How to Maintain Your Margin and Still Provide Quality Care

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Neighborhood Health

• Adult health skilled care, hospice program with 22 bed inpatient unit, and maternal/child services
• Located in southeastern Pennsylvania outside of Philadelphia
• Average daily census of 550-600
• 231 employees
Goals

- Describe how quality indicators are used to assist in attaining the bottom line
- Discuss the development of the financials of the agency and the benchmarking data provided to management
- Discuss quality and financial use and presentation tactics to the Boards of the agency and health system and to the community

Medicare Home Health Benefit
### Quality Goals

- Provide quality care
- Maintain patient satisfaction
- Maintain agency’s budget
- Maintain employee satisfaction

### What do we consider “quality care?”

- HHCAHPS scores at or above state/national averages
- Outcomes at or above state/national averages
- Compliance with Medicare and state regulation
- Compliance with CHAP standards
Measuring the Data

- Benchmark
  - Utilize home health compare
  - Utilize vendor data
  - Utilize agency baseline as a standard if necessary

Quality Indicators

- Improvement in ADLs
- Improvement in Pain
- Improvement in Surgical Wounds
- Process Measures
- Re-hospitalization Rate
- HHCAHPS
- Face to Face return rates and quality of documentation
QI Monitoring

• Client’s condition and care provided are reflected in the clinician’s documentation
  → OASIS accuracy
  → Meeting Medicare billing requirements
  → Therapy evaluations
  → Face to Face encounter documentation

QI Monitoring

• Patient outcomes
  → Audit all poor outcomes
• Potentially avoidable events
  → Audit all potentially avoidable events
• LUPAS
  → Audit all LUPAS on a monthly basis
• Acute care hospitalizations
  → Audit all hospitalized client charts
### QI Monitoring

- OASIS accuracy
  - Who is reviewing OASIS
    - Manual review vs. data scrubber
    - OASIS errors by clinician
    - OASIS corrections
- Targeted OASIS items
- Coding errors

### QI Monitoring

- Potential pre- and post-payment audits
  - Monthly basis
    - Audit documentation basics
    - Audit clinician compliance with Medicare regulation
    - Therapy evaluations
What are we on the alert for?

- OASIS inconsistencies
- Low average case weights
- Poor support of skilled need and homebound status
- Coding errors
- Higher than average LUPA rate
- High PEP rate

Problem Outcomes

- Identify problem
  → Complete monthly focused audits
- Determine root of the problem and develop a Performance Improvement Plan
Managing QI for Success

• Active/interested QI team
• Effective education
  → Clinical assessment
  → OASIS competency and accuracy
  → Consistent orientation of professional staff
• Effective clinical supervision
  → Timeliness of documentation
  → Quality of documentation

Use the Data!

• Guide clinician education
• Refine processes and guide changes
• Re-evaluate past changes
• Reinforce positive results and assure that they will continue to happen
Improving Quality

- Quality orientation
- Quality staff education
- Make the most of the time you have your staff in the office for in-person education
- Supplement with a learning management system (LMS) to provide online education

Clinician Expertise

- Case management
  - Case load
  - Continuity of care
  - Assure that your case managers know what case management means
- Mastering the OASIS
  - Assure that case weight is accurate
  - Outcomes reflect actual patient condition
Clinician Expertise

- Expert understanding of Medicare regulation
  - Homebound status
  - Skilled need
- Documentation standards
- Education initiatives

Integrating Clinical and Financial Management
Metrics

• Metrics...Metrics...Metrics!!!!
• Revenue
• Direct Expense
• Patient Care

Revenue

• Revenue - What are the drivers?
  → Home Health
    • Referrals/Admissions
    • Medicare
      – Case Weight
      – Admissions and Episodes
      – Adjustments by Type
    • Other Payors
      – Visits
      – Admissions
      – Visits/Patient
Revenue

