

State of the Home Care and Hospice Industry

Presented by:
Timothy R. Ashe, Partner



National steering committee

- Denise Altomare**
Care At Home, CA
- Majd Alwan**
Leading Age
- Richard Brennan**
National Association for Home Care & Hospice (NAHC)
- Karen Collishaw**
Community Health Accreditation Program (CHAP)
- Jose Domingos**
Accreditation Commission for Home Care (ACHC)
- Mark Fiorini**
VNS Rochester, NY
- Mike Johnson**
Bayada, NJ
- Pat Kelleher**
NAHC Forum of State Associations



National steering committee

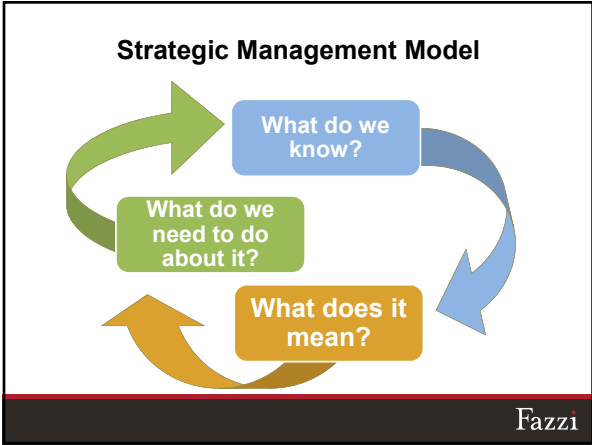
- Brent Korte**
Evergreen Health, WA
- Margherita Labson**
The Joint Commission
- Theresa Lee**
Alliance for Home Health Quality and Innovation (AHHQI)
- Dana Madison**
Calvert Home Health Care, TX
- Tracey Moorhead**
The Visiting Nurse Associations of America (VNAA)
- Terry Shade**
Lutheran Home Care & Hospice, PA
- James Summerfelt**
Visiting Nurse Association, NE
- Brian Swartz**
Steward Home Health Care, MA



original goal of the State of the Industry Study
To provide the industry with knowledge on present and future status of all key components of home care and hospice

new goal of the State of the Industry Study
To provide the industry with insights on what technology, practices and processes are related to better financial, quality and VBP outcomes

Fazzi



- what we looked at**
- Backroom technology/billing
 - Point of care
 - EHR
 - Telehealth
 - Operational practices
 - Staffing models
 - Clinical practices
 - Hospice practices
 - Private duty
 - VBP participation
 - Concerns
- Fazzi

survey demographics

50

States

751

Home Health & Hospice Agencies

Revenue Category	NE	Percentage of Respondents
\$500K-\$2M	43.4%	52.6%
\$2M-\$5M	44.7%	27.8%
\$5M-\$10M	0.0%	11.4%
\$10M-\$20M	11.9%	5.2%
\$20M+	0.0%	2.9%

Fazzi

agencies interviewed by state

Alabama	7	Indiana	22
Arizona	4	Iowa	25
Arkansas	10	Kansas	11
California	39	Kentucky	3
Colorado	11	Louisiana	16
Connecticut	11	Maine	1
Delaware	2	Maryland	4
DC	2	Massachusetts	16
Florida	71	Michigan	29
Georgia	8	Minnesota	16
Hawaii	2	Mississippi	4
Idaho	5	Missouri	15
Illinois	38	Montana	2

Fazzi

agencies interviewed by state

Nebraska	9	Puerto Rico	1
Nevada	6	Rhode Island	3
New Hampshire	5	South Carolina	4
New Jersey	3	South Dakota	7
New Mexico	10	Tennessee	14
New York	13	Texas	127
North Carolina	14	Utah	12
North Dakota	1	Vermont	1
Ohio	36	Virginia	19
Oklahoma	23	Washington	17
Oregon	6	West Virginia	5
Pennsylvania	26	Wisconsin	15

Fazzi

participating agencies by ownership

NE

Hospital-based	8.7%	8.7%
Hospital Affiliated	19.5%	7.3%
Freestanding	71.8%	81.1%
Government	0.0%	2.9%

