First Year Operations:
Measuring Performance and Optimizing Results

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WHO NEEDS A LITTLE MANAGEMENT HELP ON THEIR PROJECT?

YOU COULD ALMOST FEEL THE TEAMWORK IN THE AIR.
Performance Indicators

Operations → Quality Metrics → Fiscal → Regulations and Compliance
Operations

Interdisciplinary Team Dynamics
Enrollment/Census and Public Relations
Staffing: FTE Ratio, Positions
Care Planning Guidance
Operations: Team Development Stages

- Forming
- Storming
- Norming
- Performing
Forming

“What am I here for?”
“Who else is here?”
“Who am I comfortable with?”

Leadership:
- Clear and strong leadership
- Group members need to feel clarity of purpose and comfort required to evolve to the next stage
Storming

- Leadership:
  - Encourage members to communicate assertively, not aggressively
  - Create space to allow members to voice concerns so they feel represented and appreciated
  - Help members voice views, achieve consensus about their purpose and priorities
  - Encourage equal voice

Voice
individual
differences, conflicts

Join others with similar beliefs, coalitions

Find position in the group

Diagram:
- Forming
- Storming
- Norming
- Performing
Norming

- **Leadership:**
  - Continue to clarify roles of each member—monitor the dynamic and energy (+/-)
  - Develop clear and workable structure for group to achieve its goals

People feel part of team

Rules of communication and interaction established

Share a common commitment to purpose of team, overall goals and how to achieve

Healthy conflict is good
The goal is in sight

Team works in an open, independent, and trusting atmosphere with enthusiasm

Flexibility is the key and executive role as driver is of little importance

- Leadership:
  - Stays out of the way
  - Maintains the “container” for the process
  - Help members reflect on experiences and to learn from them
  - Punctuates successes and prepares the team to be called upon again
Operations: Team Development Considerations

- **Key Components:**
  - Synergy—Use the PACE model’s powerful team dynamic; be familiar with group process
  - Performance of the team will drive census growth (they are advertisers, attitude creators, and accomplishing)  

- **Indicators of Success:**
  - Team continues to move through development process with ultimate goal of a high-performing team!
  - Team becomes strong problem solvers, ready for future assignments
Suggestions to Optimize Performance:

- Educational sessions with team members so they understand it is a “normal” process and not a failure
- Each member of the team has value: “skin in the game”
- All stakeholders tune into team dynamics: future participants, referral sources, and communities
- Support mid-level management to become educated in team development and maintenance
- Invest in the team—intangibles/relationships impact enrollment....
Operations: Driving Census Growth

- Explore new and different opportunities:
  - ACO relationships
  - Managed Care Organizations

- Evaluate internal and external customers

- Look for non-traditional referral sources:
  - Parish Nurses
  - Family members or caregivers
  - Friends of caregivers
Breaking Down Barriers: Strategies to Enhance Census

Review Why Referrals Don’t Convert

**Reason: Don’t want to give up longstanding PCP**
- Potential Solution: Community Physician Waiver

**Reason: Geographic travel distance too far**
- Potential Solution: Consider use of alternate care site

**Reason: Don’t want to attend adult day center**
- Potential Solution: Consider frequency and care plan to include more home-based services
Marketing and Public Relations: “Getting the Story Out”

- Human Interest Stories
  - 90-year-old couple finds new life in ability to stay home
  - 100-year-old celebrates birthday with new friends
  - New opportunity for frail seniors to stay at home

- Radio
- TV Advertisements
- Billboards
- Newspaper
- Website
Operations: Why Look at Marketing and Public Relations?

- **Key Components:**
  - Census drives success!
  - It takes ten positive stories (or one negative) to make a point; repetition and varied media outlets are good!

- **Indicators of Success:**
  - Census reaches or exceeds expected targets
  - Community image is positive
  - Referral sources *immediately* think of your program as an option for their customers
Operations: Marketing and Public Relations Considerations

Suggestions to Optimize Performance:

- Use non-traditional strategies early; don’t wait until a crisis situation arises (community physician waiver, alternate care sites)

- Know your numbers:
  - Who are your referral sources?
  - Where are the untapped opportunities?
  - What is your capture rate?
Operations: Staffing Considerations

- **Key Components:**
  - Retention and recruitment
    - Difficult to recruit positions, lead time, qualified candidates
    - Type of background (acute care, LTC, home- and community-based)
  - Ratio development based on position type (e.g., 10 participants = 1 driver)
  - Expense review: Salary + benefits typically covers about 35%–40% program cost; What is your HR expense to total budget?
  - What are the difficult to manage positions? (e.g., personal care assistants: employed, contracted)
Indicators of Success:
- Complete IDT meeting federal requirements
- Role delineation and understanding of job expectations
- Growth, expansion based on census needs

Suggestions to Optimize Performance:
- Be prepared; what are the difficult to recruit positions in event of a vacancy?
- Look for efficiencies across positions—multiple hats from the start; avoid the “not my job” scenario
Operations: Using Staff to Develop the Care Plan
Indicators of Success:

- Care plans include problems, interventions for mitigating or resolving problem, and measurable outcomes to be achieved by the intervention;
- Care plans are participant oriented and cover unique characteristics, needs, and preferences
- Care plans are updated and current based on changes in health status or social situation
Operations: Care Planning and CMS Expectations

Framework for overall participant health status
Suggestions to Optimize Performance:

- Integrate care planning and quality performance
- May be similar problems that affect more than one participant
- Opportunity to develop new strategies or programs to address targeted subpopulations
- Share your best practice with your peers!

