Strengthening Your Hospice Roots: Enhancing Productivity and Cost Containment Efforts

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Objectives

• Understand the factors influencing hospice productivity and caseload determinations

• Identify strategies toward more efficient staffing and management of ancillary expenses

• Identify various data metrics and benchmarks used for improving and maximizing clinical and financial performance
• Diagnoses
  – 52% Cancer Patients
• “Budget dust”
  – 2000: $2.8 billion in Medicare spending
• Mostly care at home
• 2000: 513,000 patients
• Little scrutiny
• Stable and dependable daily per diem rates
Hospice Has Become.....

- Diagnoses
  - <29% Cancer
- No longer “budget dust”
  - 2015: $15.5 billion
- Patients
  - 2015: 1,400,000 patients
- Hospice care delivered in many settings
  - Nursing homes, assisted living, home...
- Reform of hospice payments
- Increasing scrutiny
Hospice is Coping With...

- Increased Data Demands
- Quality Measures
- Regulatory Scrutiny
- Home Health Compare
- Affordable Care Act (New Payment Models)
- IMPACT Act

Hospice Care

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Change, Change and More Change!
Affordable Care Act

Care Integration and Collaboration

Safe Care Transitions

Integrated Processes

Clinical Best Practices

Efficiency and Cost Containment

Quality and Performance

Consumer Engagement and Satisfaction

Data Integration, Metrics and Reporting

Compliance

Value-Based Care

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Demographic Changes

Number of Medicare Beneficiaries (in Millions)

1990 2000 2010 2020 2030

33.7 40 47 64 80

CMS: Medicare Population Growth Projections

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Nine of 10 Medicare patients die of chronic disease, and caring for them in their final six months of life absorbs one-third of all Medicare dollars. During that time, more than a third of chronically ill Medicare patients are treated by 10 or more doctors.
• “Our greatest opportunity to enhance value in U.S. health care is to improve quality of care for older adults with (likely incurable) serious illness.”

• --ACO Business News, December 2013
Improving Value is Imperative

- Growing population of aging Americans
- Changing reimbursement models
- Workforce Issues
- Increased competition
- Operational challenges and Higher Administrative Costs related to implementing
  - new quality reporting initiatives
  - a revised cost report, and
  - additional reporting requirements related to patient diagnoses and notices of election
Rapid Pace
Save Money Vs. Sacrifice Mission?

• You may need to make some hard decisions
• Think out of the box and be open minded
• No idea is a bad idea each one should be taken into consideration
• Look at all payers, not just Medicare
Overcoming Challenges

• Can I grow my hospice?
  – New referral sources
  – Expand market share
• Can I become more operationally efficient?
  – Can I increase my use of technology?
  – Can I provide staff with better training and education?
• Can I cut costs in my organization?
• Which of these increases my bottom line enough to sustain my business and not sacrifice quality care?
Factors Impacting Expense Management

- Compliance
- Quality
- Documentation
- Medical Supplies
- Eligibility
- Relatedness
- Drugs
- DME and Oxygen

Factors:
- Factors Impacting Expense Management
- Compliance
- Quality
- Documentation
- Medical Supplies
- Eligibility
- Relatedness
- Drugs
- DME and Oxygen
Work as a Team

“What gets measured, gets managed.” – Peter Drucker

• Everyone should be involved
  – Executive Leadership
  – Clinical and Financial Directors

• Need “buy-in” from everyone when it comes to cost review
  – Analyze what would happen based on industry changes if all costs remain the same
  – Determine if something must be done
Types of Data and Indicators

- Statistical
- Financial
- Operational
- Clinical

- Your Hospice Data
- Competitor Data
- State Data
- National Data
Key Financial Indicators

- Gross Profit Margin
- Net Profit Margin
- Days Cash on Hand
- Current Ratio
- Return on Equity
- Days Sales Outstanding
- Cost Per day
- Cost Per Visit
- Revenue by Level of Car
- Ancillary Cost Per Day
- Admin & General Costs
Key Clinical and Operational Indicators

- Average Length of Stay
- Median Length of Stay
- Average Daily Census
- Visits per day
- Days by Level of Care
- Discharges
- Deaths
- Referrals to Admission
- Conversion Ratios
- Patients by Diagnosis
- Staffing Ratios
- Quality Measures/QAPI
Analyzing Data: Key Considerations