Fazzi

what is your agency goal

Triple Aim plus a focus on staff engagement

Fazzi

two components of all agencies

the must haves
strategic choices

Fazzi

the must haves

- Backroom technology
- Point of care
- EHR
- Telehealth

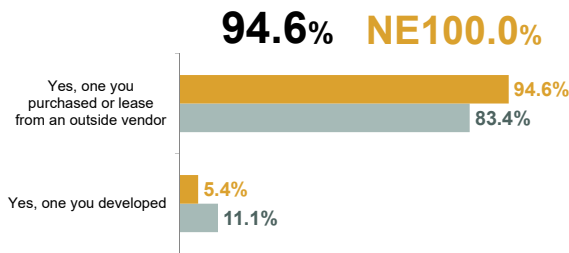
Fazzi



**back office technology/
billing systems**

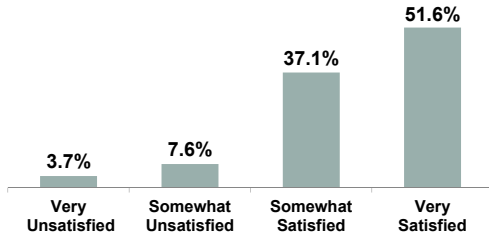
Fazzi

**do you have a financial billing
and back office software system**



Fazzi

satisfaction with financial billing and back office software system



Fazzi



point of care technology

Fazzi

use of point of care devices to collect patient information

2013-2014 State of the Industry

Nebraska

57.8%

71.9%

76.4%

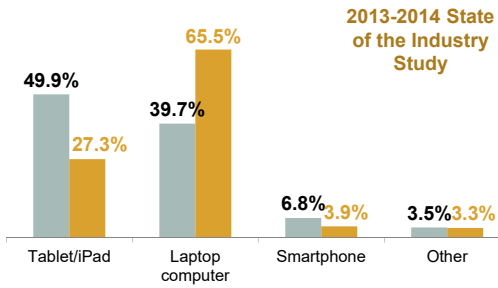
YES

YES

YES

Fazzi

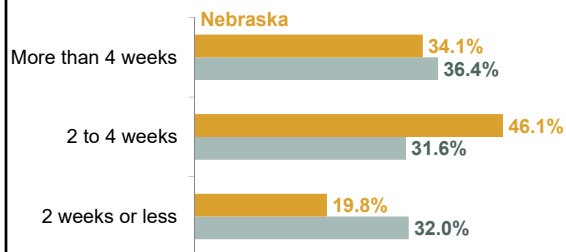
type of device used by the majority of clinical staff



2013-2014 State of the Industry Study

Fazzi

length of time for the average clinician to be fully competent using POC system



Fazzi

impact from length of time for competency time to complete SOC and satisfaction

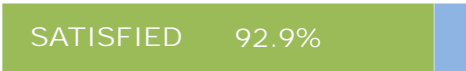
	More than 4 weeks for average clinician to be fully competent	3 hours or more for average clinician to complete a SOC	Very Unsatisfied
Vendor A	62.3%	22.6%	9.6%
Vendor B	10.5%	13.2%	2.6%
Vendor C	37.5%	19.3%	4.5%
Vendor D	11.7%	26.1%	1.1%
Vendor E	77.4%	25.0%	12.0%

Fazzi

satisfaction with point of care system



Nebraska



Fazzi

have capability to receive EHR information and/or transmit information to and from healthcare providers who are not part of your agency or system

