

LeadingAge™ PA / 2021
**FALL FINANCE
CONFERENCE**

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Education Session A – “Using Metrics and Benchmarks to Successfully Manage Home and Community Based Services”

Dr. Nancy Koury King
President Senior Options
October 2021
www.senioroptions.net





- We provide start up and ongoing operational support for home care, home health and hospice to LeadingAge members.
- 15 partner organizations in 6 states
- Senior Options is a subsidiary of Westminster-Canterbury on Chesapeake Bay
- www.senioroptions.net
- We benchmark within our network as well as to national and state standards
- If Senior Options were one organization, our overall margin would be 8%, excluding our start-ups, and 6% including our start-ups. COVID has had a negative impact on our operations. Our own home health and hospice agency, Westminster Canterbury at Home has a 10% margin.



Assisting non-profit senior living organizations to further their mission with Home and Community Based Services



Today's Session

Today's Session:

Medicare Home Health, Hospice and Home Care

- Operating Metrics
- Benchmarks
- Sources of Benchmarks

How Senior Options uses Key Performance Measures and Benchmarks

	HOME HEALTH	HOSPICE
NUMBER OF AGENCIES	10,785	3,864
MEDICARE BENEFICIARIES RECEIVING SERVICES	3.4 MILLION	1.49 MILLION

Home Health Benchmarks

HH Benchmarks and Key Indicators

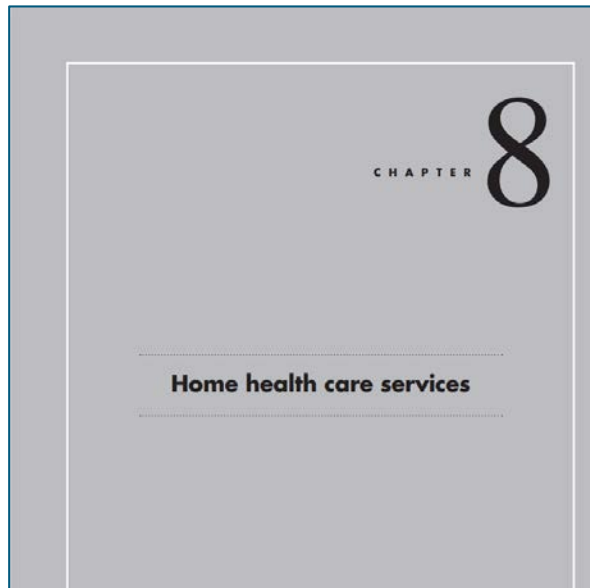
Sources

Publicly Reported

State and National Strategic Health Partner(SHP)

National studies

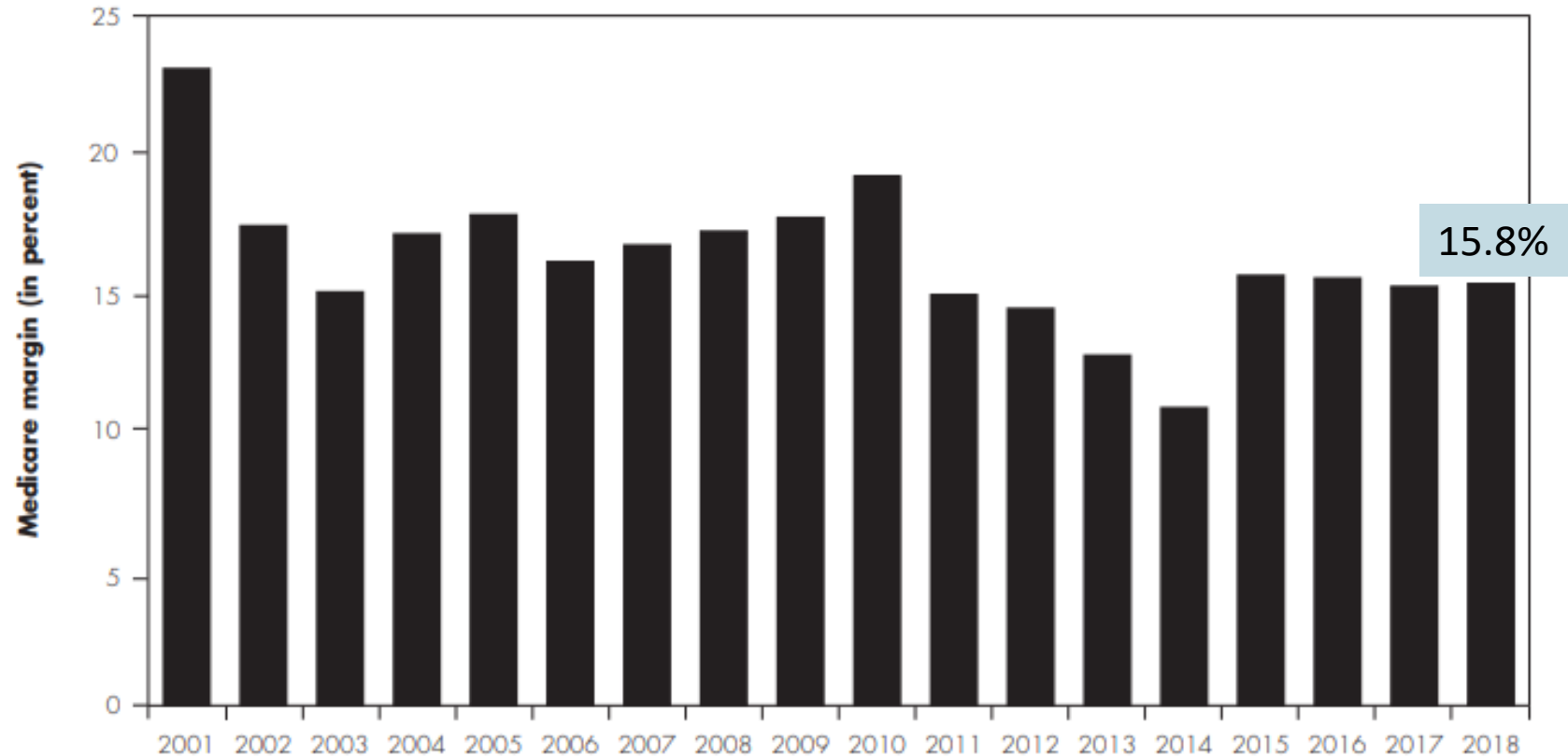
Senior Options Network averages and best in class



Medicare ONLY Home Health Margin Trend YOY

**FIGURE
8-1**

**Medicare margins of freestanding home health agencies
remained high between 2001 and 2018**



Source: MedPAC analysis of Medicare cost report data from CMS.

2019 Medicare Margins by Type of Ownership

Nonprofit	11%
For Profit	17.2%
All	15.8%

TABLE 8-7 Medicare margins for freestanding home health agencies, 2018 and 2019

	Medicare margin		Share of home health agencies, 2019	Share of episodes, 2019
	2018	2019		
All	15.3%	15.8%	100%	100%
Geography				
Majority urban	15.7	16.1	82	84
Majority rural	12.6	13.9	18	16
Type of ownership				
For profit	16.8	17.2	87	79
Nonprofit	10.1	11.0	13	21
Volume quintile				
First (smallest)	10.4	9.8	20	3
Second	11.0	11.5	20	6
Third	13.8	13.3	20	11
Fourth	14.4	14.3	20	19
Fifth (largest)	16.7	17.4	20	61

Note: Home health agencies were classified as majority urban if they provided more than 50 percent of episodes to beneficiaries in urban counties and were classified as majority rural if they provided more than 50 percent of episodes to beneficiaries in rural counties.

Source: MedPAC analysis of Medicare home health cost report files from CMS.

Remember this is Medicare only: Non-Medicare payers erode these margins

Medicare Home Health Margins Increase with Agency Size

Volume Quintiles	2019 Medicare Margins in %
First (smallest)	9.8
Second	11.5
Third	13.3
Fourth	14.3
Fifth (largest)	17.4

TABLE 8-7 Medicare margins for freestanding home health agencies, 2018 and 2019

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Source: MedPAC analysis of Medicare home health cost report files from CMS.