• FIRST.....PRIORITIZE what you are evaluating?
  – What do you want to look at and why?
  – Seek consensus from:
    • Executive Management
    • Financial Directors
    • Clinical Directors
  – Cooperation is Key

• Accuracy of Information
• Timeliness of Information
• How and Where to Obtain Data
• Internal Data Collection: Data must be relevant, accurate and timely to drive performance
  – Low/no technology
    • Reliance on manual process/systems
    • Vulnerable to inconsistent staff/formula errors/miscalculations
  – Point of Care Technology in Use
    • Staff using in a consistent manner
    • All users well trained
    • Report parameters are correct
• Trending Data
  – Historical trends within your data
  – Comparisons to budget projections
  – Comparison to industry benchmarks
• Research benchmark sources available
  – NAHC, NHPCO, OCS, Healthcare Market Resources, Financial Monitor, MVI
  – Understand data elements and calculations
  – Who are you comparing to?
  – “Apples to apples” comparison
  – Remember: The Benchmark is the Median
    • Strive to be in the top 10-20%
• We are just different!
• Why are my margins/measures different?
• What drives my margins/measures?
• Ask these questions:
  – Who am I comparing to?
  – What data elements are used?
  – What is the calculation?
• Conduct Root Cause Analysis to determine reasons
Identify Levels of Reporting

**BOD/Owner/Hospital**
Overview of key financial measurements for hospice
Provide comparison to industry trends

**Agency Management**
Provides context
Identifies strengths and weaknesses
Assists with decision-making
Helps appropriately prioritize

**Staff**
Feedback on performance
Possible incentives programs
Track performance against budget
Demonstrate quality of care

**Industry**
Accurate and timely information
Information informs discussions, decisions, policy, and practices
Advocacy efforts
Understanding that data is being used to make decisions
• What is important to my financial performance?
  – Quality Outcomes
  – Cash
  – Revenue
  – Productivity
  – Costs Census
  – Length of Stay
• Benchmark your quality scores to ensure you are in compliance and have high patient satisfaction scores
• Without quality care you risk losing patients, compliance penalties and audits
• This will increase your costs while lowering your revenue.
• Can we meet our expenses?
  – Salaries, rent
• Can we provide staff with incentives to reach goals?
• Can we invest in growth?
  – New staff
  – New technology
  – New locations
  – Acquisitions
• Do not call it “Cost Cutting”
  – Lowers employee morale
  – Risk losing employee loyalty
  – More staff working as individuals rather than as a team
• Call it “Growing our Hospice”
• Use a combination of cost saving objectives and growth objectives to met goals
Direct Costs

• Direct Costs
  – Salaries
  – Benefits
  – Payroll Taxes
  – Worker’s Compensation Insurance
  – Contract Services
  – Mileage and supplies for direct care staff

• Decisions Related to Direct Costs:
  – Staffing
    • Salary
    • Hourly or pay/visit
  – Employee Benefits
  – Supply Cost Management
  – Productivity
  – Transportation Costs
  – Pharmacy, DME
Indirect Costs

• Indirect Costs
  – Clinical Management
  – Finance
  – Revenue Cycle Management
  – Intake
  – Marketing
  – Occupancy
  – Professional Fees
  – Insurance

• Decisions Related to Indirect Costs:
  – Staffing
    • Hiring Levels
    • Compensation
  – Employee Benefits
  – Professional Service Usage
Gross Margin (Operating Margin)
Direct payer revenue minus direct costs
Gross Profit Critical Financial Metric

• Low Gross Margin
  – Generate additional revenue
    • Referral to admission conversion ratios
    • Payer mix
    • Average length of stay
  – Cost efficiencies in direct care operation
    • Productivity review
    • Better supply or ancillary management
    • Improved patient coordination to reduce mileage costs
### Hospice Medicare margins by length of stay and patient residence, 2013

