The Value of Data Beyond Acquisition
Health Dimensions Group and Prime Care Technologies

December 2, 2021

Today's Presenters

MODERATOR
Debi Damas, R.N.

As the Senior Director of Customer Success at Prime Care, Debi has held clinical and product leadership roles in LTPAC organizations for 30 years, with a focus on increasing quality of care, retention, and ROI. She has a passion for helping organizations solve issues that keep them up at night. With an early career in SNF administration, she knows what it requires to juggle the day-to-day.

INDUSTRY PERSPECTIVE
Brian Ellsworth

As Vice President, Public Policy and Payment Transformation, Brian has more than 35 years of experience in health care financing, delivery, and policy. He leads efforts to develop value-based payment approaches and innovative payment and service delivery models, in addition to providing COVID-19 support to operations and keeping abreast on regulatory issues.

INDUSTRY PERSPECTIVE
Colin Higgins

As Director of Analytics and Research, Colin specializes in conducting market research, demand analysis, competitive assessment, and other data analysis for post-acute and long-term care providers across the continuum of care as part of their business plan development. He has over 20 years of consulting experience, during which he has undertaken dozens of market demand and feasibility studies.

ANALYTICS PERSPECTIVE
Jonathan Duvall

As the Senior Director of Product Management at Prime Care, Jonathan leads development efforts around innovative use of data to enable managers and caregivers to spend less time gathering reports and more time driving better patient and financial outcomes. Prior to Prime Care, Jonathan spent 10 years at PruittHealth in various financial roles, Executive Director of Finance.

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Who We Are

HDG

HDG is a leading consulting and management firm, providing services to post-acute, long-term care, and senior living providers, as well as hospitals and health systems, across the nation

HDG Consulting Services

- Management services

- Strategy

- Pre-development and pre-opening

- Operational performance

- PACE and value-based transformation

- Revenue cycle management

- Financial advisory

- Workforce solutions

- COVID-19 support

Prime Care Technologies

Prime Care has answered the technology needs of senior living for nearly 20 years. This unique perspective drives the ongoing development of our flagship product, primeVIEW. As a tool in the HDG arsenal, it aggregates critical labor, clinical, financial, and other data into a powerful KPI analytics dashboard.

Our Goals Today

- Discuss different types of data and show how data is used to increase performance and maximize revenue

- Reinforce the need to move in the direction of value-based care and discuss what metrics are essential

- Provide real-life case studies for projects that use quantitative and qualitative data to drive success

Understanding Your Market

Typical Reasons for a Market Assessment

- Market demand study

- Developing a new service line

- Rightsizing and repositioning

- Marketing and branding
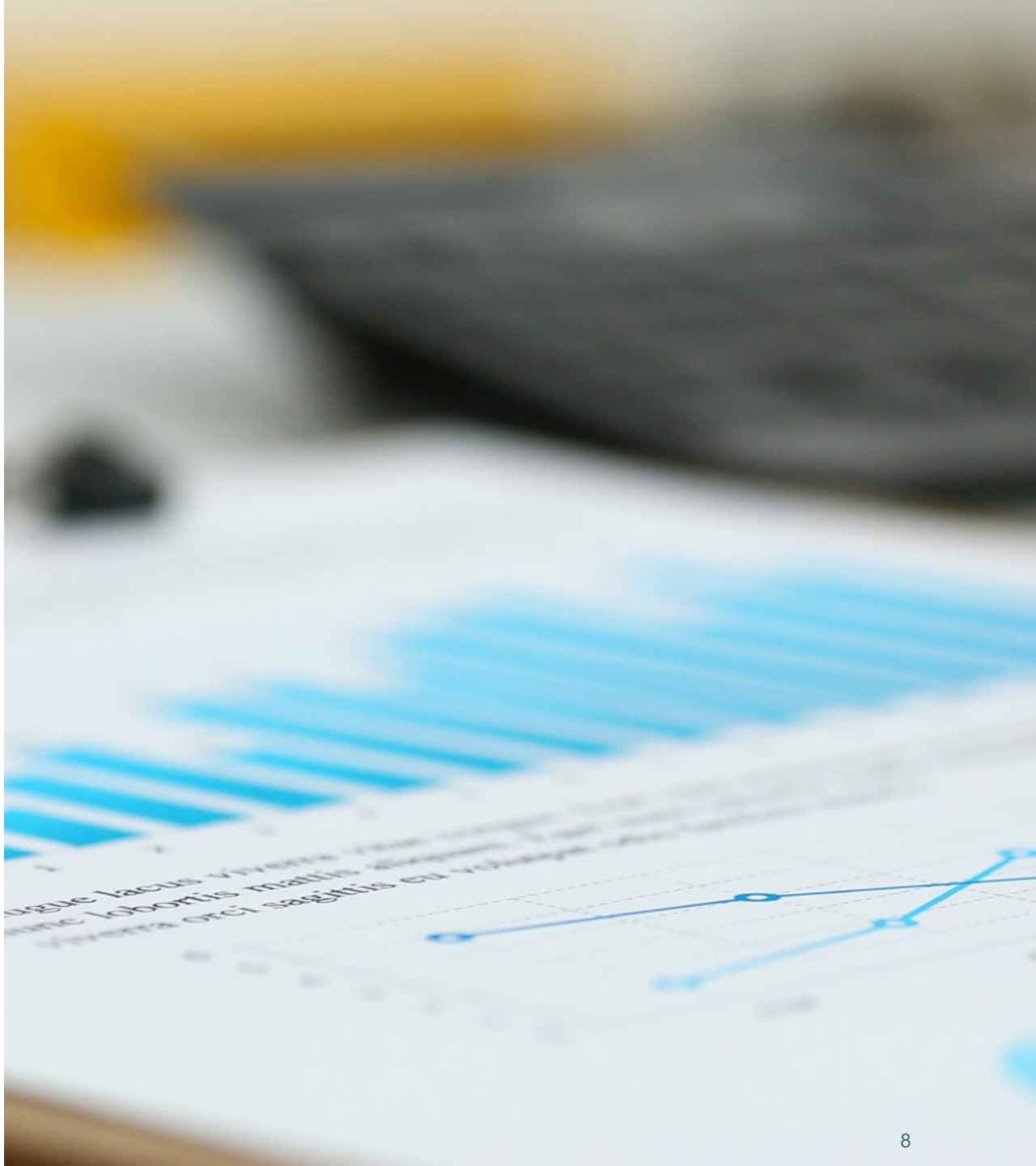
Quantitative Data Typically Consists of:

- Population demographics

- List of competitors and collaborators

- Historical census and payer distributions

- Utilization of services

Qualitative Data Typically Consists of Mystery Shopping Competitors to Learn the Following:

- Market positioning/niche

- Allocation of units and services

- Pricing (base vs. levels of care)

- Payer distribution

- Future plans

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Defining Your Market

- Market area generally accounts for between 70%–80% of residents

- Inaccurate market definition can result in misleading findings

- Key data point: resident origin by zip code

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Projecting into the Future – Population Demographics

Age Cohort	2010 Actual	2021 Estimate	Percent Change 2010–2021	2026 Projection	Percent Change 2021–2026
0-4 Years	6,237	5,748	-7.8%	5,834	1.5%
5-9 Years	6,000	5,932	-1.1%	5,735	-3.3%
10-14 Years	5,893	6,314	7.1%	6,007	-4.9%
15-17 Years	4,062	3,835	-5.6%	4,126	7.6%
18-20 Years	5,715	5,642	-1.3%	5,792	2.7%
21-24 Years	6,466	6,264	-3.1%	6,230	-0.5%
25-34 Years	14,858	13,983	-5.9%	13,611	-2.7%
35-44 Years	13,489	13,299	-1.4%	13,897	4.5%
45-54 Years	15,394	12,938	-16.0%	12,717	-1.7%
55-64 Years	16,582	16,260	-1.9%	14,939	-8.1%
65-74 Years	10,122	15,234	50.5%	16,943	11.2%
75-84 Years	7,005	8,501	21.4%	9,612	13.1%
85+ Years	3,795	4,444	17.1%	4,309	-3.0%
Total	**115,618**	**118,394**	**2.4%**	**119,752**	**1.1%**
18-64 Years	72,504	68,386	-5.7%	67,186	-1.8%
65+ Years	20,922	28,179	34.7%	30,864	9.5%
75+ Years	10,800	12,945	19.9%	13,921	7.5%
85+ Years	3,795	4,444	17.1%	4,309	-3.0%

Entry-level workforce

Mid-level workforce

Senior-level workforce

Target population

Highest users

Source: Claritas, LLC

Understanding Workforce and Customer Trends

Age Cohort	Market Area Percent Change 2021-2026	State Percent Change 2021-2026	National Percent Change 2021-2026
0-4 Years	1.5%	0.1%	0.9%
5-9 Years	-3.3%	-0.3%	0.3%
10-14 Years	-4.9%	-1.2%	-1.4%
15-17 Years	7.6%	2.1%	3.0%
18-20 Years	2.7%	1.4%	2.9%
21-24 Years	-0.5%	0.5%	3.5%
25-34 Years	-2.7%	-5.8%	-3.5%
35-44 Years	4.5%	5.7%	4.2%
45-54 Years	-1.7%	1.2%	-0.6%
55-64 Years	-8.1%	1.1%	-0.7%
65-74 Years	11.2%	17.1%	18.3%
75-84 Years	13.1%	15.9%	12.4%
85+ Years	-3.0%	3.1%	6.9%
Total	**1.1%**	**2.6%**	**2.9%**
65+ Years	9.5%	15.0%	15.2%
75+ Years	7.5%	12.1%	10.8%
85+ Years	-3.0%	3.1%	6.9%

