Innovation AND Excellence

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Using Key Performance Indicators to Manage and Improve Hospice Clinical Practice and Operations

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www.nhpco.org/ctc2013   #CTC13   National Hospice and Palliative Care Organization

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Agenda

- Overview of important financial and clinical metrics.
- Describe KPIs for hospice operations and clinical practice and recognize the value associated with each data element.
- Describe case examples which demonstrate how basic clinical and operational data elements affect the service provision, cost effective operations and financial viability of your hospice organization.
- Identify strategies to utilize data monitoring and reporting to adjust operations and clinical practice, increase engagement and support accountability of clinical, operational and financial management staff.

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Why is Data Important?

- Where do I stand?

- How can I grow?

- What are my opportunities?

- What is the future of Hospice care?

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Types of Data

- Types
  - Statistical
  - Financial
  - Operational
  - Clinical
- Your Agency Data
- Competitor Data
- State Data
- National Data

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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 Care
- Ancillary Cost per Day
- Administrative and General Costs

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Key Clinical & 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

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Analyzing Data: Key Considerations

- FIRST…PRIORITIZE what you are evaluating
  - What do you want to look at and WHY?
  - Get consensus from:
    - Executive Management
    - Financial Directors
    - Clinical Directors
  - Cooperation is KEY
- Accuracy of Information
- Timeliness of Information
- How and Where to Obtain Data

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Establish Your Reporting Process

- Know Your Technology
  - Health Information System
  - Point of Care Technology
  - Accounting Software
  - Industry Statistical Tools

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Establish Your Reporting Process (cont'd)

- Internal Information: Data must be relevant, accurate and timely to drive performance
  - Low/no technology
    - Reliance on manual processes/system
    - Vulnerable to inconsistent staff/formula, errors/ miscalculations
  - Point of Care technology in use
    - Staff using in a consistent way
    - All users well trained
    - Report parameters correct

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Establish Your Reporting Process (cont'd)

- What Drives Your Processes?
  - Financial - Census, Revenue & Costs
  - Operational - Census, Productivity & Compliance
- Determine Responsibilities
  - Management, Directors & Staff
- Determine Frequency
  - Daily, Weekly, Monthly, Quarterly

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Establish Your Reporting Process (cont'd)

- Trending Data
  - Historical trends within your data
  - Comparisons to budget / target / goal projections
  - Comparison to industry benchmarks
- Reminder:
  - Compare all Statistical and Financial Data
    - Month to Month
    - Current Month / Prior Year Month
    - Quarter to Quarter
    - Year to Date (YTD)
    - YTD to Prior YTD

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Establish Your Reporting Process (cont'd)

- Reminder:
  - Operational and Clinical Measures
    - Year to Date (YTD)
    - Year to Year at YTD and Year/Year

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Establish Your Reporting Process (cont'd)

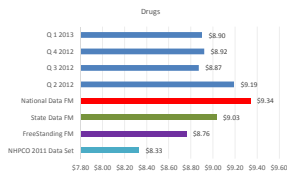- Internal Comparisons
  - Teams or Locations

May 2013 Hospice Dashboard			
Location	Median LOS	Average LOS	% Referrals to Admissions
Team A	28	45	87.2%
Team B	21	39	84.3%
Team C	27	43	86.6%
Team D	16	27	80.1%
Team E	18	36	82.7%
NHPCO 2011 Data Set	19.1	69.1	75.6%

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Establish Your Reporting Process (cont'd)

- Benchmarks/ Competitor Comparisons
  - Location
    - National
    - Medicare Region
    - State
    - Rural or Urban
  - Agency Types
    - Profit Status
    - Affiliation (CHHA Based/Free Standing)
    - Inpatient Facilities

Drugs

Q 1 2013	$8.90
Q 4 2012	$8.92
Q 3 2012	$8.87
Q 2 2012	$9.19
National Data FM	$9.34
State Data FM	$9.03
FreeStanding FM	$8.76
NHPCO 2011 Data Set	$8.33

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Benchmarking

- Benchmark Sources
  - CMS Cost Report Database
  - CMS Quality Measures
  - National/State Surveys
  - NHPCO Website
  - Benchmarking Software
    - SHP, OCS, Hospice Analytics, MVI, FM