<table>
<thead>
<tr>
<th>Hospice characteristic</th>
<th>Medicare margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average length of stay</strong></td>
<td></td>
</tr>
<tr>
<td>Lowest quintile</td>
<td>-8.1%</td>
</tr>
<tr>
<td>Second quintile</td>
<td>1.3</td>
</tr>
<tr>
<td>Third quintile</td>
<td>12.6</td>
</tr>
<tr>
<td>Fourth quintile</td>
<td>17.5</td>
</tr>
<tr>
<td>Highest quintile</td>
<td>14.8</td>
</tr>
<tr>
<td><strong>Percent of stays &gt; 180 days</strong></td>
<td></td>
</tr>
<tr>
<td>Lowest quintile</td>
<td>-8.1</td>
</tr>
<tr>
<td>Second quintile</td>
<td>1.8</td>
</tr>
<tr>
<td>Third quintile</td>
<td>12.8</td>
</tr>
<tr>
<td>Fourth quintile</td>
<td>18.1</td>
</tr>
<tr>
<td>Highest quintile</td>
<td>14.2</td>
</tr>
<tr>
<td><strong>Percent of patients in nursing facilities</strong></td>
<td></td>
</tr>
<tr>
<td>Lowest quartile</td>
<td>1.8</td>
</tr>
<tr>
<td>Second quartile</td>
<td>6.6</td>
</tr>
<tr>
<td>Third quartile</td>
<td>9.0</td>
</tr>
<tr>
<td>Highest quartile</td>
<td>16.7</td>
</tr>
<tr>
<td><strong>Percent of patients in assisted living facilities</strong></td>
<td></td>
</tr>
<tr>
<td>Lowest quartile</td>
<td>1.6</td>
</tr>
<tr>
<td>Second quartile</td>
<td>4.3</td>
</tr>
<tr>
<td>Third quartile</td>
<td>9.2</td>
</tr>
<tr>
<td>Highest quartile</td>
<td>13.9</td>
</tr>
</tbody>
</table>

- Hospice Profitability closely related to:
  - Length of Stay
  - Patients Residing in SNF’s
  - Patients Residing in Assisted Living Settings

Source: MedPAC analysis of Medicare hospice cost reports, Medicare Beneficiary Database, hospice claims standard analytical file, and Medicare Provider of Services data from CMS
# Hospice Medicare Margins by Selected Characteristics

<table>
<thead>
<tr>
<th>Category</th>
<th>% of Hospices</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>100%</td>
<td>7.4%</td>
<td>8.8%</td>
<td>10.0%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Freestanding</td>
<td>72</td>
<td>10.7%</td>
<td>11.8%</td>
<td>13.3%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Home Health-based</td>
<td>13</td>
<td>3.2%</td>
<td>6.1%</td>
<td>5.7%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Hospital-based</td>
<td>14</td>
<td>(16.6%)</td>
<td>(16.0%)</td>
<td>(16.8%)</td>
<td>(16.7%)</td>
</tr>
<tr>
<td>For profit (all)</td>
<td>62</td>
<td>12.3%</td>
<td>14.8%</td>
<td>15.4%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Nonprofit (all)</td>
<td>33</td>
<td>3.0%</td>
<td>2.4%</td>
<td>3.7%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Urban</td>
<td>74</td>
<td>7.7%</td>
<td>9.1%</td>
<td>10.3%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Rural</td>
<td>26</td>
<td>5.2%</td>
<td>6.0%</td>
<td>7.3%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

Source: MedPAC analysis of Medicare hospice cost reports, the hospice claims standard analytical file, and Medicare Provider of Services data from CMS.
Medicare Payment Changes 2017

- MedPAC Recommendation

**Recommendation**

11 The Congress should eliminate the update to the hospice payment rates for fiscal year 2017.

COMMISSIONER VOTES: YES 17 • NO 0 • NOT VOTING 0 • ABSENT 0
Cost Containment and Management Ideas
Management of Direct Costs

• Payroll costs Associated with Clinical Staff: Nursing Costs
  – Method of Compensation
    • Hourly
    • Salaried
    • Pay per visit
    • Contract Services
  – Productivity – Visits per day
  – Telemonitoring
Management of Direct Costs

• Payroll Costs of Other Clinicians
  – Social Workers
  – Spiritual Counseling
  – PT, OT, SLP
<table>
<thead>
<tr>
<th>Description</th>
<th>ALOS &lt; 75 days</th>
<th>ALOS &gt; 75 days</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Median</td>
<td>Best 25%</td>
</tr>
<tr>
<td>Nursing Services</td>
<td>$36.79</td>
<td>$28.66</td>
</tr>
<tr>
<td>Medical Social Services</td>
<td>$6.09</td>
<td>$4.51</td>
</tr>
<tr>
<td>Spiritual Counseling</td>
<td>$3.58</td>
<td>$2.62</td>
</tr>
<tr>
<td>Aide/Homemaking</td>
<td>$9.86</td>
<td>$7.46</td>
</tr>
<tr>
<td>Drugs</td>
<td>$8.34</td>
<td>$6.24</td>
</tr>
<tr>
<td>DME</td>
<td>$6.20</td>
<td>$5.16</td>
</tr>
<tr>
<td>Medical Supplies</td>
<td>$2.36</td>
<td>$1.65</td>
</tr>
</tbody>
</table>