Entry-level workforce

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Target population

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Source: Claritas, LLC

Example: Calculating Demand for Services

Nursing Home Demand Today and Five Years Out:
This market is oversupplied now and into the future

Year	Demand Scenario	Bed Demand	Total Bed Need 92% Occupancy	Existing Beds	Unmet Demand (Oversupply)
	Utilization	276	300	409	(109)
2021	Average	269	292	409	(116)
	Seniors Per Occupied Bed	262	285	409	(124)
	Utilization	247	268	409	(141)
2026	Average	247	268	409	(140)
	Seniors Per Occupied Bed	247	268	409	(141)

Power of Good Data

- Data allows us to make informed decisions

- Identifies areas for improvement and new opportunities for growth, while also ruling out options that are not likely to be productive
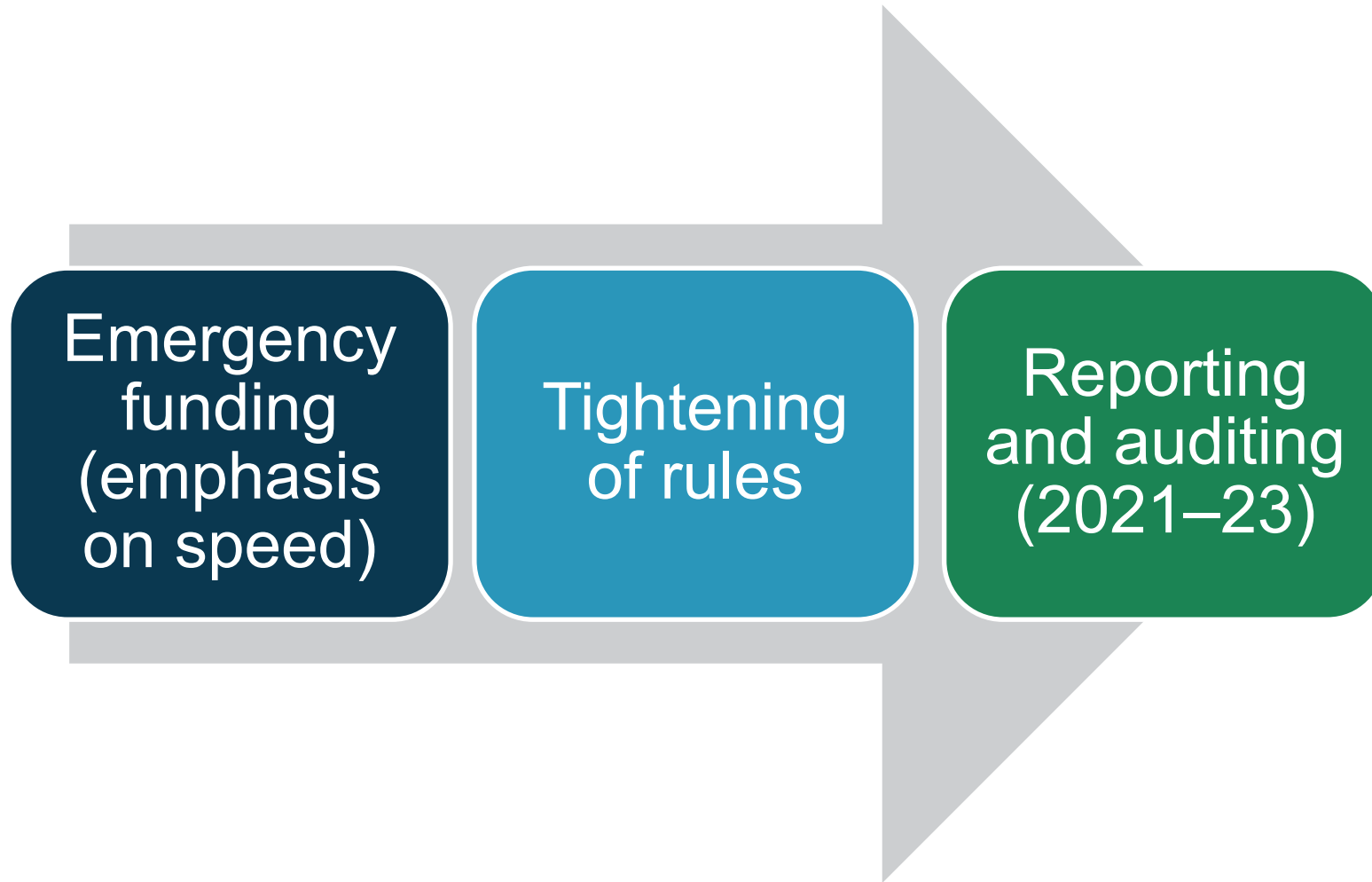
Clients Who Have Strong Data