Nebraska

62.7%

68.7%

YES

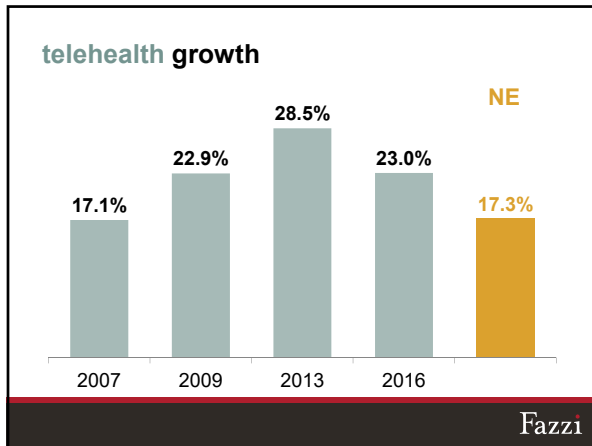
YES

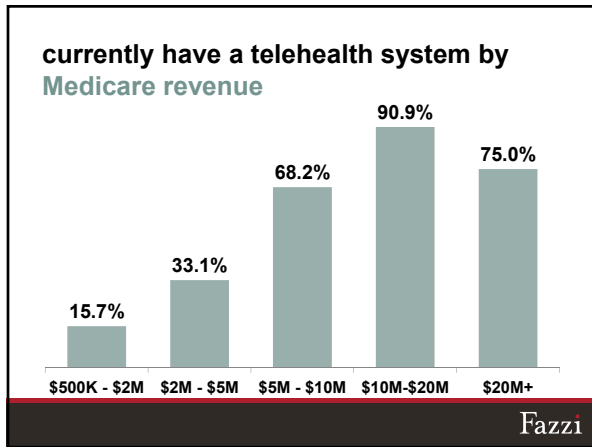
Fazzi



telehealth / telemonitoring

Fazzi



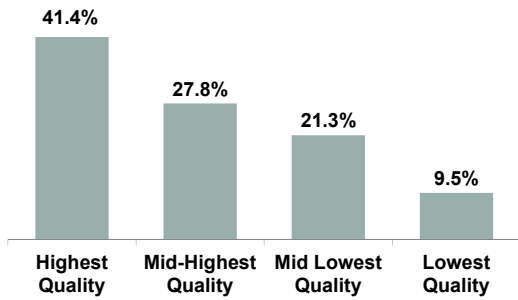


impact from telehealth program

	Decrease	No Change	Increase	Not Sure
Overall quality	0.7%	13.8%	74.9%	10.6%
Referrals	0.0%	51.5%	38.9%	9.6%
Visits per episode	36.4%	46.8%	7.7%	9.1%
Unplanned hospitalizations	62.6%	17.9%	8.0%	11.5%
Emergent care	50.9%	29.5%	7.3%	12.3%
Patient self care	2.4%	28.4%	59.5%	9.6%
Patient satisfaction	3.5%	22.4%	63.4%	10.8%
Agency costs	18.0%	35.9%	30.1%	16.0%

Fazzi

use of telehealth and quality



Fazzi

percent of telehealth units in use on an average day

	Less Than 25%	25%-50%	50%-75%	75%-100%
Hospital-based	30.0%	10.0%	25.0%	30.0%
Hospital Affiliated	31.8%	9.1%	13.6%	40.9%
Freestanding	25.2%	11.4%	14.6%	43.9%
Government	0.0%	0.0%	66.7%	0.0%
Total	26.2%	10.7%	16.7%	41.1%
Total 2013-14 Study	25.1%	14.1%	19.6%	36.0%

Fazzi

strategic choices

- Operational practices
- Staffing models
- Clinical practices
- Hospice practices
- Private duty
- VBP participation
- Other

Fazzi

research → learning → vision → innovation

OASIS Competency - scrubbing

Fazzi

approach to OASIS scrubber to improve accuracy

78.2% NE 90.1%

It is embedded in my clinical software system	86.4%
Other	13.6%

Fazzi

of all agencies in the highest quartile of HHC quality, 76.6% use OASIS scrubber software

of all agencies in the highest quartile of overall profitability, 80.3% use OASIS scrubber software

Fazzi

research → learning → vision → innovation

use of outsourced practices

Fazzi

you already do outsourcing...

**if you use a vendor for
HHCAHPS or hospice CAHPS**

if you use a payroll service

Fazzi

types of outsourcing

}	outsourced coding and OASIS Review	}	Revenue Cycle Management
	outsourced billing		
	outsourced quality and compliance		
	outsourced online education		

Fazzi

new choices

outsourcing

“Coding, transcription, health records management and clinical documentation managed services contracting is on a meteoric rise. 69% of hospitals now outsource CDI, audit, review and programming, up from 25% in 2014.”