Includes: Direct salaries, benefits, transportation, contract services and other direct costs

Source: Hospice Cost Per Day Benchmarks BKD, February 2016. (MC Cost Reports 2014)
• Cutting direct staff salary and benefits can result in:
  – High employee turnover
  – Cutting corners in patient care
  – Overworked staff
• All will have a negative impact on productivity and quality
• Is there enough support to facilitate productivity?
  – Do the teams have adequate clerical support to minimize clinician time spent on non-clinical tasks?
  – Are clinical support resources available to assist the team with problems in the field?
  – Do clinicians have reliable communication tools such as cell phones, pagers, or email?
  – Do you use telehealth?
  – Are there other technologies available to increase productivity?
  – Are clinicians properly utilizing technology during the visit?
  – Is documentation done in the patient’s home or at the clinician’s home?
Barriers to Productivity

- Average miles per visit
- Time available to visit
- Patient acuity
- Supply ordering
- Software or hardware issues
- Duplication of paperwork
Management of Direct Costs

• Transportation Costs
  – Are you reimbursing at the IRS allowable or less than that?
  – Do you have an automated way of tracking mileage for accurate recording?
  – Do you randomly audit mileage?
  – Will leasing cars result in lower costs?
• Medical Supplies, Drugs and DME
  – Send out an RFP to determine if you are getting the best deal
  – Review your formularies
Management of Direct Costs

• Telephone Costs
  – Analyze your phone bills and seek competitive bids on the services you need: regular and long distance, cell phones, internet and wireless cards
  – Use volume and competition to get discounts
Management of Insurance

• Employee Health Insurance, Worker’s Compensation and Insurance Costs
Management of Insurance

• Employee Healthcare Cost Opportunities
  – Evaluate your health insurance broker relationship
  – Review your health benefit plan design
    • Size of network
    • Pharmacy plan coverage
    • Audit of dependents on plan

  – Review the potential benefits of self insurance if your claims are under control. Make sure that your stop loss policy is set at limits you can afford if claims rise.
  – Self insurance avoids ACA taxes of almost 7%
Management of Insurance

• Professional and General Liability
  – Does your broker really work hard for you each year?
  – Renewals of professional, property, D&O and general liability policies: Is this coverage just rolled over each year or are all active markets pursued on a regular basis?
  – Ask the broker for ideas to control premiums
• Professional and General Liability
  – Have you compared policy costs under various deductible levels?
  – Use annual brokerage fees rather than straight commissions to reward broker performance! Why should they get paid more simply if premiums rise?
  – Be aware of program offerings like Cyber Insurance
Management of Insurance

• Worker’s Compensation Insurance
  – Maintain a safety committee to reduce loses
  – Use light duty assignments for earlier return to work
  – Make sure your employees are in the proper risk group: clinical, office, HHA
  – Meet quarterly to review claims
  – Review the potential of self insurance
## Management of Indirect Costs

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>ALOS &lt; 75 days</th>
<th>ALOS of 75+ days</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Median</td>
<td>Best 25%</td>
</tr>
<tr>
<td>Administrative</td>
<td>$46.13</td>
<td>$32.75</td>
</tr>
<tr>
<td>Capital and Plant</td>
<td>$6.32</td>
<td>$3.29</td>
</tr>
</tbody>
</table>

Includes: Indirect salaries, benefits, contract services, office and other direct costs

Source: Hospice Cost Per Day Benchmarks BKD, February 2016. (MC Cost Reports 2014)

- Occupancy
- Administrative Staffing
- Cost Report Preparation
- IT Systems
- Banking
- Marketing
Management of Indirect Costs

• Occupancy
  – Investigate potential renegotiation of lease
    – even if that extends the length of the lease
  – Pursue sub-leasing of excess space if permitted in your lease
  – Negotiate with landlord caps in charges for overhead, maintenance fees, utilities
  – End of lease approaching: Should we relocate?
  – Analyze: Buy vs. Lease/ Move vs. Stay
Management of Indirect Costs