- Quicker and more effective turnaround of the project timeline

- Less holes to fill with external resources

- Higher level of confidence in results, which drives action

Participating in Value-based Care

Provider Relief Shifting from Funding to Accountability

Emergency funding (emphasis on speed) → Tightening of rules → Reporting and auditing (2021–23)

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Pending Insolvency of Medicare Trust Fund Means More Pricing Pressure to Follow

- Medicare Trust Fund is projected to become insolvent by 2026, meaning tax increases and/or spending cuts will be necessary

- Only the second time in 30+ years that we have been within 5 years of insolvency

- Medicare can only pay 90% of benefits after 2026 absent action

Reinvigorating the March towards Value-Based Care: Recent CMS Innovation Center "Strategy Refresh"

- Innovation Center Strategy Refresh: https://innovation.cms.gov/strategic-direction-whitepaper

- CMS has announced that it expects all Medicare beneficiaries with Parts A and B to be in an **ACO-type** arrangement for quality and total cost of care by 2030

- At the same time, the "vast majority" of Medicaid beneficiaries will also be treated by a provider in one of these value-based care models

  – CMS will provide tools and support for other payors besides Medicare to develop and implement aligned value-based payment approaches

Home Health Value-based Purchasing Adopted

- New national program modeled after nine-state pilot, adopted for implementation on January 1, 2023 (2022 practice year)

- Plus/minus 5% adjustment to Medicare rates for 2025 based on 2023 performance

- Achievement or Improvement score calculated based on performance on eight measures compared to national norms:

  – Patient assessment data (35% weight)

  – Medicare claims (35% weight)

  – Patient satisfaction survey (30% weight)

Final Rule Will Help HHAs Prepare for Broad-based VBP

MedPAC Proposing Changes to Medicare Value-based Program for SNFs: Similar to HHA VBP

- Current SNF Value-Based Purchasing (VBP) only looks at one metric (30-day readmissions) and only makes a relatively small adjustment to Medicare Part A rates (-2% to +1.5%)

- Adjustment regarded as too narrow and has not moved the needle on 30-day readmissions

- MedPAC proposes broader value-based program for SNFs:

  – Expanded but small set of performance measures

  – Expend the entire pool of dollars

  – Eliminate threshold effects

SNFs will still need to pay close attention to hospitalizations and readmissions

Medicare Managed Care Penetration Growing Significantly in Last Several Years
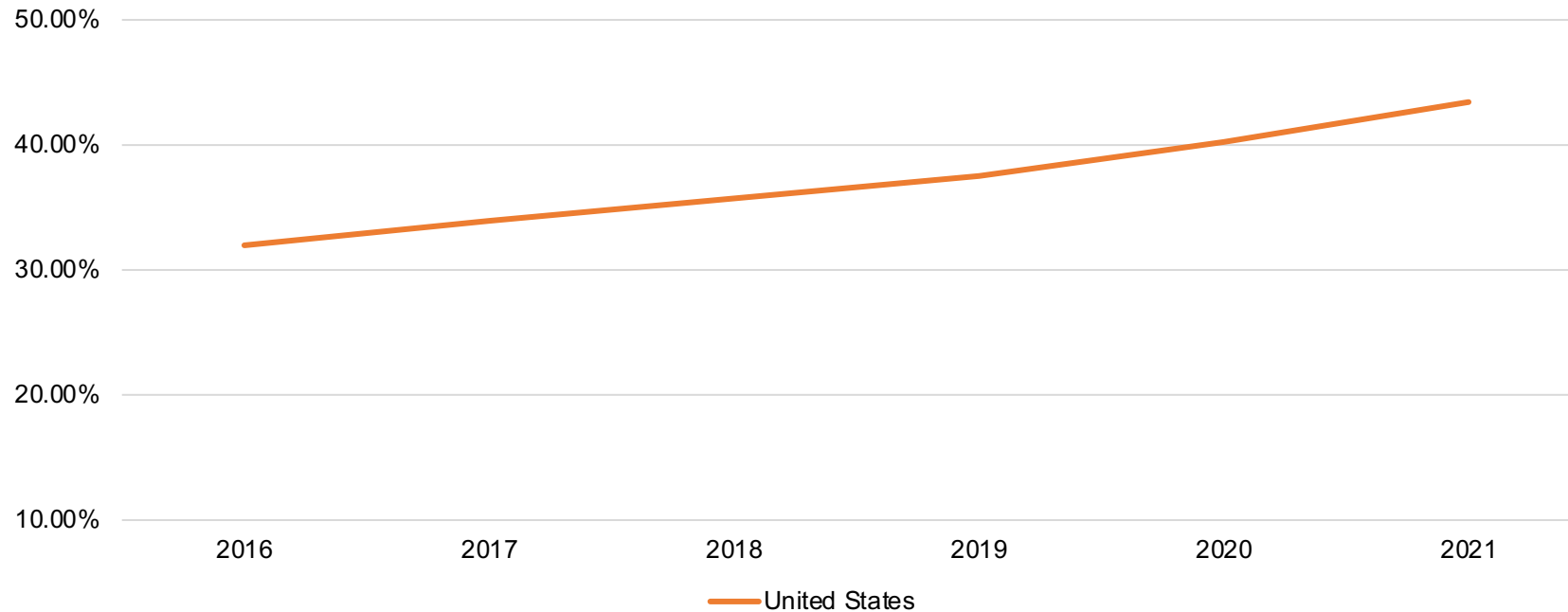
- Medicare Advantage penetration now exceeds 40% of total beneficiaries nationally

