

Sandata



From the Top Line to the Bottom Line Protecting Your Agency's Profitability in the Current World

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Sandata Technologies

October 29, 2024



Agency Mission

► Strategic Priorities



Agency Profit & Loss Statement Components

P&L Segment	Definition/Examples	Opportunities for Success
Revenue	Net collected billing	Mix – Services/Payer; Value Based Care; Services Maximization; Capacity Optimization; Revenue Cycle Management; Patient/Client Satisfaction
Less Direct Cost	Expenses directly tied to the production of revenue – Caregiver wages, taxes, benefits, travel? supplies?	Overtime Minimization; Payroll Tax Strategies; Benefits Management; Salaried Staff Productivity; Support Cost Management
= Gross Margin	Net revenue retained after direct expenses	
Less Operating Expenses	Indirect expenses required to support production of revenue – operations staff costs, agency management system/EMR, other technology	Ops Staff Optimization – effectiveness/productivity
= Operating Profit	Earnings before overhead expenses	
Less Overhead Expenses	Ongoing costs to operate the business – supports all above activities – admin staff, rent, office expenses	Procurement, expense management
= Net Income Before Taxes	Remaining profit after all expenses	



80/20 Ruling Impact

In Spring 2024, CMS finalized the Medicaid access rule, mandating that **80% of Medicaid payments** for certain home health services **be allocated to direct care worker compensation**. This rule, **effective July 2030**, aims to enhance the quality of home and community-based services (HCBS).

Financial Feasibility.

- The 80/20 rule may strain the financial viability of HCBS operators due to low Medicaid reimbursement rates.

Access to Services.

- Reduced participation by operators may limit access to home-based services, especially in rural and underserved areas.

Administrative and Operational Burden.

- Compliance requires rigorous tracking and reporting, adding to the administrative workload.
- States must establish hardship exemptions and separate performance levels for small providers, which can be complex.

What You Need To Know



6 years until
ultimate
implementation



Discussions
continue between
industry
stakeholders, CMS,
states, and
legislators



1-2 Presidential
elections between
now and
implementation

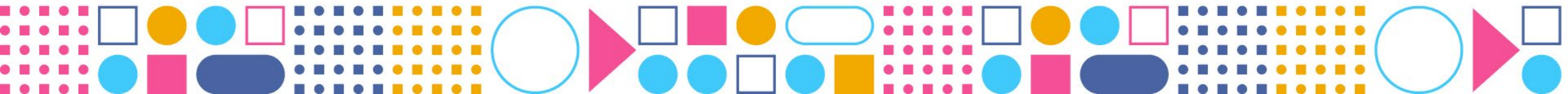


Final model will take
more time to
determine



In the meantime –
innovate!

Revenue





Payer Source Opportunities

- Medicare
- Medicaid programs
- MCO/MLTC Programs
 - PCA, Dual Eligible, Consumer Directed
- “Private” Pay
 - Client or Family
 - Trusts/Guardianships
 - Long Term Care Insurance
 - VA Aid and Attendance Pension
- “Contracts”
 - Certified Agencies
 - Long Term Care Facilities and Hospice
 - Workers Comp
 - VA
 - Non-Profit
- Medicare Advantage

Financial Benefits of Medicaid Participation

- Access to larger market
 - 7.5M enrollees in NY
 - 1.1M dual eligibles
- Steady revenue stream
- Reduced marketing costs
- Economies of scale
- Enhanced reputation
- Access to subsidies and grants
- Long term contracts
- Process uniformity
- Caregiver retention
- Rate support in recent years – cover min wage increases
- Home Health and Home Care services
- Adults, peds, various disabilities (waivers – TBI, NHTD, etc.)
- PACE/MAP programs
- Cases generally longer term, higher service levels



Revenue Volume – Size Matters!



Comprehensive View.

Margin percentages don't tell the full story—total profit in dollars provides a clearer picture of financial health.

Operational Impact.