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Understand the Details

- 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

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Industry Challenges/Opportunities

- Industry Changes
  - Reimbursement
    - U- Shaped / Tiered Payment Model
  - Accountable care models
  - New cost report classification requirements
    - Costs by Level of Care
    - New and re-organized cost centers

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Industry Challenges/Opportunities (cont'd)

- Regulatory Challenges:
  - Additional Data Reporting (CR8358)
  - Demand Billing of Hospice GIP (CR 8371)
  - Diagnosis Coding Clarifications
    - Related Diagnosis Reporting on Claims
    - Related Conditions
    - Use of Debility/Adult Failure to Thrive/Alzheimer's Dementia
  - QAPI Quality Reporting Measures
  - OIG Work Plan, Reports and Guidance
  - CMS Contractor Audits (ADR, ZPIC, CERT, PERM, RAC)
  - Medicaid and State Survey Audits

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Industry Challenges/Opportunities (cont'd)

- Industry Opportunities:
  - Integration of service lines (Home Health, etc.)
  - Palliative Care
  - Private Duty
  - ACO involvement
  - Other

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CMS Quality Measures

- CMS Hospice Wage Index Final Rule Published 8/7/13:

  - <u>Quality Reporting Measures</u>:
    - Eliminate #0209 Comfortable Dying and Structural Measures beginning with FY 2016 payment determination year
    - Hospice Item Set - Effective 7/1/2014
      - Will affect FY 2016 payment determination year
      - 7 outcome measures - approved by CMS
      - Public Reporting - maybe FY 2018
  - Hospice Experience of Care Survey (Hospice CAHPS)
    - Effective 2015
    - Will affect FY 2017 payment determination year

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CMS Quality Measures (cont'd)

- Seven NQF Endorsed Measures for Hospice:

  - <u>NQF # 1617</u>: Patients treated with an Opioid who are given a Bowel Regimen
  - <u>NQF # 1634</u>: Pain Screening
  - <u>NQF # 1637</u>: Pain Assessment
  - <u>NQF # 1638</u>: Dyspnea Treatment
  - <u>NQF # 1639</u>: Dyspnea Screening
  - <u>NQF # 1641</u>: Treatment Preferences
  - <u>NQF # 1647</u>: Beliefs/Values Addressed (if desired by the patient)*

    * Modified

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Identify Levels of Reporting

- **BOD / Owners / Hospital**
  - Overview of key financial measurements for Hospice
  - Provides 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
    - Establish benchmarks as goals
  - Track performance against budget
  - Demonstrate quality of care

- **Industry**
  - Accurate and timely information
  - Information informs discussions, decisions, policy, and practices
  - Advocacy efforts
  - Understanding the data that is being used to make decisions

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Reporting Prioritization - Management

- Management
  - What makes my organization different?
    - Drill down into revenue and cost drivers
      - How can I build volume?
      - Where can I become more cost efficient?
    - Review benchmarks to see where we can improve
    - What opportunities are there for my organization

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Reporting Prioritization - Management (cont'd)

Revenue Drivers

- Days by Level of Care
- Average Daily Census
- Payer Mix
  - Margins by Payer
  - Days Sales Outstanding by Payer
  - Patients and Revenue by Payer
  - Length of Stay
    - ALOS
    - MLOS

Cost Drivers

- Days by Level of Care
  - Cost per Day
  - Ancillary Cost per Day
  - Cost per Visit by Discipline
- Productivity
- Length of Stay
- Average daily Census
- Staffing

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Reporting Prioritization - Management (cont'd)

- Break out data by payer source
  - Medicare
  - Medicaid
  - Other
- Which payers are profitable?
- Which payers take longer to collect?