Other Revenue Drivers

	Average National Score SHP Data 2/1/21-6/30/21
Case Mix Weight	1.066
Avg. Reimbursement/Period	\$1883
Average Reimbursement/Stay	\$3358
Length of Stay	37 days
LUPAs	11% of Stays

Length of Stay: Key HH Metric

Home Health Length of Stay

- PDGM divides an episode into two 30 day billing periods
- First billing period is weighted heavier in reimbursement than the second.
- Second billing period necessary to get the full episodic payment
- Clinicians should schedule visits for the episode based on patient need
- Average LOS for Home Health is 37

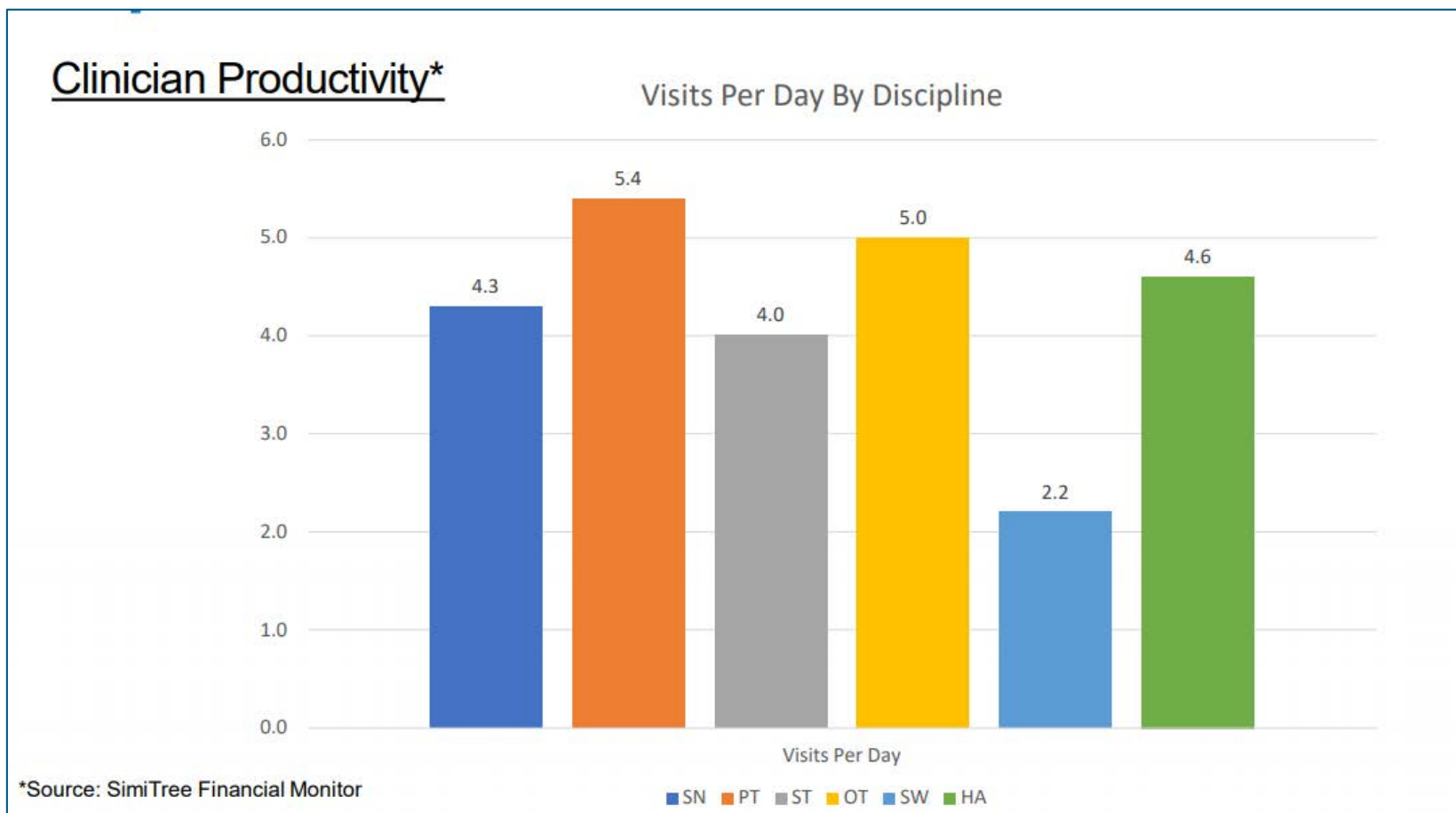
Home Health Visits per Episode and Visits by Discipline

SHP Feb-June 2021



	Visits per Stay	% Ther	Visits					
			Non-Therapy			Therapy		
			SN	MSW	HHA	PT	OT	ST
National Average	13.41	59.5%	4.9	0.1	0.4	5.9	1.7	0.3

Clinician Productivity



Senior Options Standard for RN Case Managers is 6 visits a day.



Productivity Benchmarks for Home Health Positions

Productivity

- Coding/OASIS QA
 - Coding – 15-20 reviews/day
 - Coding/OASIS - 10-12 reviews/day
- Billing/Collections
 - Medicare – manage between \$20-25M in revenue
 - Non-Medicare – 30 phone calls/day
 - 600 accounts aged over 60 days
- Sales/Marketing
 - Account Executives (Hunters) – 10 sales calls/day
 - Clinical Liaisons (Gatherers) – 6-8 referrals/day



More Productivity Benchmarks for Home Health

Productivity

- Intake
 - Clinical Staff – 8-10 referrals/day
 - Clerical Staff – 15-20 referrals/day
- Authorization
 - Initial Auth - 25 Requests/Day
 - Re-auth – 250 census/FTE
- Insurance Verification
 - Medicare – 200 verifications/day
 - Non-Medicare – 45 verifications/day
- Orders tracking
 - 30 physician calls/day



Receivables

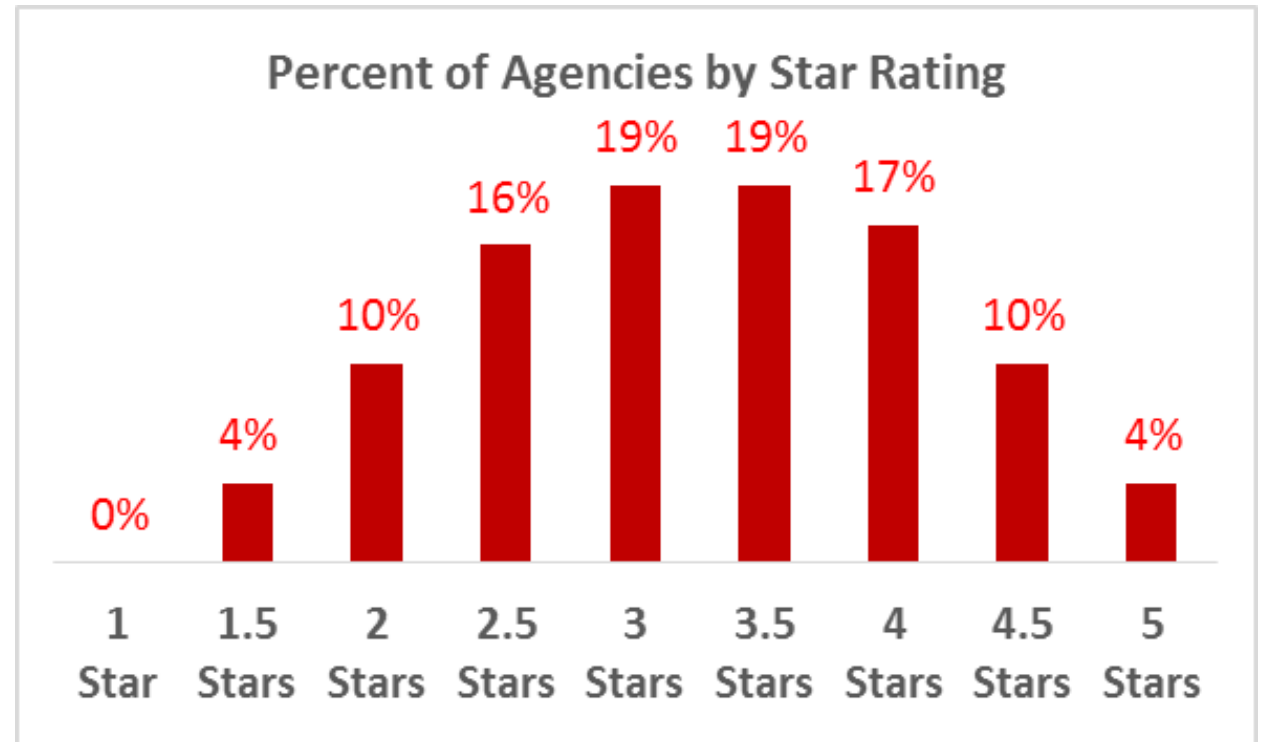
<i>Home Health</i>	<i>Benchmark</i>
Medicare Days in A/R	35
Non-Medicare Days in A/R	60-75
Total Days in A/R	50
Total Write offs	2%
A/R days over 120	10%