- 15% of Medicare Advantage enrollees are in Special Needs Plans

As Medicare Advantage Grows, It Is Evolving Too

- For the last 2 years, Medicare Advantage plans have been allowed to add "**supplemental benefits**" for services not covered by Medicare

  – Adult day care, non-emergency transportation, and in-home support

  – Provided new opportunities for innovative partnerships with LTC providers

- Some Advantage plans flexibly responded during the pandemic, allowing telemedicine and payment flexibilities

- A small number of Advantage plans are participating in the "Hospice Care-In" demonstration

- Unfortunately, as these plans grow, pressures on providers can increase accordingly

  – Slow or inadequate payments, administrative hassles, or out-of-date contracts are just a few of the issues that may arise

  – As revenues tighten and managed care expands, it will be vital to make sure contracts and administrative processes are in order

Innovative Programs & Risk Arrangements on the Rise

Medicare Advantage plans increasingly turning to value-based arrangements, especially with large health systems and their Clinically Integrated Networks; includes hospice care-in

Development of provider-sponsored Special Needs Plans (SNPs) continuing; hotbed for risk arrangements

Increasing arrangements between ACOs and LTC providers (for example, LTC ACO sponsored by Genesis)

Direct contracting model for high-risk populations

Hospital-at-Home demonstration and Choose Home proposed legislation pushing inpatient care to home setting

Key Metrics to Succeed in a Value-based World: *Putting Your Best Foot Forward*

- **Key utilization metrics**
  - Hospitalizations and 30-day readmissions
  - Length of stay
  - Discharge patterns
- **Key quality metrics**
  - Patient satisfaction
  - Clinical outcomes
  - Process of care

Proper risk adjustment is crucial for equitable shared savings

Case Studies

Rightsizing

Making Operations Efficient

Client Case Study #1 – Using Data to Rightsize

- HDG assisted a client that was considering downsizing their footprint and moving to private rooms

- After doing a thorough **market assessment,** which confirmed the need to do so, HDG analyzed the fixed and variable costs for the client to assess the impact of a reduced size on financial performance

- Concurrently, we compared their **operational cost centers to benchmarks**, adjusted for acuity and wages, and identified several addressable to help offset the impact of fixed costs on a smaller revenue base

- This analysis was instrumental in helping the client make the decision to downsize the SNF, increase single rooms, and make other operational changes necessary toward a sustainable path

Client Case Study #2 – Operational Assessment

Client challenges…

Challenges:
1. Bad survey
2. Staff turnover
3. Clinical weakness
4. COVID-onset

Effects:
1. Diversion of referrals to other facilities
2. Loss of managed care plan referrals

Result: Census and payor mix problems

What Do We Review in an Operational Assessment?

