

PROFILE: DEBORAH L. STEPHENS BEHAVIORAL HEALTH SYSTEMS

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he taste of success is especially sweet for Deborah L. Stephens, recently named Small Business Person of the Year by the Birmingham Area Chamber of Commerce.

She recalls a time six years ago when she carried her fledgling business plan from one investment banker to the next — finding no takers.

"I had a lot of experience in planning new ventures, and my background is especially strong in joint ventures and introducing new products," Stephens said. "I particularly remember meeting with one banker. I showed him the business plan and he said, 'Deborah, this is the best damn business plan I've ever seen. The bad news is, we're not going to fund it. We're just not ready to risk such a new thing.'"

That "new thing" was Behavioral Health Systems, a managed healthcare network specializing in mental health and substance abuse benefits. Fresh from Milwaukee, a hotbed of managed care development, Stephens recognized that managed care and case management were largely an undeveloped field in Birmingham. With the growth of the concept nationwide, and no competition yet on the local playing field, Stephens saw Birmingham as a wide open market.

Although short on funds, Stephens was long on determination. She took her business plan to "several savvy business people who did think it was a good risk," she said. "Those people still serve on our board, which has not changed since 1989."

Stephens' 20 years of experience in the field of healthcare finance and administration contributed greatly to the "good risk" that became BHS. Before coming to Birmingham, she served as executive vice president and chief operating officer of both a 100-bed hospital and its parent holding company, the Medical Rehabilitation Institute and Sacred Heart Rehabilitation Hospital in Milwaukee. In 1984, she was cited by the Joint Commission on Accreditation of Hospitals as one of only eleven women nationally to hold a vice president or higher status in the hospital field.

She has taken BHS from a one employee, zero client, seven provider network to a strong company boasting 21 employees, more than 2,500 providers, serving 40 client companies across 31 states, with more than 70,000 covered members.

"We have doubled revenues every year since 1989, and we continue to have a very high growth rate," Stephens said. "What is most important to me, however, is we've retained 100 percent of our clients."

"And by the end of this year, we project saving our companies \$4 million in mental health benefits cost," she continued. "We also implemented a pa-

tient satisfaction process back in October, and to date we have maintained a 98 percent positive satisfaction rate."

BHS is a mental health and substance abuse carve-out program through which an employer receives face-to-face clinical assessment, referral to the most appropriate treatment setting, intensive case management, a third party claims administration, and centralized overall program management. BHS is endorsed by the Alabama Healthcare Council as its preferred behavioral health provider.

According to Stephens, BHS saves its client companies an average of 50 to 70 percent in the first year.

"The employer benefits through reduced costs, via negotiated fees with providers, and a focused case management program," Stephens said. "Most importantly, this program provides the employer with comprehensive reports on cost and utilization, information which previously was unavailable."

"It also provides the employer the comfort of knowing that someone is screening and credentialing the mental health providers in this network," Stephens said, noting that providers are not financially linked to BHS, and must adhere to common performance standards and treatment values.

"We're not taking anything for granted," Stephens said. "One of the things I value the most is the input from the clients we serve, because we definitely work for them. They are as important to me as my board."

"We put together a client advisory board that meets every quarter, made up of a representative from every client we serve. They address policy and procedural issues, and give us their input. That's very important to us."

Keeping an ear out for changing client needs has pushed BHS to extend its network across 31 states.

"We are not seeking to be a national player in the sense that we're going to market in New York and California," Stephens said. "However, we will continue to cover the companies based in the Southeast, and that may take us national to serve their locations."

Stephens said she believes flexibility has been the number one contributor to her company's growth.

"We have not tried to be an HMO; rather, we have wanted to maintain maximum freedom of choice for the patient," she said. "Also, our independence leaves us free to contact at arms' length with high-quality providers. Finally, we recognize that employers have differing needs, so we can tailor our program to meet their unique philosophy."

Stephens said that evolving views of appropriate mental health treatment is also changing the marketplace.



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"In the past, employers offered good inpatient benefits, but poor outpatient benefits. This allowed the employee little alternative but to go inpatient," she said. "So traditionally they had the magical 28-day cure: high cost, long length of stay, and little data provided after the fact.

"We have come into the picture and recommended changes to all of that. Our average length of stay is eight to ten days, while our number of outpatient cases per 1,000 can reach as high as 150. So the shift has been from high inpatient utilization to high outpatient utilization. That means the employee can come in for treatment earlier, and not wait until the problem is acute."

Stephens, who attributes a fair amount of her company's growth to associations like the Alabama Healthcare Council, said such coalitions should continue to take risks to hold down costs and ensure quality healthcare for the marketplace.

"They've got to continue to set themselves in front and take risks that lead to more efficient care delivered at a lower cost," she said. "They need to continue to have the input and involvement of their member companies, and to educate the community as well as their own companies about healthcare issues.

"And I agree with whoever it was that said it wouldn't have required a federal mandate to change

the way healthcare is provided," she added. "That was happening on its own through the competitive marketplace."

Stephens underlined the need for usable outcomes measurement in the healthcare arena, particularly in the mental health segment.

"One of the things that bothers me is that in the past, when you would ask psychiatrists to measure care, they would say 'no, no, no, it's too unique, it's too scientific.' Now it's not only the payers but the patients themselves who are demanding change, and we are very involved in creating a very efficient outcome measurement system at BHS."

Stephens said she believes employers have an obligation to use their volume negotiating power to negotiate the best healthcare for their employees at the best price, but delivered appropriately.

"I think the line needs to be drawn clearly between what is medically necessary and what is simply personal growth," she said. "I don't think it's fair for the employer to bear the cost of employees going for treatment merely for self-betterment. It's like, if you cut your finger, you don't go to the emergency room to fix it. But that line has never been drawn in mental health, and it needs to be."

In the next year, BHS looks forward to doubling its size once again, Stephens said, with an eye toward maintaining the same clinician-per-covered membership ratio so quality is not compromised.

And, ever the new venture maven, Stephens said to look for new, complimentary product lines from BHS, like its Safety First Division, which was established in 1990 and concentrates on drug testing.