- Occupancy
  - Be aware of decreasing need for space
    - Reduced medical supply storage space
    - Clinicians syncing devices through internet connections means less shared space
    - Is the chart room still needed with electronic patient charts?
    - Potential for staff sharing offices
    - Consolidate meeting areas
Management of Indirect Costs

• Administrative Staffing
  – Know appropriate staffing levels for the hospice
  – Medical Records – it has never been more important to ensure compliance and completeness of documentation
    • You should know when it is appropriate to add or eliminate positions

<table>
<thead>
<tr>
<th>Role</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intake</td>
<td>10-12 referrals per day for referral entry into system start to finish</td>
</tr>
<tr>
<td>Scheduler</td>
<td>100-125 patients per scheduler</td>
</tr>
<tr>
<td>Medical Records</td>
<td>Baseline of 120 document touches per day per medical record FTE</td>
</tr>
<tr>
<td>Clinical Manager</td>
<td>88-125 patients per clinical manager</td>
</tr>
</tbody>
</table>
Management of Indirect Costs

• Cost Report Preparation
  – Benefit analysis: Internal vs. Outsourced
  – Need appropriate Reporting and records tracked throughout the year
  • Precise cost centers – revenue tracking – visit tracking, levels of care, supplies
  – Cost reports are a Key Component in Future rebasing – your cost report will effect not only your hospice, but the whole industry
Management of Indirect Costs

• Information Technology Systems
  – Be aware of new technology and the implications for your hospice: for example, use an outside fax server to send referral information electronically to field staff
  – Be aggressive
  – Ask for multiple year renewals with no increase in annual maintenance charges.
  – Ask for a price break with each new purchase
  – Be aware of competitor’s pricing and use it to get concessions
Management of Indirect Costs

• Banking -- **Control your costs**
  – Do you need all of the bank accounts you have? Do you need to use multiple banks?
  – Do you wire funds instead of using ACH’s?
  – Do you mandate direct deposit for your employees?
  – Know how your bank charges you and when charges are changed
  – Frequent automated sweeps to investment accounts from checking may not be worth the low interest earned
  – Earnings credits exceed interest income
  – Maintain good internal controls over check signing requirements and fund transfers
Management of Indirect Costs

• Marketing
  – Use benchmarks to monitor overall costs
    Understand how your unique marketplace influences the need for additional marketing costs
  – Use a CRM software system to monitor outside sales activities and contacts
  – Assign territories and accounts to each marketer to avoid confusion over who gets credit for the referral
  – Purchase Medicare market share information each year in order to determine if competitors are stealing your business
  – Monitor each marketers effectiveness in producing admitted Medicare referrals
Management of Indirect Costs

• Marketing
  – Hold marketers accountable for admissions NOT referrals
  – Educate your marketing team on the importance of Medicare admissions compared to Managed Care/Medicaid
  – Review Admissions per Marketing FTE
    • 30 admissions per Month per Marketing FTE
    • 60 admissions per Month per Marketing FTE – Best Practice
    • 80% Referral to Admission Conversion Ratio
  – Review your advertising campaigns – do they generate business?
  – Review any Marketing cuts and their impact on revenue
Management of Back Office Costs

- Paper vs. Electronic Record
- Volume of Non-Medicare Claims
- Authorizations/Payer Setup
- Paper vs. Electronic Submission of Claims
- Staff Effectiveness
- Staff Training
- Effective Reporting
Paper vs. Electronic Record

- 100% paper Medical record
- Partial paper/partial electronic medical record
- 100% electronic medical record

Different levels of involvement of the Billing/Collections Department in getting the record prepared for claims transmission
Hospices that have a high volume of Non-Medicare, will have higher cost for the billing/collections department

- Collections is the primary reason for the increased costs
• Collections start with Intake!
  – Review amount of denied authorization and re-authorizations
  – Authorization per intake FTE
  – Ensure proper authorization process is on place for non-Medicare patients
Customer Service should be able to verify the patient has coverage and the dates covered
- Verify the ID # - most likely no longer the patient’s Social Security # due to security
- Verify correct spelling of patient’s name per the insurance company’s records
- Does the company require 1500 or UB-04 forms?
- A fax of the authorization from the insurance company is ideal
• What are timely filing requirements?
• Confirm electronic transmission or paper claims
• Confirm address to send information if paper copies of notes/authorizations, etc. must be sent
• Many times the Authorization # is related to a specific billing code – Ask what billing codes are required?
• Just because authorization has been supplied does not mean services will be paid. Case Manager may not be aware that policy has termed...... SOLUTION: Verifications at the beginning of each month!
• Seek to submit ALL CLAIMS electronically
  – Contact the payer and acquire the information needed to obtain electronic submission rights – make it happen!
  • Save time, Save postage
  • Increase cash flow
Staff Effectiveness

• Evaluate each staff member’s effectiveness in their position
  – Reporting
  – Detailed timesheets
  – Collection effort results

• Do you have the correct staff members in the correct positions for their abilities, knowledge and personality?
Maximizing Collection Efforts

Collector Traits
- Tenacious
- Determined
- Relentless
- Charming
- Hard Core
- Knowledgeable
- BULLDOG!