Quality Metrics
Quality Performance

- Falls Prevention
- Medication Compliance
- Polypharmacy

- Participants
- Caregivers
- Vendors
- Employees

- Enrollment, Disenrollment
- Immunizations
- Utilization
- Unusual Incidents
- Grievances, appeals
Quality Performance: Utilization Measures

- Hospitalization Rates
- Emergency Room Visitation
- Skilled Nursing Facility Placements
Quality Performance Considerations

- **Key Components:**
  - Understand the results (the why’s behind the numbers)
  - Develop sophisticated, but team friendly, tracking tools
  - Trending grievance and appeals to impact change in process or procedure

- **Indicators of Success:**
  - High customer satisfaction
  - Positive clinical outcomes—improved quality of life and wellness
Quality Performance Considerations (continued)

- **Suggestions to Optimize Performance:**
  - Grievances have strong documentation and follow-up
  - What are the opportunities?
  - Demonstrate best practice; share results
Fiscal Performance

Pro Forma Expectations
Budgeted Versus Actual Results
Utilization Drivers
Dashboard Examples
Fiscal Performance Considerations

- **Key Components:**
  - How did we compare pro forma to actual?
  - What drives budget performance?
  - Do we understand how dollars are being spent?
  - How do we compare to our peers?
### Fiscal Performance: Year One Pro Forma Comparison Example

<table>
<thead>
<tr>
<th>Category</th>
<th>July–December 2010</th>
<th>January to June 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Census</td>
<td>74</td>
<td>90</td>
</tr>
<tr>
<td>MA Cap</td>
<td>$3,500</td>
<td>$3,800</td>
</tr>
<tr>
<td>MC Cap</td>
<td>$2,200</td>
<td>$2,450</td>
</tr>
<tr>
<td>Revenue</td>
<td>$421,800</td>
<td>$562,500</td>
</tr>
<tr>
<td>Expense</td>
<td>$550,000</td>
<td>$525,000</td>
</tr>
<tr>
<td>Net Revenue (Expense)</td>
<td>$(128,200)</td>
<td>$37,500</td>
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<tr>
<td>Capital Requirements</td>
<td>$1,500,000</td>
<td>$1,350,000</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>(20%)</td>
<td>(1.8%)</td>
</tr>
</tbody>
</table>

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Revenue and Expense

**Revenue**
- Medicaid/Medicare
- Private Pay
- Risk Scores/Opportunities
- Revenue Management Controls

**Expense**
- Administration
- Human Resource
- Medical Loss Ratio
- Controllable
- Fixed vs. Indirect
Revenue Drivers

Volume
• Census
• Mix
  • MA Only
  • Dual Eligible

Rate
• Medicaid
• Medicare
• ESRD
• Risk Scores

Accounts Receivable
• Government payments
• Private Pay
• Cost Share for SNF participants
Expense Categorical Buckets

**Medical Services**
- Ambulance
- Audiology
- Dentistry
- Dialysis
- DME
- Drugs
- Emergency Room
- Home Health
- Inpatient (Acute, SNF)
- Laboratory
- Nutrition
- OP Specialists

**Admin**
- Consulting
- Depreciation
- Marketing and Outreach
- Memberships
- On call
- Travel and Transportation

**Facility**
- Housekeeping
- Lease/Mortgage
- Maintenance
- Utilities

**Human Resource**
- Salaries
- Benefits
- Education
- Clinical Staff
- Admin Support Staff
Utilization Drivers: Medical Loss Ratio

**High Volume**
- Personal Care Services
- Transportation

**High Expense**
- Inpatient Admissions
- Emergency Rooms
- Skilled Nursing Facility Placements
Fiscal Performance: Dashboards and Benchmarking

- Provides a quick snapshot of performance
- Compares your performance against like organizations, national norms, or goals
- Share the results!
Sample Dashboard: Inpatient