- Establish peer group of comparable facilities

- Conduct departmental cost analysis benchmarking

- Analyze staffing, wage rates, and benefits

- Conduct on-site visit

  – Clinical observation

  – Interviews key staff and stakeholders

  – Review key departments, including HR, finance, and marketing

Example of Department Cost Analysis

Important to adjust to make client cost data apples-to-apples with how the benchmarks are calculated

Department	Client		Occup Adj CPD		National Median**	FYTD 21 Variance	Annual Impact
	FY 20	FYTD 21	FY 20	FYTD 21			
Nursing	$167.39	$171.25	$162.17	$158.95	$101.61	($57.34)	**1,514,444**
Social Services/Activities	$9.99	$10.67	$9.35	$8.88	$4.13	($4.75)	**125,333**
Ancillary	$29.20	$28.96	$29.20	$28.96	$24.07	($4.89)	**129,123**
Plant Operations	$15.93	$26.67	$14.34	$20.54	$12.94	($7.61)	**200,908**
Housekeeping	$9.85	$11.20	$8.62	$7.98	$6.68	($1.30)	**34,417**
Laundry	$5.90	$7.36	$5.16	$5.24	$2.97	($2.27)	**59,961**
Dietary	$21.21	$23.83	$20.54	$22.12	$20.96	($1.16)	**30,624**
General and Administrative	$66.44	$66.10	$60.21	$51.86	$51.93	$0.07	**0**
Benefits	$42.36	$58.60	$39.72	$50.19	$20.78	($29.41)	**776,719**
Total	$388.31	$425.00	$366.84	$369.23	$246.05	($123.18)	**2,871,529**
Total Patient Days	32,514	4,269	37,156	5,990			26,410

* Assumes occupancy at the national median.
** Adjusted to reflect local area wage index.

Typical Operational Assessment Recommendations

- Adjust nursing staff to reflect the acuity-adjusted benchmark for each discipline by reducing contract labor first

- Perform a market wage scale review and adjust nursing staff wage ranges as needed to ensure staff is paid appropriately

- Eliminate the reliance on contract labor

- Reduce indirect cost center operations staff

- Renegotiate certain contracts or consider bringing these functions in-house

- Evaluate the employee benefit plan and consider other more cost-effective options

How primeVIEW Can Help

Use Data to Manage Your Business
What Does that Mean?

- Is a static report from an **EMR, labor or financial** system enough on its own?

- How can you find **data relationships** to make important course corrections?

- Do you spend your **management time** creating spreadsheets and asking staff to email data?

- What if there was a better way? Easy to deploy and **automated**?

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Answer Complex Questions – the Easy Way!

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Multiple EHRs

Census Trends
- What was our census by payer in previous years?
- Why am I losing or gaining business?
- What leads do I need to follow up on right now?

Clinical Trends
- How can I get a weekly clinical report without asking DONS?

Multiple Labor Systems

Staffing Trends
- Which facilities or staff are burning the most overtime?
- At current levels, what does my staffing star rating look like?
- Can I staff more cost-effectively without compromising quality?

Multiple Financial Systems

AR Trends
- Which buildings have aging issues? With which payers?

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Tighten Reimbursement with primeVIEW

- **_AR Aging Analysis_** – How long does it take to find what you have not collected?

- **_Outstanding Accounts_** – Keep your team on the same page!

- **_Consolidated Aging_**

  – Debit/Credit with a click

  – Insurance grouping

  – Payer grouping

  – Notes click-through

Simply Management Turnover with primeVIEW

- Historical information for the new Administrator or DON

- Remote progress monitoring by regional and corporate staff

- Trending metrics for evaluation

- New team gets compass for navigation

Aging Period: Interim ▼   Aging Type: ◉ Net ○ Debit ○ Credit   View By: ◉ Payer View ○ AR Type View

Payer: All Payers ▼

	Facility	Current	30	60	90	120	150	180	210	240	270	300	330	360	Total	Over 90	% of Total over 90	Adv Bill	Total w/ Adv Bill
▶	Total	9,948,890	4,132,729	1,946,434	1,317,448	871,822	739,344	639,928	588,322	474,541	497,989	573,366	552,994	22,046,252	44,330,059	28,302,005	63.84 %	-40,003	44,290,056
▶	Facility1	683,128	752,641	124,010	84,754	88,858	59,900	1,356	41,699	31,364	23,997	37,418	49,327	2,578,022	4,556,474	2,996,695	65.76 %	0	4,556,474

	Payer	Current	30	60	90	120	150	180	210	240	270	300	330	360	Total	Over 90	% of Total over 90	Adv Bill	Total w/ Adv Bill
▶	Managed Care	0	10,800	1,600	0	644	5,706	6,813	-352	-330	0	0	0	137,963	162,845	150,445	92.38 %	0	162,845
▶	Medicaid	557,120	590,832	120,804	86,125	90,988	50,529	-4,395	45,255	33,221	25,781	34,130	45,366	2,185,426	3,861,183	2,592,426	67.14 %	0	3,861,183
◢	Medicare A	88,933	97,713	0	0	0	0	0	0	0	0	0	0	0	186,646	0	0.00 %	0	186,646