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Reporting Prioritization - Management (cont'd)

- Break out data by level of care:
  - Needed for cost report purposes
  - Revenue per Day vs. Cost per Day
- Cost Analysis
  - Staffing Costs
  - Ancillary Costs
  - Inpatient Facility/Contract Costs

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Reporting Prioritization - Management (cont'd)

- Benchmark Comparisons
  - Help management identify and prioritize weaknesses and turn them into strengths
  - Find opportunities within the industry
  - Average Daily Census
  - Average and Median Length of Stay
    - Will affect Reimbursement and cost per patient

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Reporting Priorities - Clinical Management

- Regulatory Compliance:
  - Completion and submission of documentation
    - MD Orders, NOE, CTI, F2F, ABN, Billing/Data Requirements, etc.
  - Compliance with Medicare CoPs
  - Top 10 CMS Survey Deficiencies
  - OIG Work Plan Priorities
  - State Licensure Regulations/Data Requirements
  - Hospice Quality Reporting Measures/QAPI
  - Agency Specific Process Measures

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Reporting Priorities - Clinical Management (cont'd)

- Service Utilization:
  - Number of Visits/Productivity (Weekly or Per Pay Period)
  - Number of Visits per Patient by Discipline
  - On call - Number of visits/calls
  - Staffing (by number, by discipline for each location and level of care)
    - Acuity based or volume based??
  - Supplies/DME
  - Pharmacy
  - Other Ancillary

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Reporting Priorities - Clinical Management (cont'd)

- Caseload
  - Patients per Caregiver by Discipline (MD, RN, HHA, MSW, Chaplain, Other)
  - Supervisors per Case Managers
  - Case Managers per Patient
  - Medical Director per Patient
  - Others
- Basic Census Metrics
 - Admission/Referral Data
  - Location
  - % home
  - % facility

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Reporting Priorities - Clinical Management (cont'd)

- Level of Care
- Diagnosis Groups/LCDs/CA vs. Non-CA Diagnoses
- Deaths/Discharges
- Length of Stay (Discharged Patients)
  - Average
  - Median
- Total Hospice Days
- Separate statistics for Residence/IP Unit

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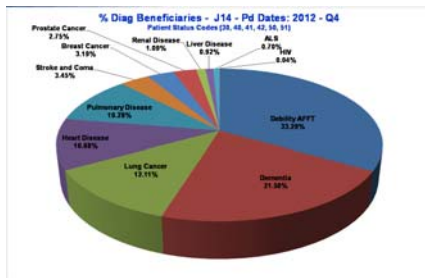**Reporting Priorities - Clinical Management** (cont'd)

Management Trending and Benchmarking
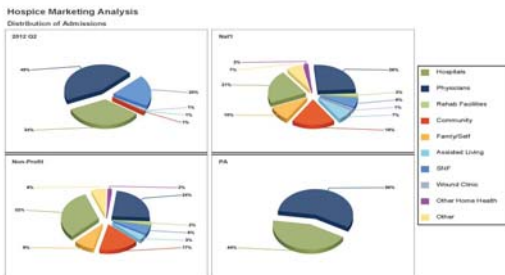
32

Reporting Priorities - Clinical Management Benchmarking

- NHIC Region 1 Data Comparison
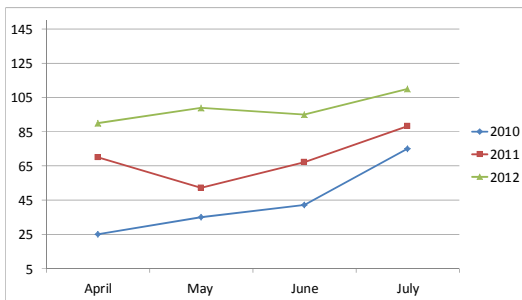

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Reporting Priorities - Clinical Management

Management Trending and Benchmarking

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Total Monthly Admissions Year to Year
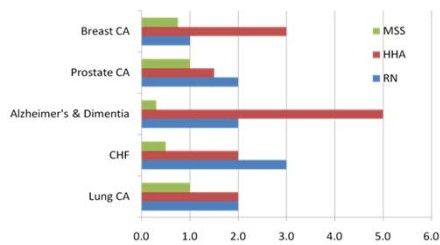

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Benchmarking: Operational

Internal

• Average Visits Per Week-Top 5 Admitting Diagnosis

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Reporting Priorities - Clinical Management