Black Book Market Research

Fazzi

have used outsourced coding in the last 12 months

2013-2014 State of the Industry

6.3%

29.1%

YES

YES

Fazzi

research

learning

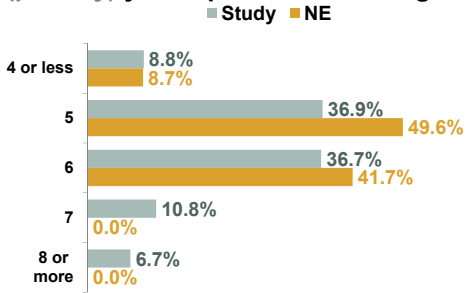
vision

innovation

staffing and clinical models home health

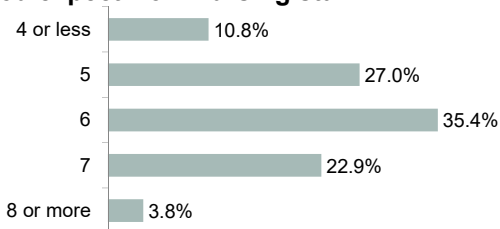
Fazzi

average number of actual routine visits (per day) you expect from nursing staff



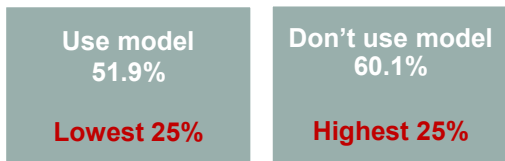
Fazzi

agencies with scores in top quartile for quality and profitability and average number of actual routine visits (per day) you expect from nursing staff



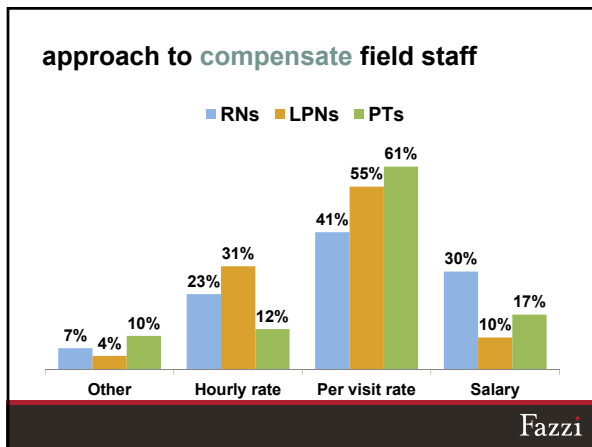
Fazzi

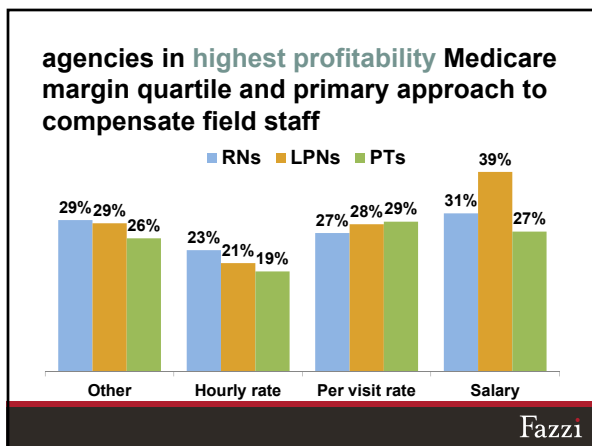
admission nurse model and HHC quality



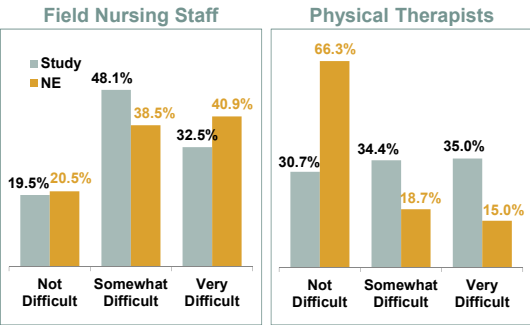
Fazzi





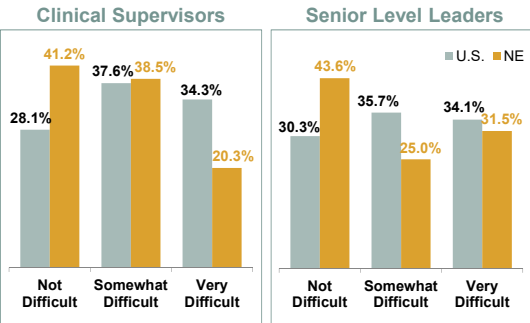


difficulty in hiring well qualified...



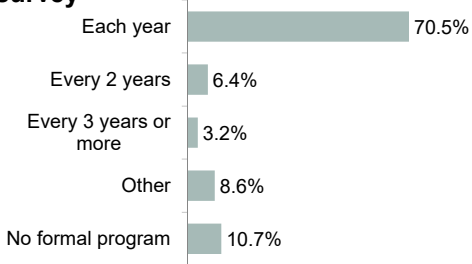
Fazzi

difficulty in hiring well qualified...