Source BKD



Other Home Health KPI's

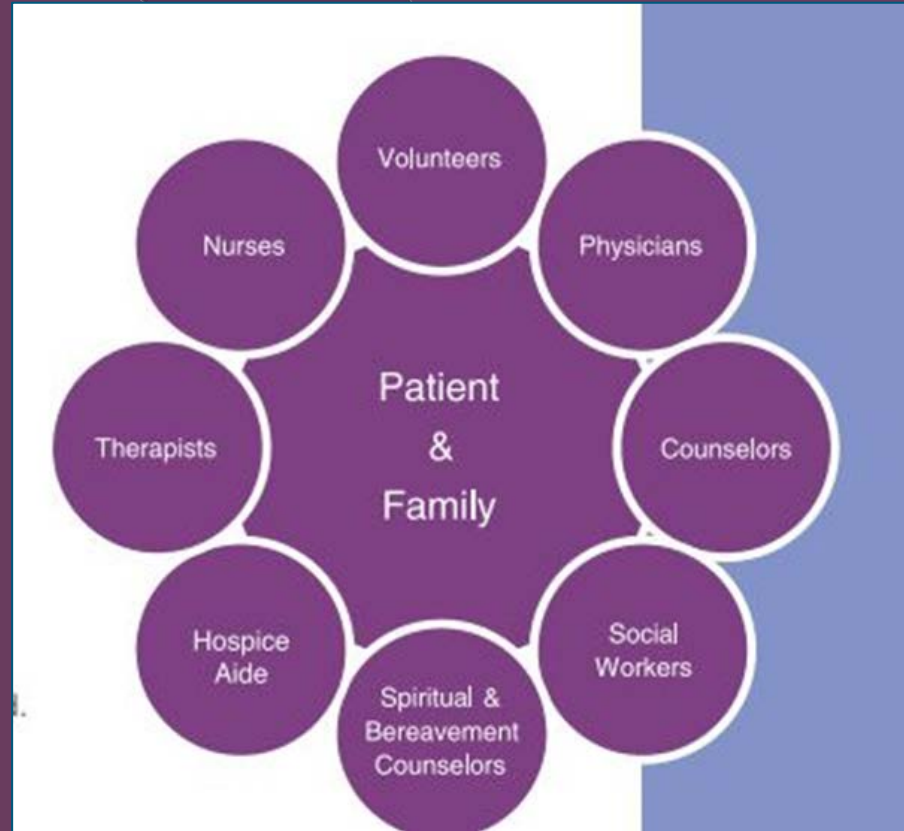
- % Community and % Institutional Referrals
- 5 star Rating Quality of Care
- 5 Star Rating Patient Satisfaction
- PEPPER Report
- Days to RAP/Days to Final
- NTUC's
- Aging Distribution
- Payer Mix
- Value Based Purchasing Metrics
- Hospitalization and ED visits