- Quality Assessment/Performance Improvement
  - Clinical Record Review Results
  - Look at Timeliness of Documentation
  - Use of LCDs - Compliance with Documentation
  - FEHC/FEBS
  - QAPI Measures and benchmarking
  - GIP Utilization
  - SNF Coordination
  - Pre Billing Audit Measures
  - Compliance Audits
  - Risk Management

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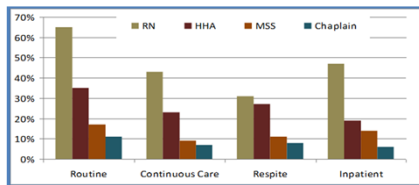### Reporting Priorities - Clinical Management (cont'd)

- Process Measures:
  - What would your Agency like to look at?
    - Pain Measurement/Management
    - Falls Prevention
    - Multi-Factor Fall Risk Assessment
    - Heart Failure symptoms
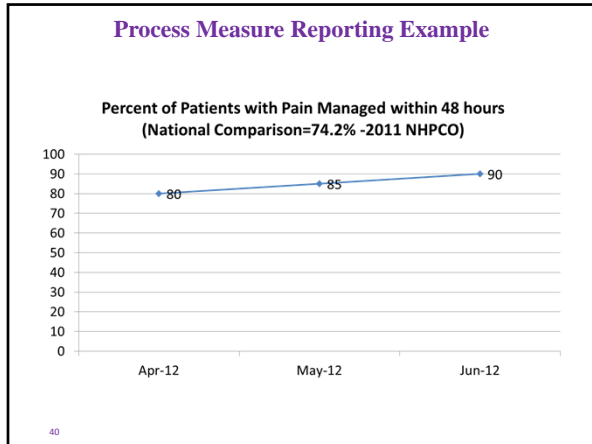   - Medication Reconciliation
    - Bowel Management
    - Other?

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Reporting Priorities - Clinical Management (cont'd)

Management Trending and Benchmarking

- Visits Within 48 Hours of Change in Level of Care

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Process Measure Reporting Example

**Percent of Patients with Pain Managed within 48 hours
(National Comparison=74.2% -2011 NHPCO)**

80	85	90
Apr-12	May-12	Jun-12

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Reporting Priorities - Inpatient Unit/Facility/Residence

- Inpatient Unit - Clinical Data Analysis
  - Revenue per day, include level of care
  - Payer Mix
  - Referrals/Admissions/Conversion Rate
  - Average length of stay
  - Costs per day - direct/indirect/total
  - Contracted Services:
    - Pharmacy/Supplies/DME/Physician
    - Dietary/Housekeeping/Ambulance/Others
    - Staffing utilization - regular and OT

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Reporting Priorities - Staff

- Why is it important and/or useful?
  - Demonstrate quality of care
  - Feedback on performance
  - Possible incentive programs if benchmarks/goals are reached
  - Track performance against budget

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Reporting Priorities - Staff

- Clinical Measures (examples):
  - Pain Management
  - Falls
  - Diagnosis/LCD specific measures
  - Visit Utilization
  - Ancillary Service Utilization
  - Volunteer Utilization
  - Bereavement Services Utilization/FEBS
  - Contracted Services Oversight
  - Coordination of Care (SNF/IP and Community)

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Reporting Priorities - Staff

- Benchmarks/Trending*:
  - Census (Actual and ADC) by Level of Care
  - ALOS/MLOS (ALOS: 69.1; MLOS:19.1) (>7 Days: 35.8%)
  - Admissions
    - By Referral Source (Hosp.; 39.8%; MD: 23.8%; NH:9.8%)
    - By Diagnosis (CA 37.7%/Non CA 62.3%)
    - By Location (Pt. Residence: 49.2)
    - By Level of Care and Payer
  - Conversion Rate (75.6%)

*NHPCO 2011 National Data Set

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Reporting Priorities - Staff

- Benchmarks/Trending*:
  - Deaths/Discharges (Deaths - CA 39.5%/Non-CA 60.5%)
  - QAPI/Quality Measures (74.2%)
  - Family Satisfaction (FEHC: 86.2% Composite)
  - Risk Management/Compliance Measures
    - Infection Control
    - Complaints
    - Incidents/Occurrences
    - Corporate Compliance
  - Process Measures
  - Other??

