TODAY’S OBJECTIVES

• Discuss the strategies for long-term success at health system-based / affiliated home health and hospice agencies
• Discover the five keys to sustainable growth
• Develop an implementable plan to earn more patient referrals
• Provide strategies that will be applicable to all agencies regardless of relationship with a health system.
KEY TO SUCCESS

The most successful home health and hospice agencies will be those who can demonstrate, communicate and deliver value to buyer

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CUSTOMER’S PERCEPTION

- First order of business, we must get out of our own way!
- How does the health system view home health and hospice?
- How are you selling the value proposition to the health system?
- Perception is reality!

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NEW PARADIGM

• More sophisticated sale
  → Value + outcomes
  → We have never had price as an element
• Can’t afford to lose significant revenue / margin
• Must maintain profitability
• Competition from all sides

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OPPORTUNITIES

• Population Management / Care Transitions – Hottest Buzz Words in Healthcare
• Program development
  → Packaged for sale to:
    • Health system
    • ACOs
    • Managed care
• Become a Pre-Acute care provider

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PROGRAM DEVELOPMENT

- Population Management
- Transitional Care Management
- Packaging of programs
- Perceived value to customer

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TRANSITIONAL CARE PROGRAMS

- TCM includes services provided to a patient whose medical and/or psychosocial problems require moderate or high-complexity medical decision making during transitions in care from an inpatient hospital setting (including acute hospital, rehabilitation hospital, long-term acute care hospital), partial hospital, *observation status* in a hospital, or skilled nursing facility/nursing facility, to the patient’s community setting (home, domicile, rest home, or assisted living).
- Physician’s may bill for TCM

Source: AAFP Frequently Asked Questions: Transitional Care Management
PRE-ACUTE PROVIDER

• Biggest single opportunity for growth
• Right thing to do
• If we don’t do it, no one will!
• Repositioning ourselves within continuum
• Position as both pre and post acute

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KEY TO MESSAGING SUCCESS

Always Remember:

It’s about them, not about us!
THE SALES TEAM PLAYERS

• Hospital Liaisons
• Sales Professionals
• Referral Center Staff
• Admission Nurses
• Leadership

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HOSPITAL LIAISONS

• Nurse or not?
• Productivity measures and expectations
  → Must be aligned with what they do
  → Remove conflicts of interest
• Cover other accounts? Sell in spare time?

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MEASURE SUCCESS

• Liaisons
  → Number of referrals

• Hospital Metrics
  → % of total M/C discharges referred to home health / hospice
  → Capture rate / leakage rate
  → By service line
  → By payer

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METRICS

• Admissions
  → By sales territory
  → By type of patient / disease process
  → By payer

• Revenues
• Gross margin
• Cost per case generated
• ROI for sales and marketing

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SERVICE LINES

• Home health
• Hospice
• Private duty
• Waiver services
• Home infusion
• HME

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TODAY’S QUESTIONS

• What is my opportunity?
• What are my strategies to grow?
• What tools, skills and people do I need?
• What training is needed?
• What metrics will I use to measure success?
• What are my risks of inaction?

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FIVE KEYS TO GROWING REFERRALS

1) **Earn** the referrals
2) Accountability for service and outcomes
3) Referral management excellence
4) Sales program
5) Present value proposition

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EARN THE REFERRALS

- Who is your biggest customer?
- Look inward first
- What are their needs?
- Is our approach about them or about us?
- Multi-level sales program
- Not arm twisting
- Not our birthright – get over it!
- Patient choice

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SALES PROGRAM

• Sales training
• More sophisticated sales program
• Accountability
• Team:
  → Sales Professionals
  → Hospital Liaisons
  → Referral Center Staff
  → Leadership

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PRESENT VALUE PRESENTATION

• What’s in it for them
• Reduce Re-Hospitalizations
• Control LOS
  → Reduce hospitalizations
  → Control LOS

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REFERRAL MANAGEMENT

• Re-Define “Referral”
• Track EVERY Referral
• Establish Workflow
• Referral Center (Intake) is a Process not a Place
• How can I make your life easier?

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PLATINUM ACCOUNTS

Platinum Account Program:
• Why do they refer?
• No matter what guarantee.
• Preferential treatment
• Special Referral / Service Phone Number

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ALWAYS IMPORTANT

Referral Management:
• Are you still screening?
• Consumer callers
• Can’t afford the slippage
• Can’t alienate a Platinum Account

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POPULATION MANAGEMENT

• Environmental forces are necessitating major changes in healthcare:
  → Baby Boomers have started enrolling in Medicare.
  → Information and data are increasingly available—and portable.
  → Chronic disease incidence is reaching epidemic proportions.
  → Health reform has set a new timeline for change.

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TRANSITIONAL CARE MANAGEMENT

• These forces are forcing development of a new business model centered on delivery of comprehensive care and management of total cost risk.

• Organizations on the transition path to population health management must prioritize three foundational elements:
  1) Information powered clinical decision making
  2) Primary care led clinical workforce
  3) Patient engagement and community integration

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ACOS

• More ACOs
• Less ACOs willing to go at risk
• Have no control over provider
• Lower capture rate than overall hospital discharges

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VIEW FROM THE C SUITE

What’s Important to the Hospitals:
• Focus on readmissions to hospital and use of emergent care
• Controlling length of stay (LOS) effecting safe and timely discharges
• Mitigate risk

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WHY DO THEY CARE?