Actual income in dollars determines your ability to cover costs, invest in growth, and maintain operations.

VBP In a Nutshell – Payment For...

Quality

Outcomes

Value

Activity

**Units/
Quantity**

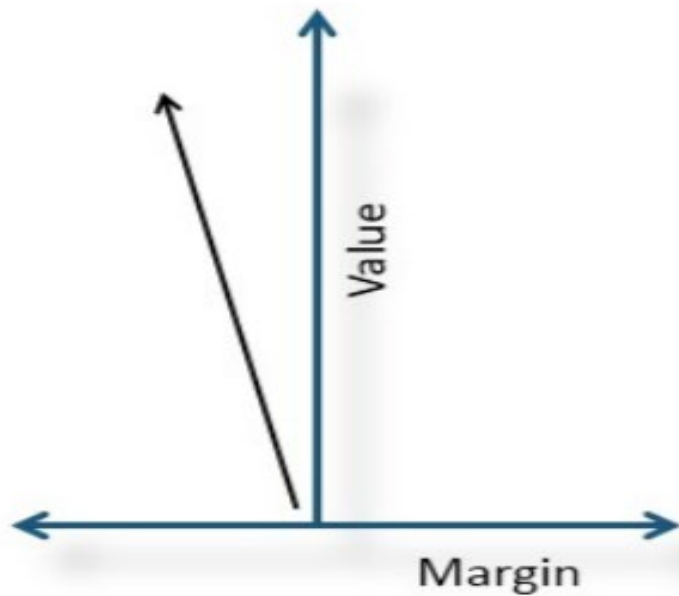
Volume



Value Based Care - Financial Opportunity

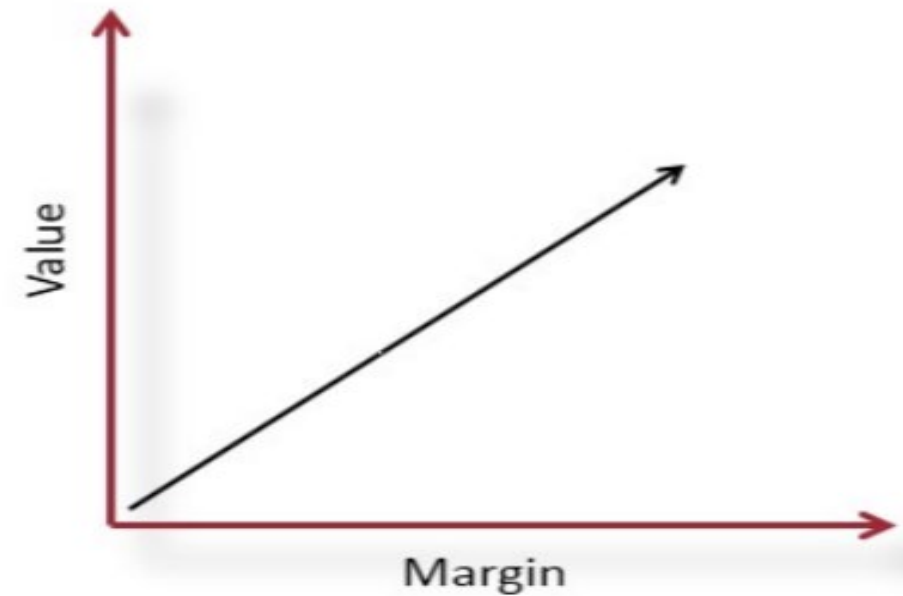
Current State

Increasing the value of care delivered more often than not threatens providers' margins



Future State

When VBP is done well, providers' margins go up when the value of care delivered increases