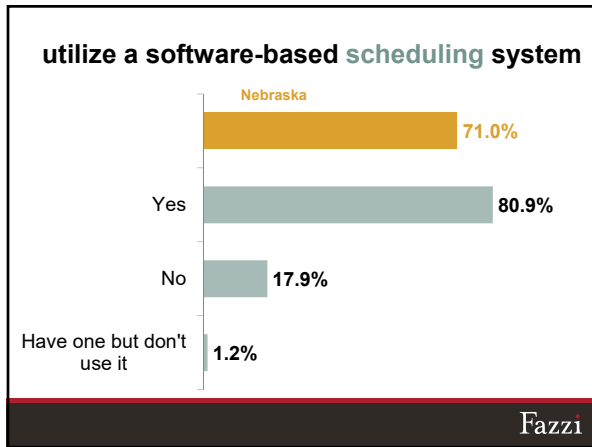
Fazzi

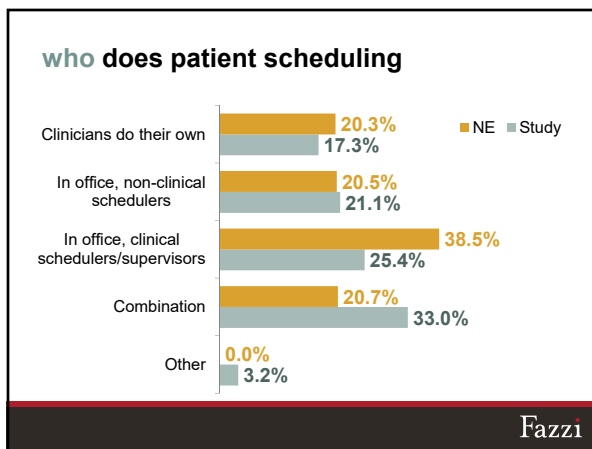
how often do you do a formal employee satisfaction or employee engagement survey



Fazzi







agencies with accreditation

Patient satisfaction star rating 4 or above	78.4%
Home health compare scores within highest quality quartiles	55.3%
Overall operating margin within highest profitability quartiles	53.0%

Fazzi

in the next 12 months are considering...

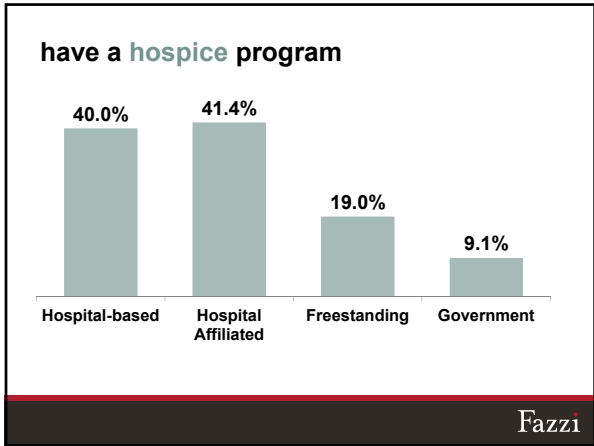
		NE
Merging or affiliating with another agency	3.6%	14.9%
Selling	3.7%	0.0%
Acquiring another agency	10.8%	0.0%
Being acquired	1.3%	0.0%
Closing	.4%	0.0%
Stay the same	70.5%	65.6%
Don't know	9.6%	19.5%

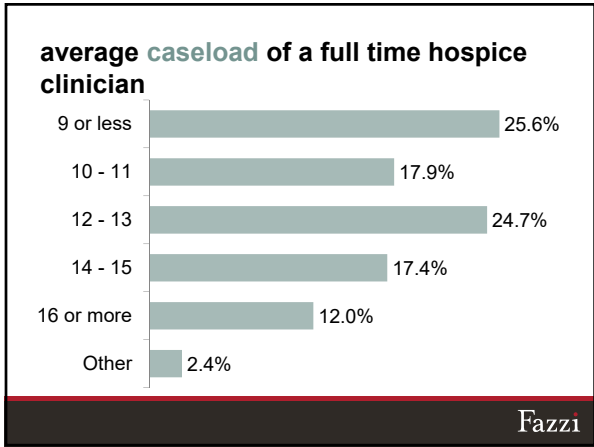
Fazzi



hospice

Fazzi







in the next twelve months, do you expect the census in your hospice program to...