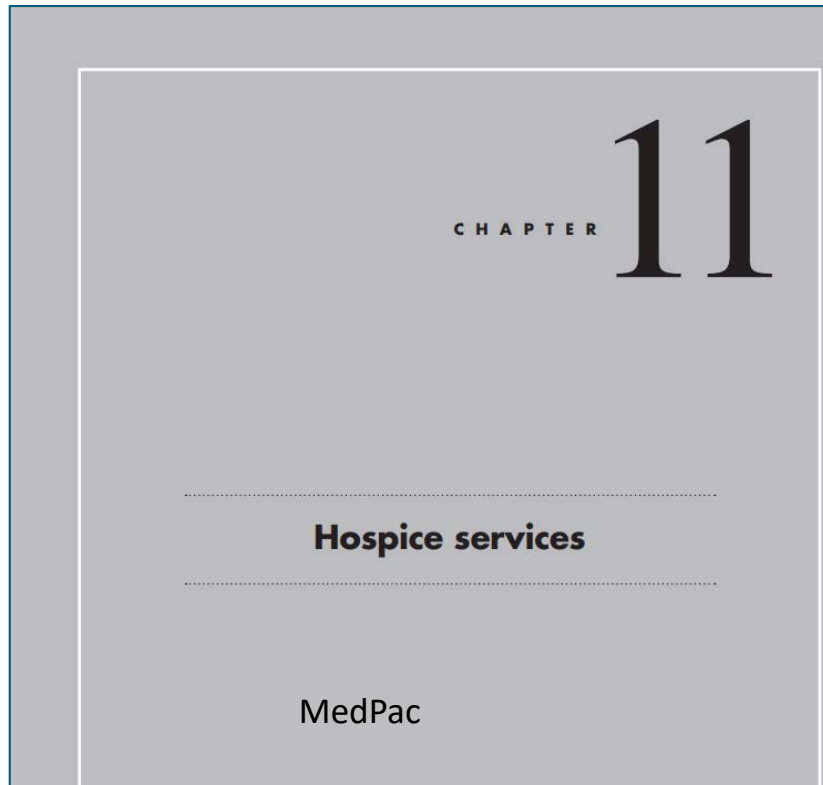
Source: CMS

Senior Options average
5 Star rating: 4 stars

Hospice



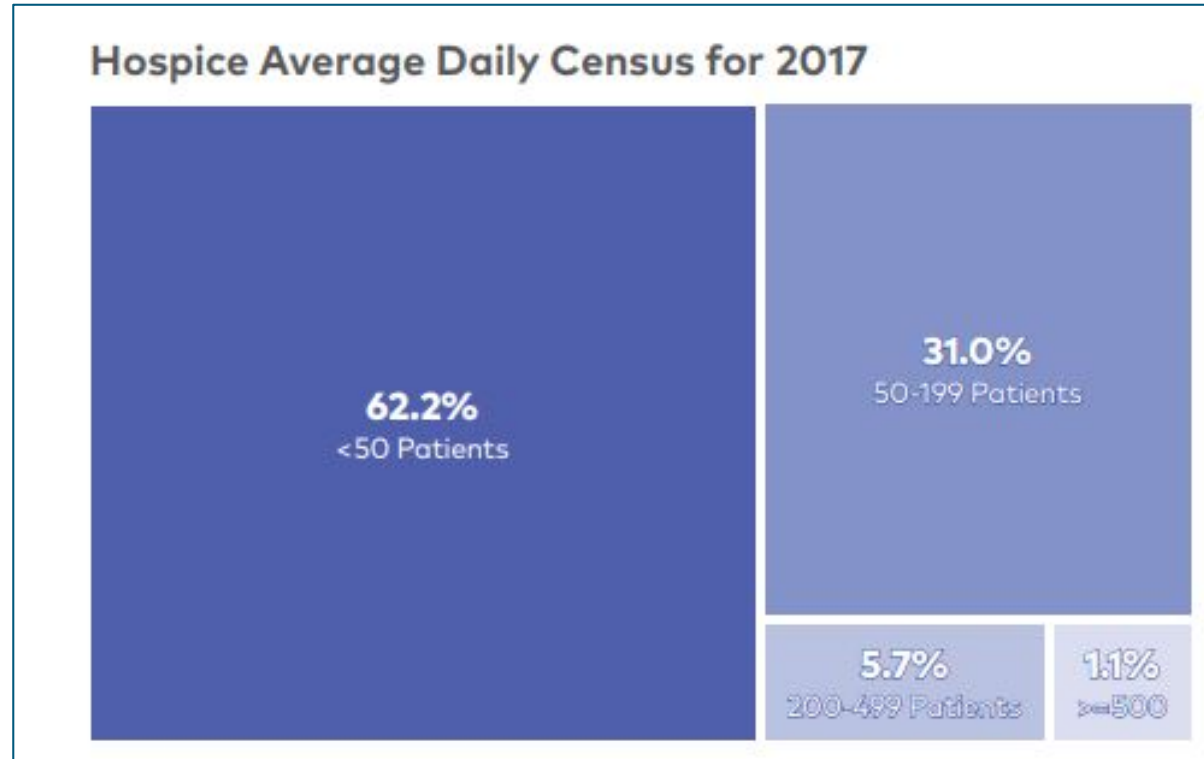
Hospice Information



Hospice Average Daily Census (ADC) in 2017

ADC is the key metric for Hospice

62% of Hospices have an ADC under 50



Hospice Margins by Agency Size and Setting

TABLE 11-14

Hospice Medicare margins by selected characteristics, 2014-2018

Category	Share of hospices 2018	2014	2015	2016	2017	2018
All	100%	8.2%	9.9%	10.9%	12.5%	12.4%
Freestanding	80	11.6	13.8	14.0	15.3	15.1
Home health based	10	3.5	3.3	6.2	8.1	8.4
Hospital based	10	-20.8	-23.8	-16.7	-13.8	-16.5
For profit	70	15.3	17.7	17.9	20.0	19.0
Nonprofit	27	-0.4	0.1	2.2	2.5	3.8
Urban	81	8.7	10.4	11.4	12.9	12.6
Rural	19	3.3	4.8	6.3	8.9	10.3
Patient volume (quintile)						
Lowest	20	-4.9	-5.3	-3.1	-1.1	-3.1
Second	20	2.0	4.3	6.2	6.7	5.6
Third	20	9.8	10.7	11.2	13.8	13.8
Fourth	20	9.9	13.0	13.1	15.2	14.0
Highest	20	8.4	9.9	11.1	12.5	12.7
Below cap	83.7	8.4	9.9	10.7	12.6	12.5
Above cap (excluding cap overpayments)	16.3	6.0	9.8	12.6	12.1	10.1
Above cap (including cap overpayments)	16.3	18.8	21.4	20.2	21.9	21.8

Hospital base hospices bring down the overall margins

Margins increase with size until the fifth quintile

Note: Margins for all provider categories exclude overpayments to above-cap hospices, except where specifically indicated. Margins are calculated based on Medicare-allowable, reimbursable costs. Margin by hospice ownership status is based on hospices' ownership designation from the Medicare cost report. The rural and urban definitions used in this chart are based on updated definitions of the core-based statistical areas (which rely on data from the 2010 census).

Source: MedPAC analysis of Medicare hospice cost reports, 100 percent hospice claims standard analytical file, and Medicare Provider of Services file from CMS.

Margin is Influenced by the Setting of Care

Hospices with more patients living in nursing homes or assisted living centers have higher margins

**TABLE
11-16**

Hospice Medicare margins by providers' share of patients residing in facilities, 2018

Hospice characteristic	Medicare margin
Share of patients in nursing facilities	
Lowest half	9.3%
Highest half	14.8
Share of patients in assisted living facilities	
Lowest half	7.7
Highest half	15.2

Note: Margins for all provider categories exclude overpayments to above-cap hospices. Margins are calculated based on Medicare-allowable, reimbursable costs.

Source: MedPAC analysis of Medicare hospice cost reports, 100 percent hospice claims standard analytical file, and Medicare Provider of Services file from CMS.

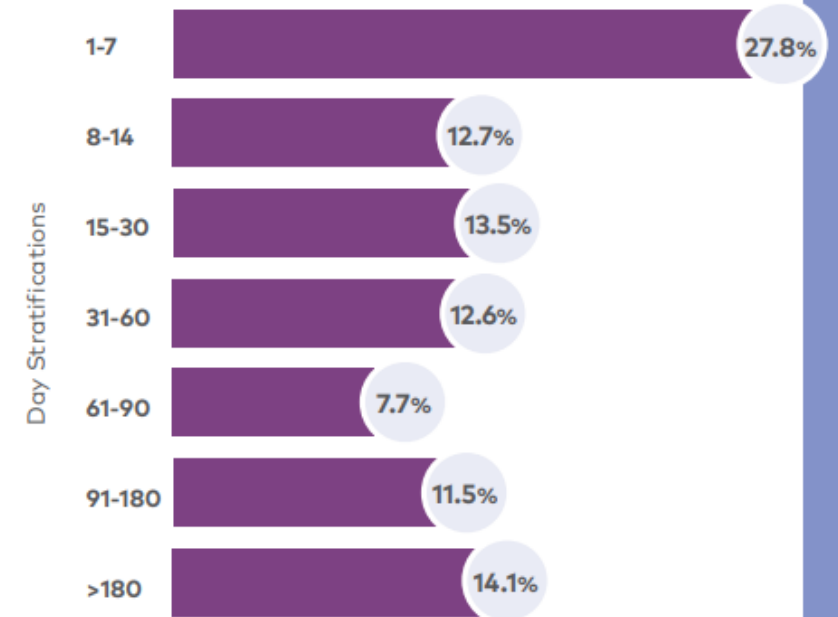
Key Metric: Average and Median Length of Stay

Hospice Length of Stay

- Average Lifetime **89.6**
- Median Benchmark is **18 days**
- Too high of an ALOS may trigger an audit
 - Must demonstrate that the patient continues to be eligible for hospice.
 - Also hospice reimbursement rate drops with long LOS
- Too low a ALOS is expensive and the patient does not receive the full benefit

Senior Options partners' Average Length of Stay is 91 days.

% of Patients by Days of Care for 2017



**These values are computed using only days of care that occurred in 2017. Days of care occurring in other years are not included. Days of care have been combined for patients who had multiple episodes of care in 2017.*

Source NHPCO

Hospice LOS by Sector and Type

For Profits have a considerably higher LOS than Nonprofits. Hospitals have the lowest length of stay

TABLE 11-4

Hospice length of stay among decedents by beneficiary and hospice characteristics, 2019

Characteristic	Average length of stay (in days)	Percentile of length of stay				
		10th	25th	50th	75th	90th
Beneficiary						
Diagnosis						
Cancer	52	3	6	17	51	129
Neurological conditions	155	4	9	40	182	459
Heart/circulatory	99	2	5	18	94	297
COPD	124	2	6	30	140	362
Other	57	2	3	8	38	158
Main location of care						
Home	95	4	9	27	91	257
Nursing facility	109	3	6	22	105	324
Assisted living facility	161	5	14	56	199	457
Hospice						
Hospice ownership						
For profit	112	3	6	24	107	332
Nonprofit	71	2	5	14	60	195
Type of hospice						
Freestanding	95	2	5	19	86	275
Home health based	72	2	5	15	64	199
Hospital based	59	2	4	12	51	163

Note: COPD (chronic obstructive pulmonary disease). Length of stay is calculated for Medicare beneficiaries who died in 2019 and used hospice that year and reflects the total number of days the decedent was enrolled in the Medicare hospice benefit during his or her lifetime. This year, we made some refinements to our methodology (e.g., beneficiaries residing in U.S. territories are included in this table, whereas they were not in prior reports), which makes the numbers not fully comparable with those in past reports. The location categories reflect where the beneficiary spent the largest share of his or her days while enrolled in hospice. "Diagnosis" reflects primary diagnosis on the beneficiary's last hospice claim.

Source: MedPAC analysis of 100 percent hospice claims standard analytical file, the Common Medicare Enrollment file, the Medicare Beneficiary Database, Medicare hospice cost reports, and Provider of Services file from CMS.