*NHPCO 2011 National Data Set

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Case Example #1

- <u>Scenario:</u> Your Hospice has been experiencing a 20% decline in admissions in the past 6 months.

  1) What KPIs would you look at to review this issue?
  2) What may be some contributing factors to decline in admissions - what information do you need to know?
  3) Who in the organization does this affect?
  4) Who does this information get reported to?
  5) What may be some potential strategies?
  6) How do you measure your progress?

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Case Example #2

- <u>Scenario:</u> Your Hospice has initiated same day (within 4 hours) admissions (Prior expectation was within 24 hrs., or at request of family/MD. Most admissions occurred 1-2 days after the referral). Same Day Admissions increased from 23% - 70% from 1/13-6/13. Your hospice has an average of 15 referrals per week.

  1) What is the financial impact of this initiative?
  2) What KPIs will you monitor for this project?
  3) Who in the organization does this affect?
  4) How does this impact staffing?
  5) How will you continue to monitor progress?

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Case Example #3

- <u>Scenario:</u> As part of your QAPI program, your Hospice has initiated a protocol to improve the percentage of patients who are treated with an opioid being placed on a bowel regime. Your hospice has seen a decline in the percentage of applicable patients receiving the regime from 70% - 40%.

  1) What KPIs would you look at to monitor this outcome measure?
  2) What may be some contributing factors to the decline in this QAPI measure - what information do you need to know?
  3) Who in the organization does this affect?
  4) How does this affect agency financial operations?
  5) Who does this information get reported to?
  6) What may be some potential strategies?
  7) How do you measure your progress?

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Case Example #4

- Scenario: Your Hospice Inpatient Facility has a bed capacity of 10 with an ADC of 8 with 70-80% GIP level of Care. You are experiencing short ALOS (less than 7 days) due to late admissions.

  1) How does the ADC and percentage of patients at GIP Level of Care impact your clinical and financial operations?
  2) What are some strategies to insure appropriate staffing for your facility?
  3) What other KPIs do you need to monitor?
  4) What are some strategies for improving ALOS and the GIP Census?
  5) Will you be required to collect 15 minute increment visit data in GIP in your facility?

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Staff Engagement and Accountability

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Reporting Prioritization

- #1 – Basics First
- #2 – Start with the big picture
- #3 – Understand how money flows
- #4 – Focus on what's most controllable
- #5 – Dig into the details for a deeper understanding

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Analyzing Data - Key Considerations

- Clinical Data Analysis:
  - Patterns of Care:
    - Overall
    - By Discipline
    - By Program
    - By Team
    - By Location/Branch
  - Look at parameters further and look at patients over a long period of time.
  - What can we celebrate?
  - Are there concerns about how care is provided?

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Tips for Using the Reports

- Accountability
  - Make sure reports are obtained according to schedule
- Review Reports
  - Interpret findings
  - Ask questions
  - Share with staff
  - Praise good performance
  - Identify concerns
  - Take action

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Tips for Using the Reports

- Designate a Report Coordinator
- Identify reports critical to your agency and for your responsibilities
- Determine where the report can be found
- Develop a schedule to review reports
- Develop a team approach to reviewing reports (i.e. team meetings, etc.)
- Train and provide resources as necessary
- Stick to your schedule

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Empower Employees

- Clear definitions create more empowerment
- Creates behavior that looks for quick solutions and creative ways to achieve goal
- Visibility allows employees to work on same goals as management
- Empowered Staff
  - Informed
  - Experienced
  - Team Players
- Rewards? Performance Incentives? Lets Discuss…

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Summary

- Identify indicators which are important to YOUR agency - statistical, operational, clinical and financial
- Focus on results - daily, weekly, monthly and how these results relate to the clinical operational and financial performance of your organization and the ability to serve your community
- Know where and how to compare data
- Provide reports that are **USEFUL, CONCISE and INFORMATIVE, TIMELY and ACCURATE**
- Use this information to determine what future opportunities for service are important and how to best prepare for them

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