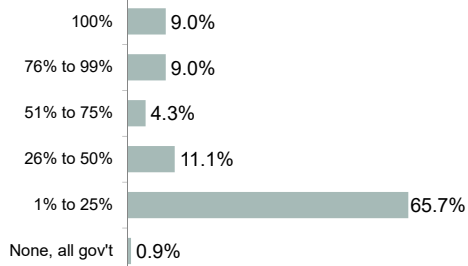
Fazzi



private duty

Fazzi

percent of revenues from private pay customers, not government



Fazzi

largest challenge for private duty programs

64%

Staffing: recruitment, hiring, retention, turnover

Fazzi



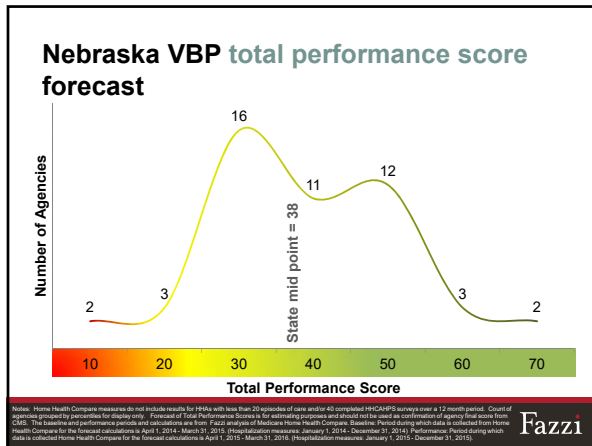
and there's more...

Fazzi

new health care reform models currently involved in

26.4%	Value-based purchasing
25.8%	Bundled payment
18.2%	ACOs
12.8%	CJR
6.3%	Medicare shared savings
6.0%	Pt centered medical home
3.4%	Other

Fazzi



other than value-based purchasing are you at financial risk

17%	Nebraska
8.7%	
YES	YES

Fazzi

most important selling points that demonstrate your agency brings value to the partnership

Low hospitalizations or readmissions	16%
Outcomes	13%
Patient satisfaction scores	16%
Quality of patient care	21%
Staff: experience, quality, retention	8%
Star ratings	16%

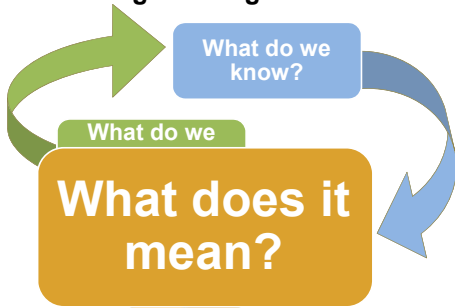
Fazzi

largest issue of concern related to the future of your agency

Financial stability, viability	7%
Staff: recruitment, hiring, retention	10%
Value-based purchasing	5%
Reimbursement	25%
CMS, Medicare changes, regulations	12%
Competition	4%

Fazzi

**the model for analysis:
Strategic Management Model**



Fazzi

agencies with scores in top quartile for quality and profitability

Use full time RN to meet field nursing requirements	74.7%
Do not use an admission nurse model	58.3%
Use multidisciplinary clinical team structure	90.1%
Have a yearly external audit of OASIS assessment accuracy and quality	62.8%

Fazzi

agencies with scores in the lowest quartile
(lower is better) of ACH

Utilize a software-based scheduling system	86.0%
Conduct yearly external audit of the accuracy and quality of OASIS assessment	66.3%
Conduct yearly formal employee satisfaction or employee engagement survey	71.1%
Accredited by a home health/hospice accrediting organization	55.6%
Have capability to receive EHR information	60.2%

Fazzi

the model for analysis:
Strategic Management Model



Fazzi

strategic considerations

1. Multidisciplinary teams
2. OASIS competency program using an OASIS scrubbing technology and an annual external OASIS audit
3. Staff engagement is key
4. Staff need to be productive, 5 to 6 visits per day with a focus on care management
5. Evaluate your use of admission team model
6. Consider outsourcing all or part of the revenue cycle
7. Clean your shop, move to Care Management and create predictable outcomes and value

Fazzi

leaders know what to do in the future

"It's not what you know that matters, it's what you do with what you know."

- Fazzi

Fazzi

Fazzi Associates, Inc.
11 Village Hill Road, Suite 101
Northampton, MA 01060
(800) 379-0361
www.fazzi.com

Fazzi
BE INVINCIBLE
