Hospice Revenue Growth
NAHC Financial Management Conference
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Faculty:

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Objectives:

• The soon to be published hospice quality data will give providers a way of differentiating themselves versus their competition.

• Approximately 7% of all Medicare patients who are discharged from hospitals die within 30 days. Most of those do not enter hospice, but die in hospitals or other facilities.

• While average length of stay has increased in the past decade, median length has not change. Too many patients are admitted to hospice in the last few days prior to death in crisis. Palliative care or advanced illness programs can capture referrals earlier in the disease progression. Also advertising has proven successful in increasing family referrals, which usually have a longer LOS.
Hospice Growth Basics

• Hospices can generate new revenues in 3 ways:
  • New patients who had not previously used hospice
  • Take market share from a competitor
  • Increase average length-of-stay
• Hospices can generate new referrals in 3 ways:
  • Grow referrals from existing referral sources
  • Gain new referral partners
  • Expand the use of hospice
    • Participate in population management initiatives
    • Physician practice referrals

Pre-acute Provider

• Physicians don’t refer enough from their practices
• They look at hospice as a post-acute provider rather than pre-acute.
• What’s wrong with this picture?
• We’ve taken the wrong approach for years!

• Best opportunity to increase ALOS
Hospice Growth Basics

• Assess market to craft strategy and tactics
  • Where is the opportunity?
  • Who are our champions?
  • Where are our natural synergies?
• Better utilization of levels of care
• Palliative care and transitions programs
• Disease specific specialty programs

Drivers of Growth

• Sales team
  • Sales professionals
  • Hospital and facility liaisons
• Staff
• Leadership team
• Physician advocates
Sales Process and Strategies

• Clear definition of Value Proposition
  • Value to referral partner
  • Differentiation
• Qualifying
• Discovery
• Gaining commitment
• Handling objections

Simione Equation for Growth
Formula For Success

Territory Mgmt. + Productivity + Technique = Growth
Territory Alignment

- How are your territories currently aligned?
  - Service line
  - Geography
  - Account type
- How are referrals/admissions credited?
- What challenges do you face with your existing model?

Targeting
Targeting - Key concepts

• The success of the entire sales program will be dictated by the number of patients referred by ‘A’ accounts
• Success is driven by servicing and sales strategies for the ‘A’ accounts.
• Can’t be all things to all people.

Rating Accounts

• How are you tracking the accounts your sales representatives are calling on?
• Do you know the top accounts in each territory when you are in the field with them?
• How often are you seeing the top accounts?
• Do your reps have to turn in new routings quarterly?
• Do you approve/deny routings?
Rating Accounts

<table>
<thead>
<tr>
<th>Account Rating</th>
<th>Admits/ year</th>
<th>Potential ‘A’ Account</th>
<th>Comments</th>
<th>Current Admits/ year</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>12+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T5</td>
<td></td>
<td>✓</td>
<td>These are your top referring accounts. They will dictate your success.</td>
<td></td>
</tr>
<tr>
<td>B1</td>
<td>6-11</td>
<td>✓</td>
<td>Potential to become an ‘A’</td>
<td></td>
</tr>
<tr>
<td>B2</td>
<td>6-11</td>
<td></td>
<td>Don’t have potential to become an ‘A’</td>
<td></td>
</tr>
<tr>
<td>C1</td>
<td>1-5</td>
<td>✓</td>
<td>Potential to become an ‘A’</td>
<td></td>
</tr>
<tr>
<td>C2</td>
<td>1-5</td>
<td></td>
<td>Don’t have potential to become an ‘A’</td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>Prospect</td>
<td>✓</td>
<td>How many prospects are on your list? N/A</td>
<td></td>
</tr>
<tr>
<td>P2</td>
<td>Prospect</td>
<td>N/A</td>
<td>Not being actively worked. N/A</td>
<td></td>
</tr>
</tbody>
</table>

Productivity

- How are you measuring productivity?
  - Liaison
  - Account Executive
- What are your call volume expectations?
- How often are A accounts visited?
- How do you measure frequency?
- Do you measure missed visits?
- Do you protect your reps’ time?
- Do your reps do consents?
Productivity – Things to Consider

- New hire vs tenured rep
- Are you setting them up to succeed?
  - Meetings
  - Consents / Informationals
  - Office time

Technique

- What is your sales methodology?
- Describe your sales process?
- What type of sales training do new hires receive? Tenured reps?
- Who does field coaching? How often?
Needs Discovery

• MOST IMPORTANT SKILL SET

Goal:
Find out what’s important.
Understand each Referral Partner’s needs, problems, challenges and frustrations individually. Interview them carefully to see what you can do to earn their business.