Hospital Days/1,000

<table>
<thead>
<tr>
<th>Fiscal Year 2010</th>
<th>Qtr 1</th>
<th>Qtr 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qtr 3</td>
<td>LIFE Geisinger Actual: 3,925</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National PACE Avg*: 3,500</td>
<td></td>
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<tr>
<td>Qtr 4</td>
<td>LIFE Geisinger Actual: 2,923</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National PACE Avg*: 3,500</td>
<td></td>
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<tr>
<td>Qtr 5</td>
<td>LIFE Geisinger Actual: 3,018</td>
<td></td>
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<td></td>
<td>National PACE Avg*: 3,500</td>
<td></td>
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<tr>
<td>Qtr 6</td>
<td>LIFE Geisinger Actual: 1,816</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National PACE Avg*: 3,500</td>
<td></td>
</tr>
<tr>
<td>Qtr 7</td>
<td>LIFE Geisinger Actual: 5,053</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National PACE Avg*: 3,500</td>
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<td>Qtr 8</td>
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<tr>
<td></td>
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<td>Qtr 9</td>
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<tr>
<td></td>
<td>National PACE Avg*: 3,500</td>
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<tr>
<td>Qtr 10</td>
<td>LIFE Geisinger Actual: 2,356</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National PACE Avg*: 3,500</td>
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</tbody>
</table>

* Full Risk
## Sample Dashboard: Long-Term Care

### SNF % Cap Days By Type

<table>
<thead>
<tr>
<th>Date</th>
<th>Skilled % Cap Days</th>
<th>Custodial % Cap Days</th>
<th>Respite % Cap Days</th>
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<tbody>
<tr>
<td>07/10</td>
<td>3%</td>
<td>24%</td>
<td>2%</td>
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<tr>
<td>06/10</td>
<td>23%</td>
<td>20%</td>
<td>1%</td>
</tr>
<tr>
<td>05/10</td>
<td>21%</td>
<td>20%</td>
<td>2%</td>
</tr>
<tr>
<td>04/10</td>
<td>20%</td>
<td>19%</td>
<td>3%</td>
</tr>
<tr>
<td>03/10</td>
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<td>4%</td>
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<tr>
<td>12/10</td>
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<tr>
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<td>18%</td>
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</tr>
<tr>
<td>07/10</td>
<td>19%</td>
<td>19%</td>
<td>3%</td>
</tr>
</tbody>
</table>

- **Skilled % Cap Days**
- **Custodial % Cap Days**
- **Respite % Cap Days**
Fiscal Performance Considerations

- **Indicators of Success:**
  - Managing to expected net results (census less than anticipated, expenses managed to population served)
  - Discovering new ideas to grow census or gain efficiencies to reduce waste
  - Development of value-based reports for team members and leadership to understand impact of actions
Suggestions to Optimize Performance:

- Develop informal resource network for information; PACE family generally willing group to help problem solve difficult situations

- Research comparable benchmarks; see where you compare against peer groups
Regulations and Compliance
State Specific

- Adult Day Center
- Home Health/Home Care
- PACE

Federal Statute

- PACE
- Medicare Part D
Regulations and Compliance: Meeting State Expectations

- **Key Components:**
  - Detailed requests outlined in Pre-PACE or side agreements, e.g., DataPACE 2
  - Required reports: quarterly enrollment, cost reporting (varies by state)
  - Committee Structure: Plan Advisory, Ethics, Board of Directors
  - Required Documentation and Submissions
    - Eligibility determinations
    - Enrollment form transmission
    - Fire and disaster drills
Indicators of Success:

- Positive state and federal survey experience, use as learning opportunities to improve program operations
- Policies match practice

Suggestions to Optimize Performance:

- Conduct mock audits against regulatory guidance
- Stay involved with state and national associations to remain up to date with changes or tips from other providers
Regulations and Compliance: Meeting Federal Expectations

- **Key Components:**
  - Monthly attestations: reviewing MMR reports; verifying membership
  - Quarterly HPMS clinical and quality data
  - Minutes scribed and available for:
    - IDT and morning meetings
    - Participant Advisory Committee
    - Quality Committee
  - Staff education records
  - Current state specific licenses: adult day services, home care/health, pharmacy, kitchen as applicable
Tracking mechanisms varied processes:

- Infection control
- Unusual incidents
- Level 2 reports
- Grievances and appeals
- On call documentation
- Refrigerator/freezer and food temperature logs

Maintaining updated list of contracted vendors and distributing to membership on a scheduled basis
Medicare Part D Compliance

- Bid process and documentation
- Attestations (MMR, DIR, P2P)
- Annual reconciliation
- Fraud, waste, and abuse (FWA) documentation
- Proof of FWA education for staff, vendors, and board of directors
Indicators of Success:

- Positive state and federal survey experience; use as learning opportunities to improve program operations
- Policies match practice

Suggestions to Optimize Performance:

- Conduct mock audits against regulatory guidance
- Stay involved with state and national associations to remain up to date with changes or tips from other providers
Summary

PACE Plan

Operational Performance

Quality Performance

Fiscal Performance

Regulations and Compliance
Closing Thoughts
Whether you think you can, or think you can’t, you’re right.

Henry Ford
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