Collector Tools
- Accurate Receivable Reports
- Access to all Contracts with rates
- Timely copies of EOB’s and Remit
- Accurate Recording of Authorizations and Verifications in system
- Adequate time to perform duties, no other assignments
- Effective tracking system
Staff Tools and Training

• Tools
  – Adequate time in the day to perform the duties required of the position

• Training
  – Conferences, Seminars
    • Regulatory Changes
    • Billing Updates
    • Additional Training
Effective Reporting

• Daily Reporting
  – Listing of all episodes that are ready for claims to be filed, but can’t be filed
    • Edits not cleared
    • Pre-billing audits
    • Monitoring of physician orders
  – Monthly Reporting
    • Detail of every claim over a certain number of days old on the aging report
      – Claim information
      – Collection efforts/status
# Benchmarks to Monitor

<table>
<thead>
<tr>
<th>Metric</th>
<th>Poor</th>
<th>Average</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Days in AR</td>
<td>45 days or more</td>
<td>35 days</td>
<td>25 days or less</td>
</tr>
<tr>
<td>Total Days in AR</td>
<td>55 days or more</td>
<td>45 days</td>
<td>40 days or less</td>
</tr>
<tr>
<td>Medicare AR older than 120 days</td>
<td>10% or more</td>
<td>7%</td>
<td>3% or less</td>
</tr>
<tr>
<td>Total AR older than 120 days</td>
<td>10% of more</td>
<td>8%</td>
<td>5% or less</td>
</tr>
<tr>
<td>Collections</td>
<td>Less than 100%</td>
<td>100%</td>
<td>More than 100%</td>
</tr>
<tr>
<td>Medicare write-offs</td>
<td>1% or more</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Total write-offs</td>
<td>3% or more</td>
<td>2%</td>
<td>1% or less</td>
</tr>
<tr>
<td>Days to bill claims</td>
<td>More than 5 days</td>
<td>5 days</td>
<td>Less than 5 days</td>
</tr>
</tbody>
</table>

Hospice Revenue Cycle: Optimizing Compliance & Effectiveness, June 2015, BKD CPA’s and Advisors
Increased Competition

• Differentiation is Key
  – How is your Hospice different?
  – How will Hospice benefit your referral sources?
  – How do you translate the connection into long-term solid relationships?

  – Deeply personal care
  – Total patient satisfaction
  – Satisfaction of patient’s family and significant others
  – Exceeding the expectations of all of the people served
Focus on Excellence

- Differentiation is crucial
- Data is imperative in this new Era of Healthcare Reform
- Understand the unique needs of each referral source
- Response time is critical
• What do you do better than any other hospice program?

• What sets you apart?
Cultivate collaborative relationships with ACO’s and MCO’s to promote recognition and use of the value added care and support provided by hospice
New Models of Reimbursement

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<th>Patient-Centered Medical Home (PCMH) Primary Care Practices</th>
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<td>Outcomes-Based Reimbursement With Shared Risk</td>
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<td>Value Based Purchasing of Health Care Services</td>
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Hospice Partnerships Offer

• Earlier patient discharges from hospitals
  – Lowers hospital mortality rates and
  – Shortens LOS in the Hospital setting
• The Hospice Partnership prevents hospital re-admissions
• ↑ Quality of Life = ↑ patient/family satisfaction
• Cost savings
Positively Prepare!

Preparation
Operational Readiness
Services
Internal Systems
Team Composition
Increase Clinical Competencies
Validation and benchmark data
Excellent outcomes – quality and finance

Evaluate, Reposition, Partner, Implement
Value-Based Hospice Care

• Expert assistance managing the condition of the dying person and family members
• Flexible and dynamic in developing new expertise and services to meet changing community needs
• Continuity of caregiving and care planning across a broad continuum of settings and services
Questions?

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