Most Hospice is Provided at the “Home Care” Level

Level of Care	% of Days of Hospice Care
Home Care	98.2%
Continuous Home Care	.2%
Inpatient Respite Care	.3%
General Inpatient Care	1.3%

Compare your Level of Care mix to national distribution

Family Satisfaction :CAHPS

**TABLE
11-10**

Scores on hospice CAHPS® quality measures, January 2018 to December 2019

	National average	25th percentile	50th percentile	75th percentile
Providing emotional support	90	88	91	93
Caregiver rates hospice 9 or 10	81	77	82	85
Caregiver recommends hospice	84	80	85	89
Treating patients with respect	91	89	91	93
Help for pain and symptoms	75	71	75	79
Hospice team communication	81	77	81	84
Providing timely help	78	74	78	83
Caregiver training	76	72	76	80

Note: CAHPS® (Consumer Assessment of Healthcare Providers and Systems®). These scores reflect the share of respondents who reported the "top-box"—meaning the most positive survey response. The national average score is across providers. The percentile scores reflect provider-level performance data.

Source: MedPAC analysis of Hospice CAHPS data from CMS for period January 2018–December 2019.

Hospice Average Cost per Day: 2018

**TABLE
11-12**

**Total hospice costs per day varied
by type of provider, 2018**

	Average total cost per day
All hospices	\$148
Freestanding	142
Home health based	159
Hospital based	213
For profit	130
Nonprofit	175
Above cap	134
Below cap	150
Urban	150
Rural	136

Note: Data reflect aggregate costs per day for all types of hospice care combined (routine home care, continuous home care, general inpatient care, and inpatient respite care) for all payers. "Days" reflects the total number of days for which the hospice is responsible for care of its patients, regardless of whether the patient received a visit on a particular day. Data are not adjusted for differences in case mix or wages across hospices.

Source: MedPAC analysis of Medicare hospice cost reports and Medicare Provider of Services file from CMS.

Hospice Accounts Receivable

<i>Hospice</i>	<i>National Benchmark</i>
Medicare Days in A/R	40
Total Days in A/R	55
Medicare Write-offs	1%
Total Write-offs	2%
A/R over 120 days	12%

Source: BKD

Senior Options
Days in A/R, all
payers, all
services: 53

BKD
CPAs & Advisors

As Medicare Advantage “carves in” hospice, this will need even more careful monitoring.

Hospice Inquiry to Admission Conversion Rate

- Low level is 50-60%
- Top Level is 85% rolling conversion rate over 90 days
- Good to measure.
- People who call have a need.
- Follow up promptly
- Gold star 95% 'Same Day' admission rate



Kurt Kazanowski, 2018



Other Hospice KPI's

Hospice Item Set Quality Measures

Bereavement activity

Volunteer hours percentage

Cost per patient: DME, Drugs, etc.

Cost per patient day

Staffing Ratios

PEPPER Report



Home Care

Home Care Benchmarks

- Home Care is not paid for by Medicare so there are no CMS data bases
- Some home care is paid by Medicaid or Long Term Care Insurance
- Most home care is private pay
- Its all about the staff

2021

The 12th Annual Edition of the
Home Care
BENCHMARKING STUDY

Conducted By:
home care/pulse

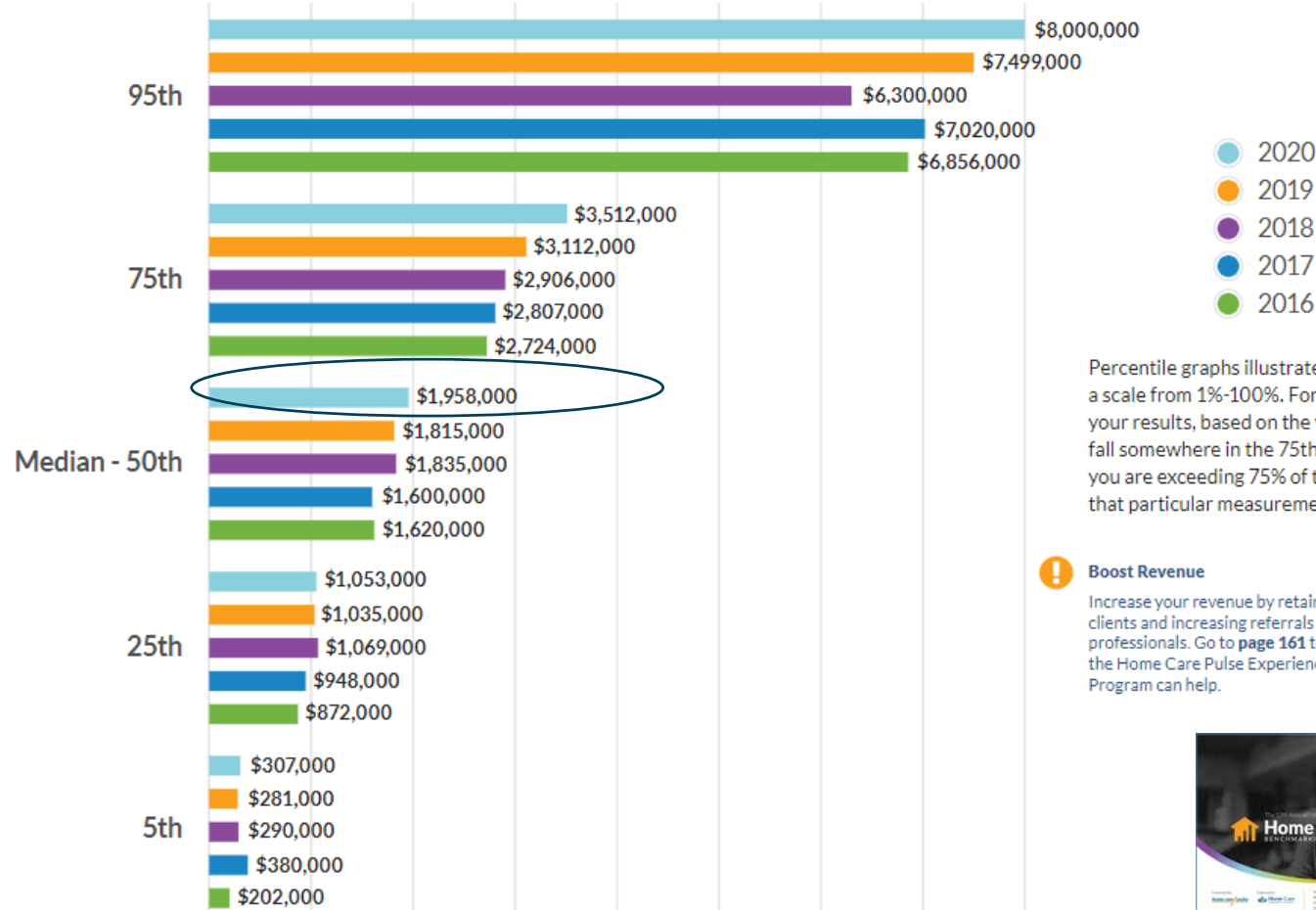
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Association of America

SALES & MARKETING
RECRUITMENT & RETENTION
FINANCE
OPERATIONS

TECHNOLOGY
CLIENT/CAREGIVER EXPERIENCE
BEST OF HOME CARE

Home Care Agency Annual Revenues

4.1 Historical Revenue Percentile Rankings



Percentile graphs illustrate rankings on a scale from 1%-100%. For example, if your results, based on the value above, fall somewhere in the 75th percentile, you are exceeding 75% of the industry in that particular measurement.