|	AR Type	Current	30	60	90	120	150	180	210	240	270	300	330	360	Total	Over 90	% of Total over 90	Adv Bill	Total w/ Adv Bill
	MCA	88,933	97,713	0	0	0	0	0	0	0	0	0	0	0	186,646	0	0.00 %	0	186,646
▶	Medicare B	0	43,700	0	0	0	0	0	0	0	0	0	0	0	43,700	0	0.00 %	0	43,700
▶	Private	31,789	5,229	-7,431	-1,371	-2,774	5,432	-1,063	-3,204	-1,528	-1,784	3,281	3,767	237,435	267,779	238,191	88.95 %	0	267,779
▶	Co Insurance	5,286	4,367	9,036	0	0	-1,768	0	0	0	0	0	7	195	17,199	34,322	15,633	45.54 %	0	34,322
▶	Facility10	735,668	244,154	111,075	70,210	86,597	103,287	98,340	55,673	43,056	35,399	42,483	83,266	449,991	2,159,198	1,068,302	49.47 %	0	2,159,198
▶	Facility11	1,315,395	332,334	299,900	281,170	176,236	200,884	113,187	115,908	132,430	137,308	101,617	65,004	2,022,214	5,293,585	3,345,957	63.20 %	-21,675	5,271,910
▶	Facility12	592,577	413,393	119,118	40,288	36,591	18,390	31,264	53,313	41,818	24,549	34,776	67,298	2,936,832	4,410,207	3,285,119	74.48 %	0	4,410,207