POTENTIAL PENALTIES

<table>
<thead>
<tr>
<th>Year</th>
<th>Readmissions</th>
<th>Value based purchasing</th>
<th>Total Potential Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>2014</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>2015</td>
<td>3%</td>
<td>3%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Maximum percentage penalty of total hospital Medicare revenues

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RE-HOSPITALIZATION RATES

- First year three diagnosis
  - Acute MI
  - CHF
  - Pneumonia
- October 1, 2013 added three diagnosis
  - COPD
  - Total knee
  - Total hip

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VALUE BASED PURCHASING

- Pays for care that rewards better value, patient outcomes, and innovations, instead of just volume of services
- Hospitals are given points for Achievement and Improvement for each measure or dimension, with the greater set of points used How Will Hospitals Be Evaluated? FY 2013 Program Summary
- 70% of Total Performance Score based on Clinical Process of Care measures
- 30% of Total Performance Score based on Patient Experience of Care dimensions

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HOSPITAL VBP DOMAINS

12 Clinical Process of Care Measures

1. AMI Ia: Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival
2. AMI II: Primary PCI Received Within 90 Minutes of Hospital Arrival
3. HF-1: Discharge Instructions
4. Pneumococcal Vaccines Performed in the ED
5. PN-5: Initial Antibiotic Selection for CAP in Immunocompetent Patient
6. SCIP-Inf-1: Prophylactic Antibiotic Received Within One Hour Prior to Surgical Incision
7. SCIP-Inf-2: Prophylactic Antibiotic Selection for Surgical Patients
8. SCIP-Inf-3: Prophylactic Antibiotics Discontinued Within 24 Hours After Surgery
9. SCIP-Inf-4: Cardiac Surgery Patients with Controlled 5AM Postoperative Serum Glucose
10. SCIP-CaO2: Surgery Patients on a Beta Blocker Prior to Arrival That Received a Beta Blocker During the Perioperative Period
11. SCIP-PTE-1: Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Ordered
12. SCIP-PTE-2: Surgery Patients Who Received Appropriate Venous Thromboembolism Prophylaxis Within 24 Hours

8 Patient Experience of Care Dimensions

1. Nurse Communication
2. Doctor Communication
3. Hospital Staff Responsiveness
4. Pain Management
5. Medicine Communication
6. Hospital Cleanliness & Quietness
7. Discharge Information
8. Overall Hospital Rating

Source: CMS Open Door Forum Hospital Value Based Purchasing Fiscal Year 2013 Overview

THREATS TO SYSTEM BASED AGENCY

- Competition
- Reduced rates
- Outcomes comparisons
- New paradigm causing more mergers and acquisitions
- Inadequate technology
- Poor practices

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COMPETITION

• Assumption must be that there will be more competition going forward
• Not only other home agencies
• Lower cost competitors
  → System owned agency could provide services at a lower cost without concern about profitability due to system cost savings
  → System could buy services from outside agency to gain improved outcomes or reduced costs

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ARE YOU READY

• Can you handle the volume, manage the outcomes and the efficiency?
• Finance / Cost controls / Financial Dashboard
• IT / Internal EMR / External Compatibility
• Clinical Expertise
• Staffing Availability
• Compliance
• Sales Team

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WHAT ABOUT SALES

Importance of Sales:
• Garner initial opportunity
• Most health system based agencies don’t do well marketing to physicians
• Maintain relationship
• Grow relationship
• Protect the relationship

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SALES TEAM STRUCTURE

Key Account
Sales

Facility Sales

Sales
Management

Physician
Sales

Care
Coordination
Liaison

Phone Sales

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FOUR QUADRANTS OF
SALES MANAGEMENT

Manager
Teacher

Coach
Mentor

• Review Results
• Joint Accountability
for Achievements and
Results
• Identify any issues
for Sales Professional

• Coach Sales Skills &
Account/ Territory
Management

• Guidance in the Field
• Sales Skill Coaching
• Demonstrate or Team
with Rep

• Provides Insight and
Advice
• Role Model

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SALES STRATEGIES

Clearly Define:

• Benefits to Each Specific Referral Partner
• Points of Differentiation
• Niche Markets Served
• Specialty Programs Offered

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DISCHARGE PLANNERS

Benefits to the Hospital Discharge Planner:

• Easiest to work with
• Quick response
• Decreased re-hospitalizations
• Decreased use of emergent care services
• Timely discharges / reduced LOS

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SALES CAMPAIGNS

Build a Campaign – Learn to Sell:
• Campaign Creation and Design will Teach Your Team to Sell
• Integrates Best Sales Practices and Consistency throughout Entire Organization
• Demonstrable Value Add to Referral Partners

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KEYS TO SUCCESS

• Carefully Define Benefits / Value Add
• Consistent / Pervasive Messaging
• Sales Training
• Customer Service / Referral Management
• Super Communicate
• Platinum Accounts

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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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