! Boost Revenue

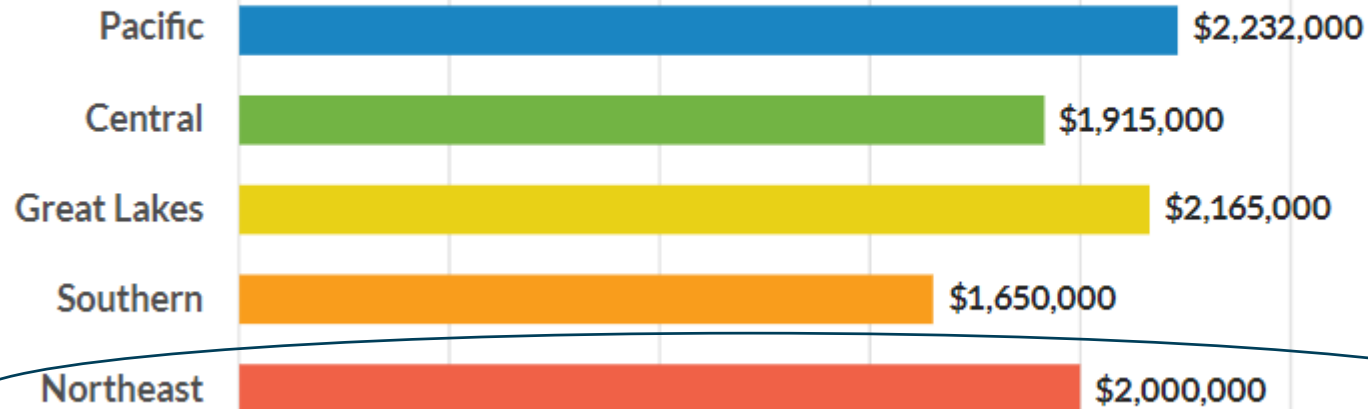
Increase your revenue by retaining more clients and increasing referrals from clients and professionals. Go to [page 161](#) to learn how the Home Care Pulse Experience Management Program can help.



In 2020, the median size for a home care agency was *nearly* \$2M

Annual Revenue by Region

4.7 Median Revenue for 2020 - Geographic Region

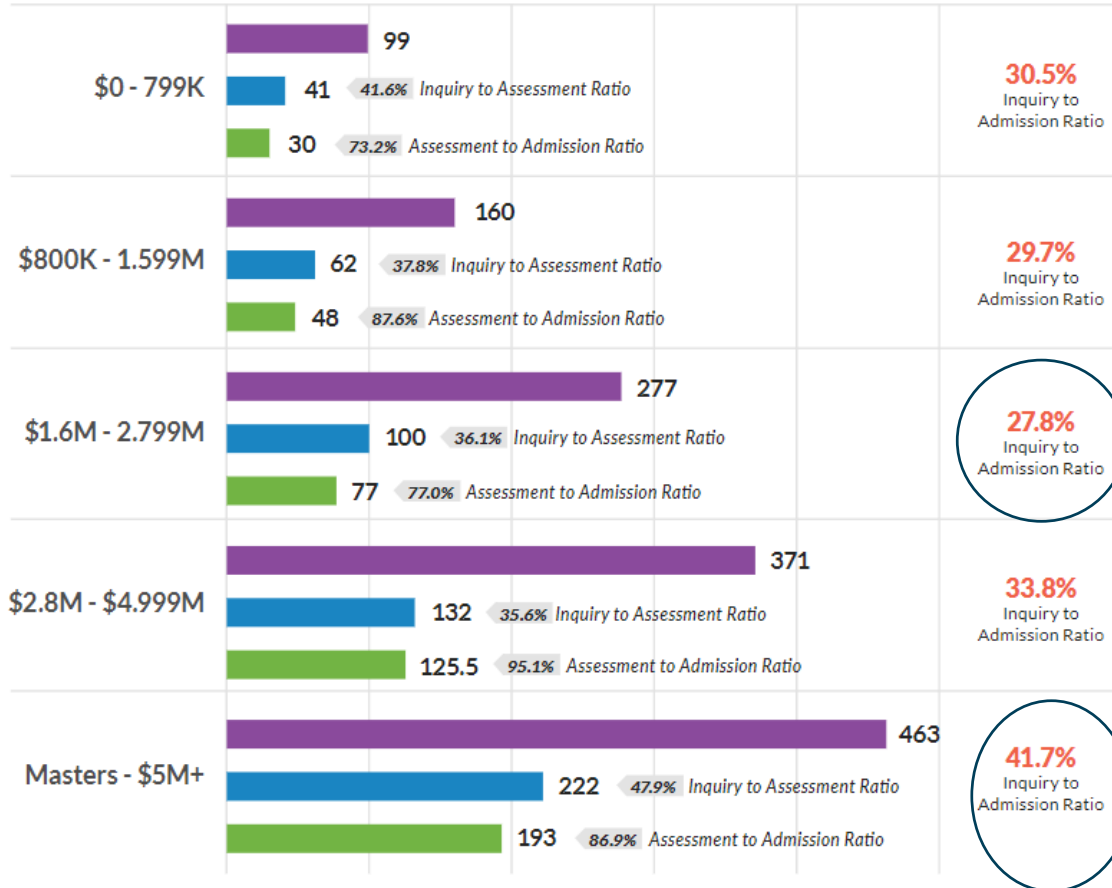


Inquiry to Admission Closing Ratio



MEDIAN SALES CLOSE RATIOS & NUMBERS

2.6 Median Sales Close Numbers for 2020 - Revenue Ranges



- Annual Inquiries
- Annual Assessments
- Annual Admissions

Inquiry to Assessment Close Ratio - The percentage of prospective inquiry calls that turn into a performed assessment. (This number is found by dividing the number of performed assessments by the number of inquiries.)

Assessment to Admission Close Ratio - The percentage of performed assessments that became actual clients. (This number is found by dividing the number of admissions by the number of performed assessments.)

Inquiry to Admission Close Ratio - This represents the percentage of service inquiries that became actual clients. (This number is found by dividing the number of admissions by the number of inquiries.)