Value Based Care in NY – Commitment Remains Strong

- ▶ Latest VBP Road Map
 - ▶ 80% of MCO expenditures must be captured in at least level 1 VBP contracts
 - ▶ 35% must be contracted in at least Level 2
 - ▶ Level 2 agreements must capture at least 1 SDOH intervention
 - ▶ SDOH is a priority (and can't be a part of the billable service) – MCO's must share cost with contractor
- ▶ MCO's are taking it seriously:
 - ▶ Fidelis partnerships with Yuvo Health and Cityblock
 - ▶ Healthfirst partnerships to implement evidence-based interventions to improve health equity
- ▶ MCO executive recommendations to providers
 - ▶ Increased interaction with case managers and referrals to other provider types
 - ▶ Invite providers to approach with data-driven programs



Revenue Maximization: Provided Services

- ▶ Authorization/Schedule Management
- ▶ Minimize missed shifts
- ▶ Maximize patient satisfaction
- ▶ Increase EVV usage and adoption
- ▶ RN assessment billing where allowed
- ▶ Track rate increases and bill – retro if needed

Revenue/Quality Maximization – Services Provision Opportunities

Missed Services

- ▶ May show up as unconfirmed shifts

Underserved and Lost Clients

- ▶ Authorized but not scheduled cases
- ▶ Late shift starts/early clock-outs
- ▶ Call-outs, substitutions, schedule changes
- ▶ Client complaints
- ▶ POC compliance
- ▶ Caregiver observations/condition changes/advocacy

Reports

- ▶ Proposed vs Actual times
- ▶ Hours authorized but not scheduled
- ▶ Hours scheduled vs served
- ▶ Client discharges
- ▶ Client list with last scheduled date
- ▶ Hospitalization or other absent status



Revenue Maximization: Capacity Management

Keep in mind:

- “He who has the most caregivers wins.”
 - “It’s less expensive to retain than to recruit.”
 - “If you invest in your workers they will be vested in your business.”
- ▶ Maximize caregiver satisfaction
 - ▶ Quick applicant processing
 - ▶ Put them to work right away and keep them working
 - ▶ Maintain supportive communication
 - ▶ Benefits management
 - ▶ Training/mentorship/career development
 - ▶ Establish internal disciplines + leverage partnerships and technology

Staffing – Metrics and KPI's

Capacity

- ▶ Overtime
- ▶ Unfilled cases / time to SOC / referral conversion rate
- ▶ Missed visits

Onboarding/Utilization

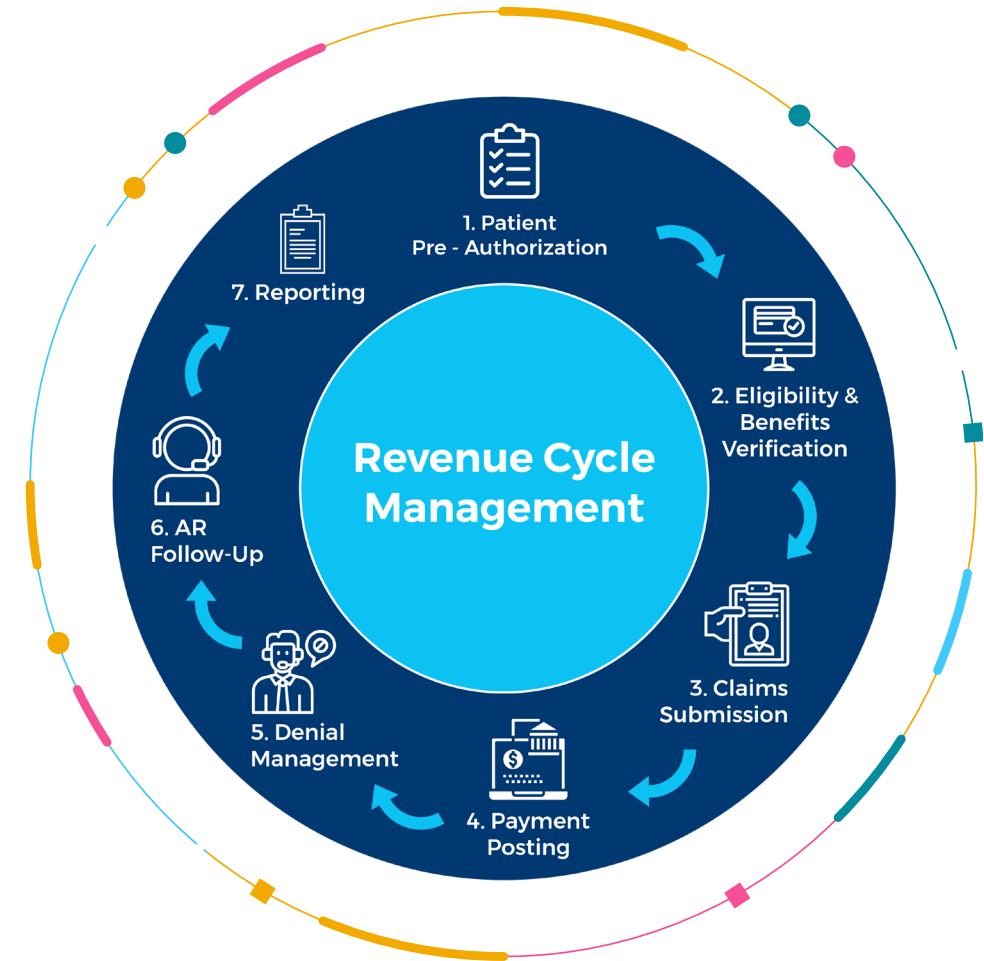
- ▶ Hours worked vs hours desired
- ▶ Time from DOH to first case
- ▶ Time from application to DOH
- ▶ Productivity – salaried staff