Defaults

Value Added Opening:
• My job is to make your life easier.

Discovery Questions:
• Which patients are taking up too much of your time?
• What are the challenges you face with the patients that the specialist has dumped back in your lap because they have run out of treatment options?

Gaining Commitment / Handling Objections:
• Tie closing questions or statements back to needs
• Know the response to the most common objections.
Overcoming Common Objections

- We let the discharge planner handle referrals to hospice
- We don’t refer from the office
- We don’t refer to hospice
- The family is just not ready (from referral partner)
- Patient not ready (patient and family)

Two Key Phrases

- Patients for whom you have run out of treatment options.
- So that they can make an educated decision when the time is right.
Summary

- Become a pre-acute provider in the mind of the referral partner
- Know what their problems, frustrations and challenges are
- Gain commitment by tying back to needs
- Know top objections and their responses
- Use the key phrases

Horizon Home Care & Hospice
Established 1990
Private Not for Profit
Joint Commission

Mary Haynor
President & CEO
BSN, MBA
Outcomes

2009-2015
• Admissions increased from 790/year to 1737/year
• ADC from 81 to 186 today
• ALOS from 38 days to 45 days
• Serving second largest number of patients in market

History
• Hospital affiliated
• Not-for-profit
• No marketing
• Old collateral
• No advertising for hospice
• No opportunity for inpatient placement other than hospital bed
• Very strong hospital based palliative program - Dr. David Weisman
Solutions

In-Patient Unit

• Opened 14 bed unit in hospital
  • Low cost
  • Major donor funded renovations
  • 50% of patients from hospitals
  • ADC 9-11
Liaison Team

• Seasoned team of professionals
• Bring back concerns
• Force change
• Connect with physicians and facilities
• Tell the story

Advertising

• Television
• Billboards
• Collateral
Innovation

- Grief Resource Center
- Booklet “Navigating End”
- Virtual Hospice
- Newsletter
- Rock the Park

Financial Outcome

![Graph showing financial outcomes from 2009 to FYTD 4/30/15]
The Visiting Nurse Association of Greater Philadelphia

Walter W. Borginis, III, CPA
President and Chief Executive Officer

Case Study on Hospice Growth: VNAGP

• Growth rate of 17% in past three years, representing $2.3 million in new revenue
• Average census exceed 220
• Successful 15 bed inpatient unit
• Palliative care program growing at 10% per year
• Diversifies revenue: offsets home health cuts
Case Study on Hospice Growth: VNAGP

- **Key ingredient:** Right Doctors
- Creates quality image
- Insures best care for patients
- Important marketing contributions

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Case Study on Hospice Growth: VNAGP

- **Key ingredient:** Right marketing staff
- Rapid response to referrals-able to get patient consents and assess patient condition
- Resilient and persistent
- Believe in quality of program
- Qualifications match assignments: RN, MSW
Case Study on Hospice Growth: VNAGP

• **Key ingredient:** Inpatient unit
• Creates identity for the entire program
• Our staff make the best caregivers
• Ability to stabilize symptoms helps ease patient and family anxiety

Case Study on Hospice Growth: VNAGP

• **Key ingredient:** Palliative care program
• Hottest topic in healthcare today
• Focus on high cost problem patients
• Physician to Physician marketing is the key to growth and acceptance
Case Study on Hospice Growth: VNAGP

- **Key Ingredient:** Palliative care program
- Transitional home health by hospice staff
- Build a great team: Doctor/NP/MSW/Chaplain
- HHFMA White Paper on how to start

Case Study on Hospice Growth: VNAGP

- **Key ingredient:** Working with Medicare Advantage plans
- High cost patients are potential hospice referrals
- Under current rules, hospice patients transfer to Medicare for treatment of terminal illness
- Working with PCP’s to discuss patient’s needs
- Reinforced by IPA’s that manage costs
Case Study on Hospice Growth: VNAGP

- **Key ingredient:** Working with area physicians to solve problems with high cost patients
- Chronically ill patients frequently consume a lot of the practice’s time and resources
- Offer to discuss the overall situation with patient and family
- Explain the benefits of hospice to potential patients