The largest agencies have the best closing ratios

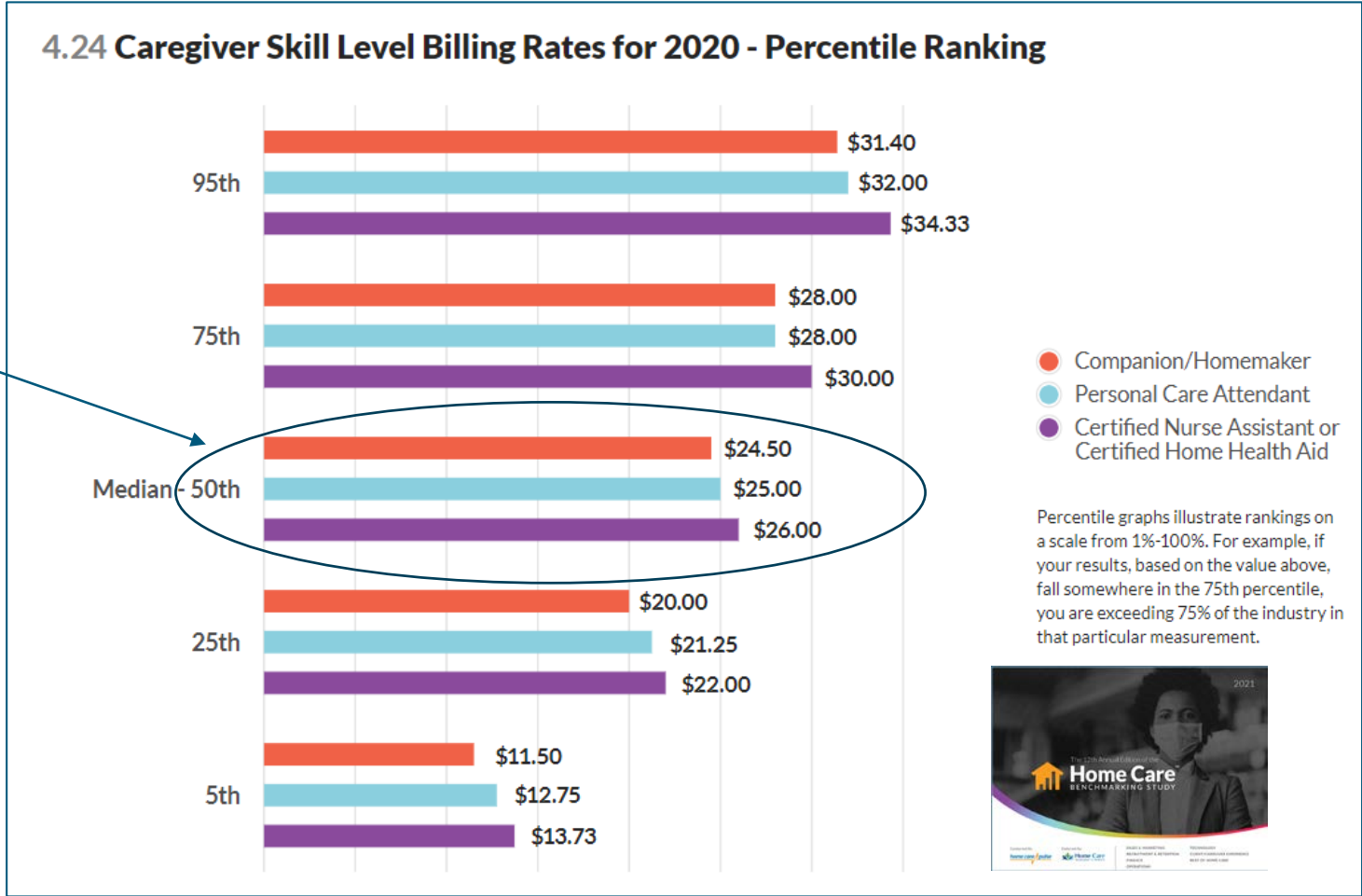
Margin for Private Pay Agencies

Average Margin Nationally : 10-15%



2020 Median Billing Rates for Home Care

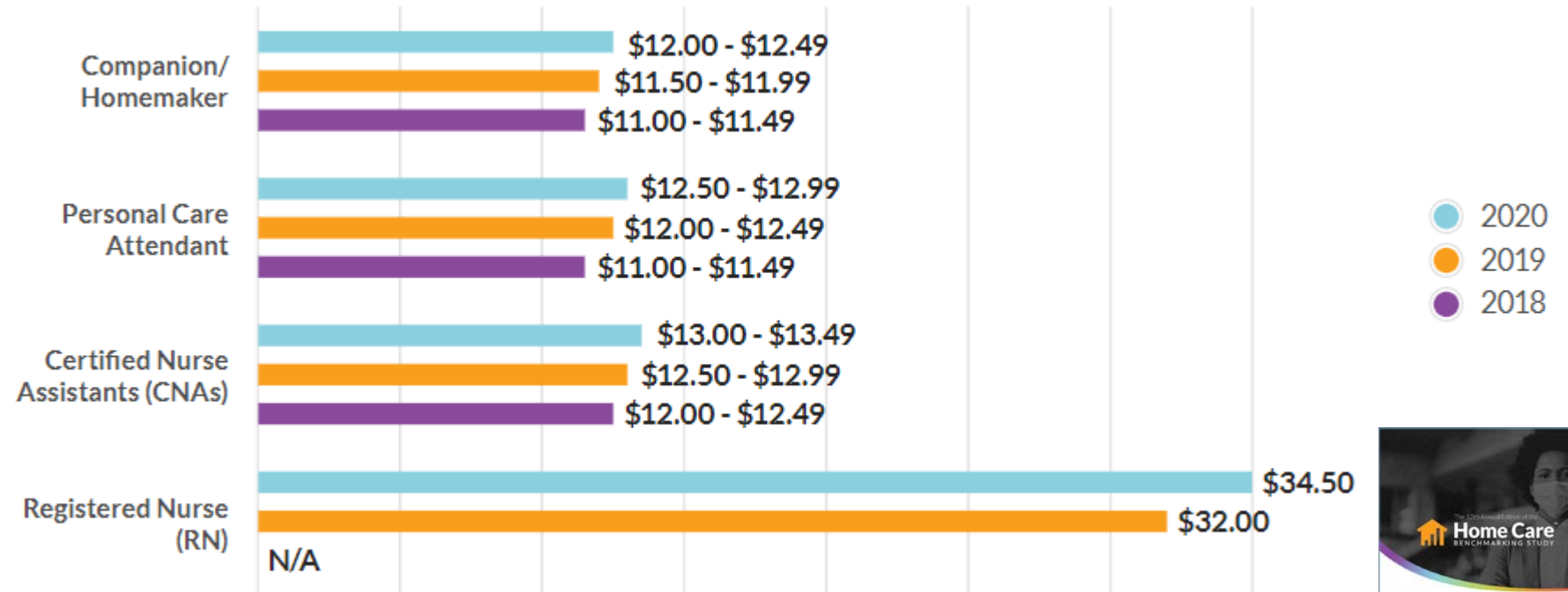
\$25/hour was 2020 median PCA billing rate.