Retention/Turnover Rates/Staff Quality

- ▶ Retention – # employees here at beginning and end of period / # employees at start of period X 100
- ▶ Turnover – # separations during the period / Average # employees during the period X 100
- ▶ Employee satisfaction
- ▶ Training hours / required completions
- ▶ Compliance – exclusions, immunizations

Revenue Cycle Management – General Concepts

- ▶ Revenue Cycle: the series of steps that must be executed to ensure you are paid for services quickly and completely
- ▶ Revenue Cycle Optimization:
 - ▶ Minimize Payment Timeline
 - ▶ Maximize Payment Throughput
 - ▶ Maximize the provision of authorized services



Percent Collected of Net Revenue

Example Agency						
Billed vs Applied Dollars By Month						
Month	Billed	Adjustments	Net Billed	Deposits	Difference	Deposits % Net Billed
22-Jan	\$194,239	(\$508)	\$193,731	\$75,041	\$118,690	38.7%
22-Feb	\$189,312	(\$12,419)	\$176,893	\$150,063	\$26,830	84.8%
22-Mar	\$208,453	(\$5,094)	\$203,359	\$112,363	\$90,996	55.3%
22-Apr	\$199,312	(\$10,319)	\$188,993	\$211,363	(\$22,370)	111.8%
22-May	\$201,326	(\$440)	\$200,886	\$200,295	\$591	99.7%
22-Jun	\$209,127	(\$1,384)	\$207,743	\$56,286	\$151,457	27.1%
22-Jul	\$179,279	(\$15,332)	\$163,947	\$69,892	\$94,055	42.6%
22-Aug	\$182,872	(\$27,808)	\$155,064	\$285,566	(\$130,502)	184.2%
22-Sep	\$222,602	(\$12,030)	\$210,572	\$151,727	\$58,845	72.1%
22-Oct	\$210,041	(\$21,049)	\$188,992	\$209,972	(\$20,980)	111.1%
22-Nov	\$199,613	(\$2,427)	\$197,186	\$184,092	\$13,094	93.4%
22-Dec	\$224,520	(\$12,782)	\$211,738	\$295,643	(\$83,905)	139.6%
23-Jan	\$216,926	(\$2,207)	\$214,719	\$152,369	\$62,350	71.0%
Totals	\$2,637,622	(\$123,799)	\$2,513,823	\$2,154,672	\$359,151	85.7%
		-4.70%				