- Revenue - What are the drivers?
  - Hospice - (In-Home)
    - Referrals/Admissions
    - Average Daily Census
    - Average/Median Length of Stay
  - Hospice - (Inpatient)
    - Average Daily Census (by level of care)
    - Average/Median length of stay

Direct Expense

- Salaries/Taxes Benefits
- Contracted Services
- Workers Comp
- Medical Supplies/Ancillaries
- Travel
**Direct Expense - Salaries/Taxes/Benefits**

- **Productivity**
  - Show the financial impact of under productive employees
    - Visits per Day
    - Case loads
  - “Our census is up….we need to hire someone!!!!”
  - Metrics should be part of hiring decisions

**Direct Expense - Salaries/Taxes/Benefits**

- **Employee Benefits**
  - Percent of Salaries
  - Is our plan outdated???
## Direct Expense - Contracted Services

- Are we using contracted services to supplement under productive employees?
- Should we hire an FTE to replace a contracted cost?

## Direct Expense - Workers Comp

- What is Workers Compensation expense as a percentage of revenue?
- Is it growing?
Direct Expense - Medical Supplies/Ancillaries

- Home Health
  - Supply Cost per visit
  - Method of delivering supplies
- Hospice
  - Supply and ancillary cost/day
  - In Home vs. Inpatient

Direct Expense - Travel

- Average miles per patient
- Travel expense as a percentage of revenue
- How can we bring mileage cost down?
  - Technology
  - Scheduling
Patient Care

- If you are efficient in your operations, you allow staff to “do what they do best!”
  → No more “fire drills”

- So how do we use all this information with our managers, the Board and System?
Data Required

- Asked to give benchmarks for our financial presentations
- Data for quality to the Board and System Senior Management
- Decided to do for our managers as well
- First, I needed to educate both on the basics of home care and hospice payment
  → Episodic, per visit, per diem, DME

SN Cost per Visit
PT Cost per Visit

Productivity
Average Patients per FTE

- Nursing
- All Other Staff

- Next, about what the visits entail:
  - Assessment
  - Braden Scale
  - OASIS
  - Pain evaluation
  - Medication review
### Other Costs

- **Direct:**
  - Mileage
  - Travel time
  - Worker’s Comp
  - Supplies

- **Indirect:**
  - Billing
  - Face to Face, administration

### Other Costs

- Face to Face currently taking 4 people to complete with managerial oversight
  - Less than before
  - Still too many hands in the process
  - But less outstanding dollars

- Order tracking and signatures has less people involved
  - But unless we can get a majority of physicians on a portal, uncovered costs
Now to explain the quality

- HHCAPS
- Hospice quality
- Patient satisfaction
- Other quality surveys

Financial Benchmarks First

- DSO
- Cost per visit (HC)
- Administrative overhead
- Days cash on hand
- Net profit margin overall and payer comparison for home health and hospice
- Indirect cost analysis
• All benchmarked against state and national numbers
• Marketing costs
  → No marketing department
  → Change printers annually based on costs
  → Use hospice liaisons and customer service staff to market and make rounds to the skilled facilities
Quality Benchmarks

- Our HHCAHPS vs. top two competitors
- Excerpts of the satisfaction surveys
Has it worked?

• Yes!

Contracts

• We continue to review all contracts at the minimum annually
• Those that are higher cost, we look at more frequently
• Renegotiate at any time and we will negate contracts if a better cost for the same quality can be negotiated
• System is pleased that we have benchmarks for comparison
  → Now thinking about dashboards
• Managers now know where they stand in relation to their peers, both state and national
• Board feels better informed of how we are doing from an independent source

Questions?

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Simione Healthcare Consultants provides solutions for your core home care and hospice challenges – organizational, financial, sales & marketing, technology, and mergers & acquisitions. Over 1000 organizations use our practical insight and tools to reduce costs, mitigate risk and improve efficiencies to steward the way they conduct business.

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