Median Hourly Pay Rate across the US

PCA's made \$12.50-12.99 per hour in 2020

3.26 Historical Median Hourly Caregiver Pay Ranges - Overall

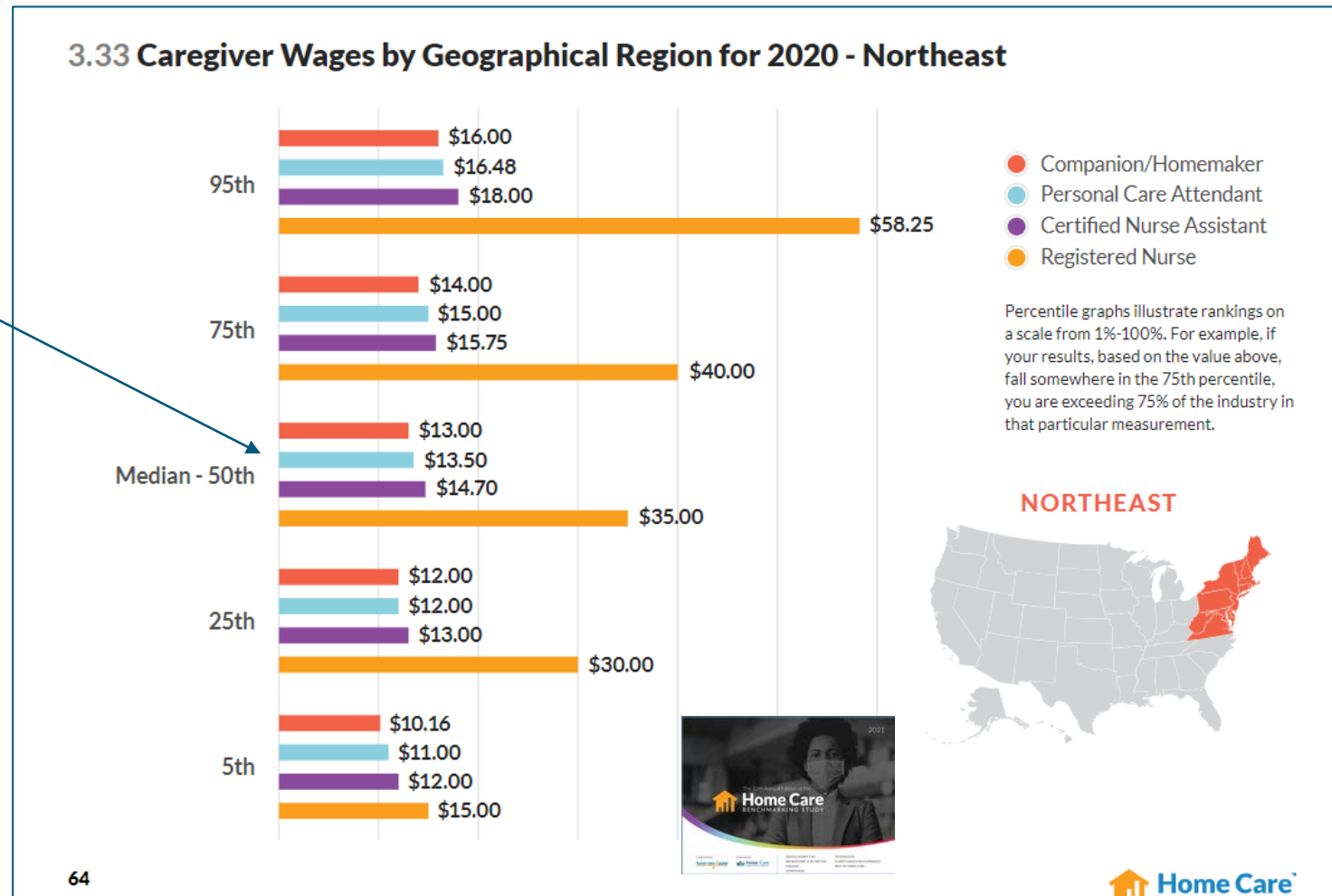


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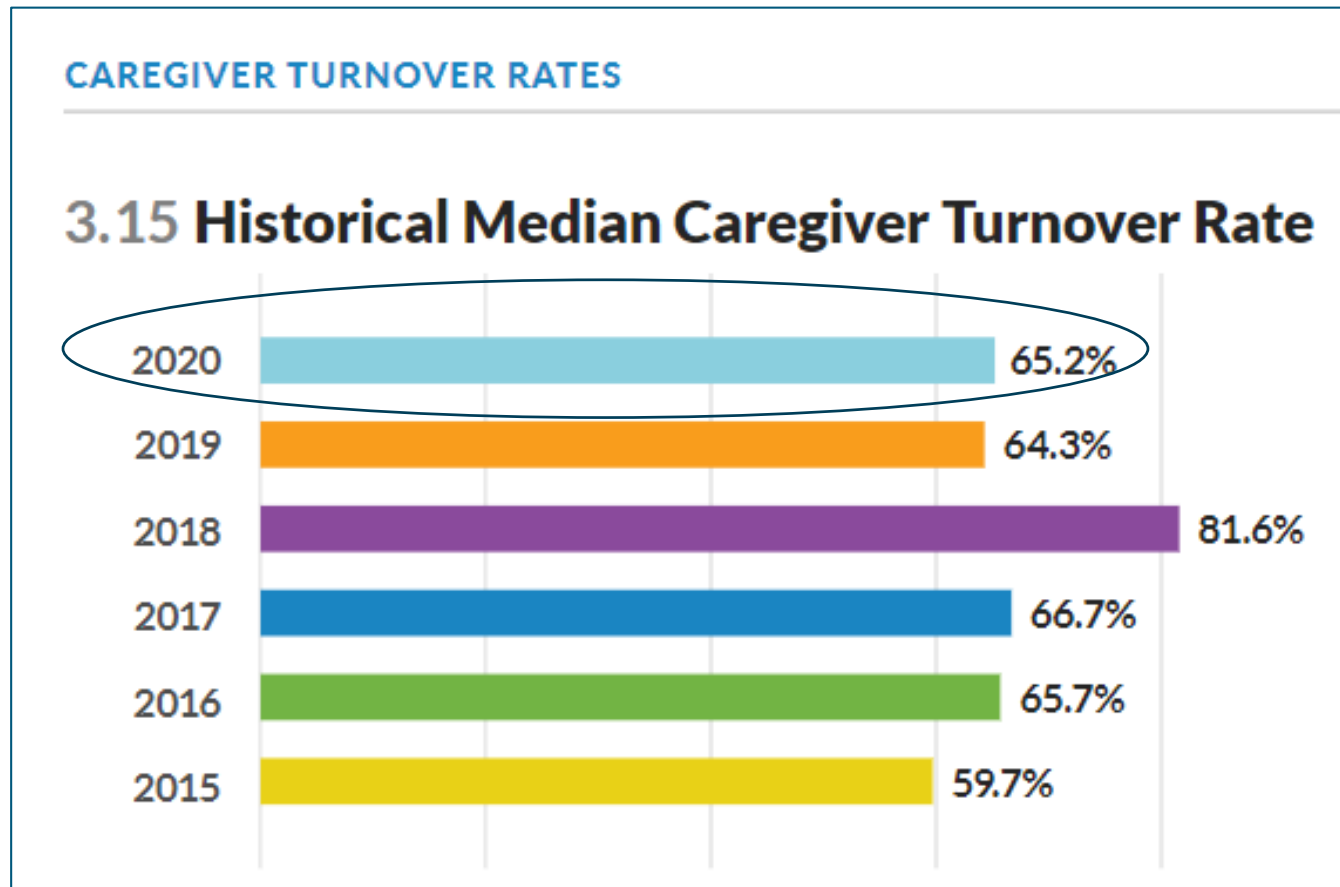


Median Hourly Pay Rate in Northeast

Median Pay rate for a PCA in the NE was \$13.50/hour in 2020



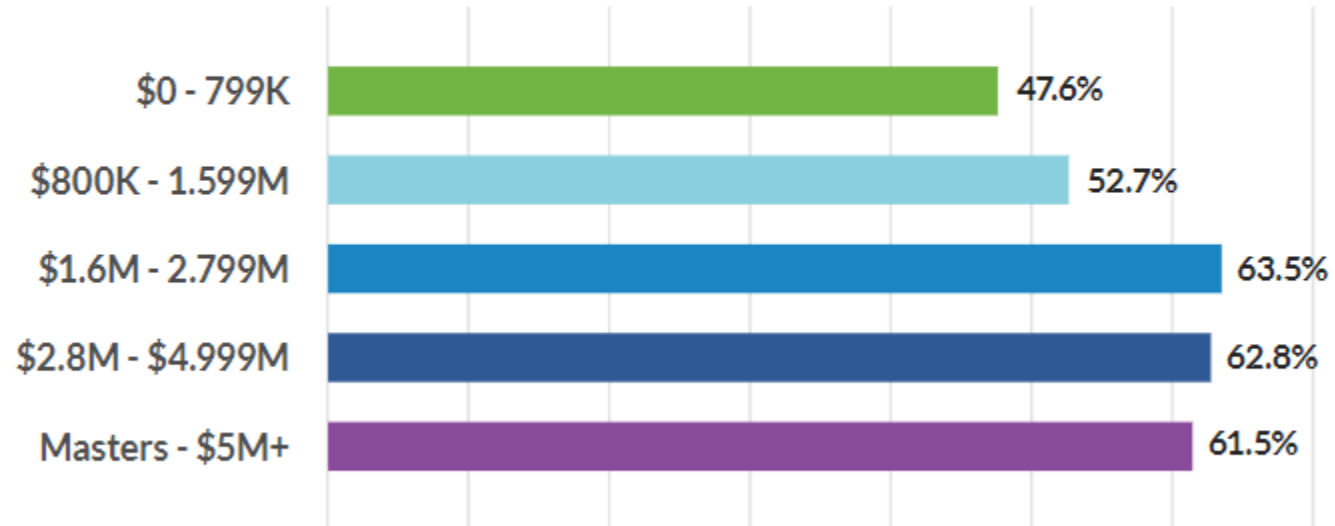
YOY Home Care Employee Turnover Rates



Home Care Client Annual Turnover Rates

CLIENT TURNOVER RATES

5.6 Client Turnover Rate for 2020 - Revenue Ranges



CLIENT TURNOVER RATES

Client and Employee Satisfaction

7.3 Overall Client Satisfaction - Historical



2020 Overall Satisfaction

9.03

Overall Satisfaction (OSAT) takes the average score of all rated questions in the Home Care Pulse Experience Survey. This metric is particularly useful for measuring satisfaction after a specific change or event.

This data is taken from over 96,949 Home Care Pulse Experience Surveys with home care clients in 2020.



7.7 Overall Caregiver Satisfaction - Historical



2020 Overall Satisfaction

9.12

Overall Satisfaction (OSAT) takes the average score of all rated questions in the Home Care Pulse Experience Survey. This metric is particularly useful for measuring satisfaction after a specific change or event.

This data is taken from over 73,335 Home Care Pulse satisfaction surveys with caregivers in 2020.



Key Performance Indicators

Other Key Metrics All Services

- Volume
- Source of Referrals
- Productivity
- Overtime
- Cost per day/episode/hour
- Employee Engagement
- Employee Turnover
- Staffing Ratios



Senior Options Process

Senior Options Benchmarking and KPI Process

Monthly Dashboard with the highlights. Compare Agency's metric with industry benchmarks, Senior Options' averages and best in network

Monthly meeting focusing on performance metrics, benchmarks and KPIs: Quality, Stewardship, Mission Growth, and Staff

Quarterly meetings with greater coverage of quality indicators.

Selective Focus

Performance Improvement Resources and Plans





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