Patient/Client Retention and Referrals

▶ **Patient/Client satisfaction:**

- ▶ Customer feedback / customer experience surveys - eg - Press Ganey
- ▶ Net Promoter Score (NPS) - measure used to gauge patient/client loyalty, satisfaction and enthusiasm. One question - "On a scale from 0-10, how likely are you to recommend our agency to a friend or relative?"
- ▶ Google, Yelp reviews
- ▶ Complaints
- ▶ Inquiry response times
- ▶ Reference - NAHC - Home Health Compare



Revenue

Track and Trend by

▶ Impactors:

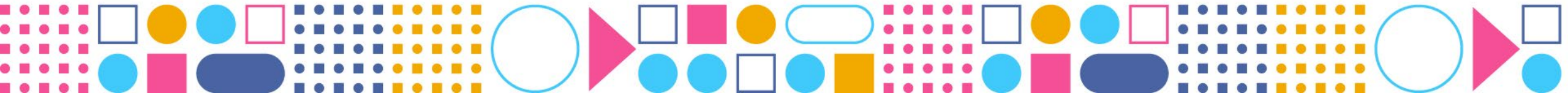
- ▶ Service line
- ▶ Payer
- ▶ Location
- ▶ Patient/Client
- ▶ Referral source
- ▶ Salesperson
- ▶ Employee (field/office)
- ▶ Average hourly/visit /case
- ▶ Understand impact of rate changes

- Determine tracking frequency – weekly, monthly, quarterly, annually,
- “Flash” metrics

Leading Indicators

- ▶ Hours / visits / cases – served / authorized
 - ▶ Pipeline: referrals, admissions – started/awaiting start
 - ▶ Census/new admissions vs discharges
- ▶ Determine tracking frequency – weekly, monthly, quarterly, annually,
- ▶ “Flash” metrics

Direct Costs





Payroll and Cost Management Tips

- Wage management
 - Manage different programs with premium pay rates (eg – private pay vs Medicaid)
 - Holiday, weekend, and other differentials – watch bill rates
 - Correct employee setup – watch case-type mixing
 - Pay rates, benefits deductions, blended OT calculation, hours reporting
- New minimum wage rates - request rates to cover
- Overtime management

Mitigation Management Opportunities: Margin Impact – Overtime

\$1.5M ARR PCA Agency	Scenario	
	1	2
Reimbursement Rate	\$30.00	\$30.00
Pay Rate (\$19.62 +20% TF)	\$23.54	\$23.54
OT Rate (excludes WP)	\$32.79	\$32.79
Annual Hours	<u>50,000</u>	<u>50,000</u>
Reimbursement	\$1,500,000	\$1,500,000
ST Pay	\$1,177,000	\$1,177,000
OT Premium Paid (0 vs 10%)	<u>\$0</u>	<u>\$54,595</u>
Total Cost	<u>\$1,177,000</u>	<u>\$1,231,595</u>
Margin	<u>\$323,000</u>	<u>\$268,405</u>
Margin %	21.5%	17.9%

Mitigation Management Opportunities: Margin Impact –FUTA/SUTA

	Wage Base	Base Rate	Max Rate	Use			
FUTA	\$7,000	0.60%	6%	0.60%			
SUTA	\$12,500	2.10%	9.90%	6.00%			
PCA:							
Weekly Hours	Annual Hours	Rate (1)	Total Wages	FUTA Cost	SUTA Cost	Total	Eff Rate
10	500	\$19.62	\$9,810	\$42	\$589	\$631	6.4%
20	1,000	\$19.62	\$19,620	\$42	\$750	\$792	4.0%
30	1,500	\$19.62	\$29,430	\$42	\$750	\$792	2.7%
35	1,750	\$19.62	\$34,335	\$42	\$750	\$792	2.3%
40	2,000	\$19.62	\$39,240	\$42	\$750	\$792	2.0%
RN:							
Weekly Hours	Annual Hours	Rate (2)	Total Wages	FUTA Cost	SUTA Cost	Total	Eff Rate
10	500	\$42.84	\$21,420	\$42	\$750	\$792	3.7%
20	1,000	\$42.84	\$42,840	\$42	\$750	\$792	1.8%
30	1,500	\$42.84	\$64,260	\$42	\$750	\$792	1.2%
35	1,750	\$42.84	\$74,970	\$42	\$750	\$792	1.1%
40	2,000	\$42.84	\$85,680	\$42	\$750	\$792	0.9%