Assessing Agency Labor with primeVIEW

- See who contractors are and when they're working

- See progress you're making via *labor trending*

- See if you have any agency issues in *overtime views*
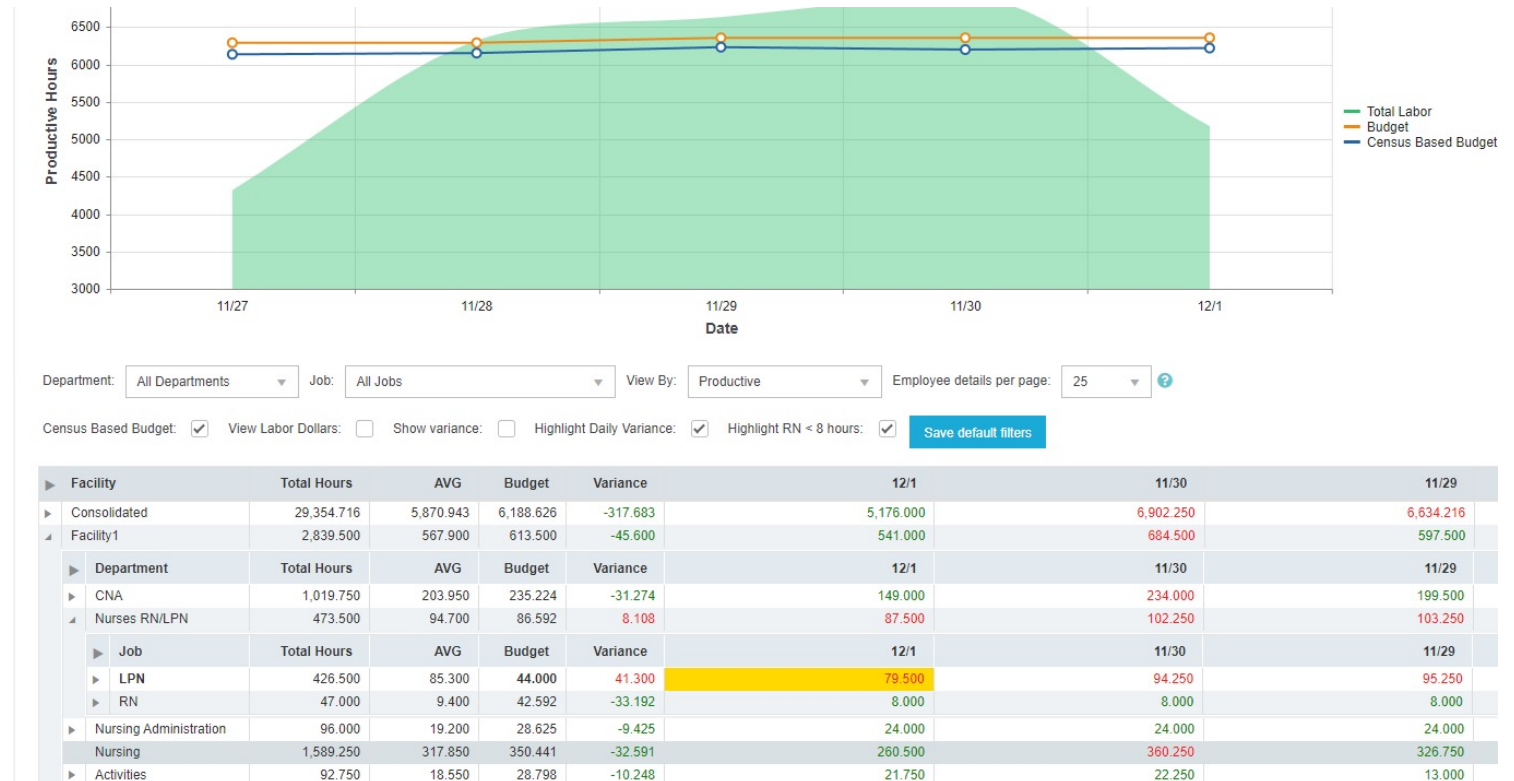
Make Data Easy – So Your Team Can do the Hard Work!
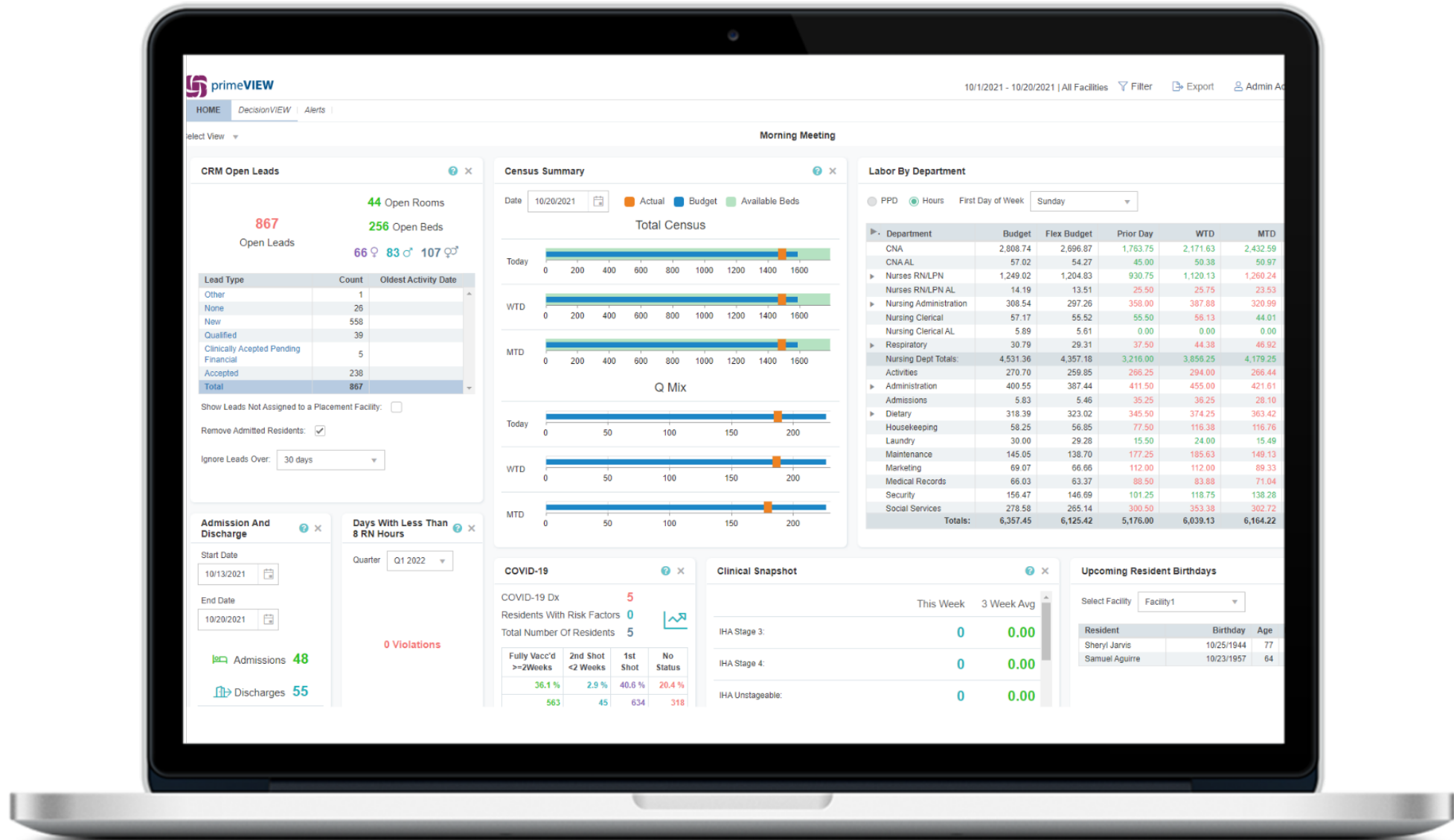
Questions?

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