference room





# Other tools we relied on for success

- NorCal Collaborative and Provider Forums
- Managed Care Plan CalAIM Teams
  - Anthem
  - Partnership HealthPlan of California
- Plumas Sierra Resource Team – created and facilitated by EPHC's CalAIM team
  - Collaborative discusses available services, gaps in services, and how to mitigate gaps, presentations by local service providers
  - Open to Community Based Organizations, local service providers, local healthcare providers, anyone interested in contracting to provide a CalAIM service (ECM or CS)
- Building relationships and offering informative presentations to local and out of area stakeholders:
  - County Public Health
  - County Social Services
  - Tahoe Forest Hospital, Renown (in the state of Nevada), Plumas District Hospital
  - Community Based Organizations

# Some of our successes!

- Saving a member's life during an outreach attempt
- "I am cancer free, baby," boasts one member
- Member who quit smoking for a surgery
- Family ready and accepting of family member with new health condition returning home
- Member who was able to use the toilet on his own
- Getting the water turned back on, after weeks of using snowmelt
- Disruptive member in ED every other week, last ED visit was October 2024 which was his ECM enrollment month
- Venissa, Supervisor and Care Manager, recognized by Anthem, catalyst for new recognition program
- Funding we have received

**Remember to celebrate each other, your members, and your service providers!**



# Questions?





## Q&A / Discussion

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What questions do you have about today's content?

*Please chat in your questions/comments*





**Taking a Pause**



# Suggested Actions

- Review the Camden Coalition toolkits shared during this presentation
  - [CalAIM Budget Estimator](#)
  - [Building the Value Case for Complex Care](#)
- Consider applying for [PATH CITED Round 4](#) by May 2
- Look into opportunities with the [TA Marketplace](#)
- Tune into California Health Care Foundation's [CalAIM in Focus newsletter](#)

# PATH Collaboratives



Every county is designated to a local PATH Collaborative, where participants can engage in:

- In-person and virtual meetings
- Local networking and market awareness
- Best-practice sharing
- Escalating issues to DHCS

*PATH = Providing Access and Transforming Health*



Learn more here: <https://www.ca-path.com/collaborative>

Find your local PATH Collaborative [here](#)!

# Join the Next CalAIM 101 Webinar

*Are you or a colleague new to CalAIM?  
Could you use a fresher on the basics of CalAIM?*

We welcome you to join our quarterly CalAIM orientation, which includes an opportunity to ask questions.

**The next CalAIM 101 is being held on May 8, 2025**  
[Register for the quarterly series here.](#)



# CHCF's Health Care Leadership Program

Applications are now open for the CHCF Leadership Program Cohort 25!

**The CHCF Leadership Program is for clinician leaders across California who are ready to expand their leadership capacity and catalyze transformative healthcare improvement for all communities.**

Through an interactive cohort model, fellows...

- broaden their management skills
- sharpen their organizational leadership capacity
- gain insights into the trends and challenges facing health care in California
- join an alumni network of visionary health care leaders upon graduating

**[Learn more and apply here!](#)**

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Bringing It All  
Together

- Envision how CalAIM can be optimized to advance equity and population health outcomes for complex patients.
- Reframe the development of delivery systems for CalAIM to be scaled to benefit other populations.
- Distill how leadership, incentives, workforce, and workflows can align to support investments in CalAIM.
- Connect the learnings from the CalAIM Academy into actionable steps for advancing their work.

# **See you at Session 6!**

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## **Bringing It All Together**

**Wednesday, April 23 - 12-1:30 PM**

*Stay on the line for optional breakouts*





*If you are not staying on for breakouts...*

## **Please fill out our survey**

---

Feedback will be incorporated into upcoming sessions and future iterations of the CalAIM Academy

*The survey will open as you exit out of the Zoom. We will also send a link in our follow up email.*





# Breakouts

# Reminder: Academy Norms

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5. **Own this with us** – bring your questions and ideas for improvement.



# We'll Now Open Breakout Rooms

The group will be split into three rooms for a discussion about today's content.



# Please fill out our survey

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**Thank you!**