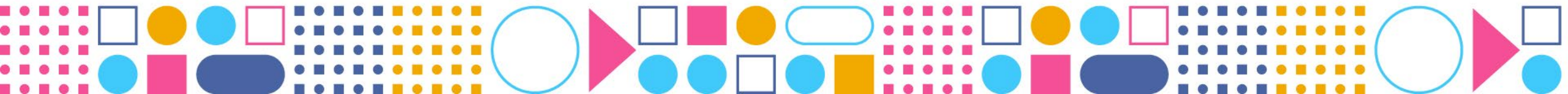
Work Opportunity Tax Credit

- Federal tax credit for businesses designed to aid employment of individuals in targeted groups
- Demographics of caregiver population increases likelihood of eligibility
- Credit = \$2,400 to \$9,600 per qualified hire
- Credit applies against business income tax
- Support partners – most payroll services, dedicated vendors, integrated technology providers



Workers Compensation Insurance

- Safety culture and programs – meetings, training, culture – clinical, ops, field teams
- Injury management programs – quick response, return-to-work, communication and monitoring
- Data and analytics review – claims data, trends and patterns, tracking technology
- Fraud prevention – education, investigation
- Quality insurance carrier – should bring consultation, management programs, technology



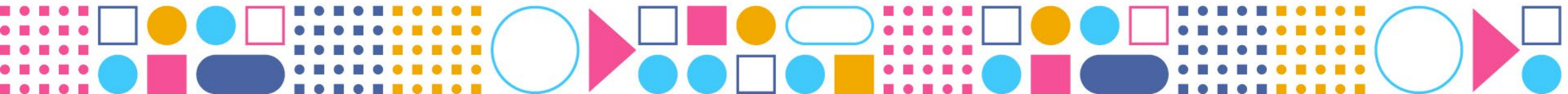
Invest in Benefits to Home Care Workers?

Common Benefits Options:

- Health Benefits – health insurance, dental, vision
- Training & Professional Development
- Retirement Plans
- Paid Time Off (PTO)

Beneficial Impactors:

- Eliminate Wage Parity Payments
- Facilitate recruitment/retention
- Reduce sick call outs
- Increase employee hours
- Optimize case staffing
- Improve care quality
- Benefit revenue



Caregiver Productivity

Maximize Billable Hours:

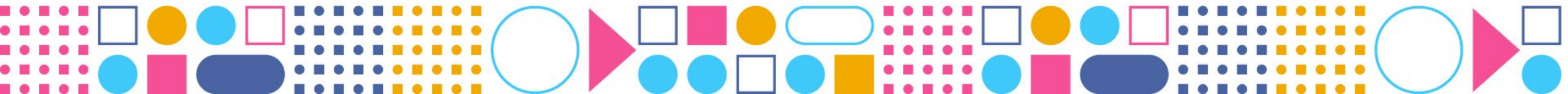
- Reduce administrative time
 - Travel
 - Paperwork
 - Training/in-service

Beneficial Impactors:

- Benefit revenue
- Reduce cost of paid non-billable time
- Improve data collection
- Improve care quality
- Improve employee satisfaction
- Optimize case fulfillment

Vehicles:

- Technology
 - EVV
 - Case broadcast
 - Training Apps
 - AMS Features/Functionality
 - BI - Compliance
- Policies



Gross Margin





Gross Margin Dollars and Percentage

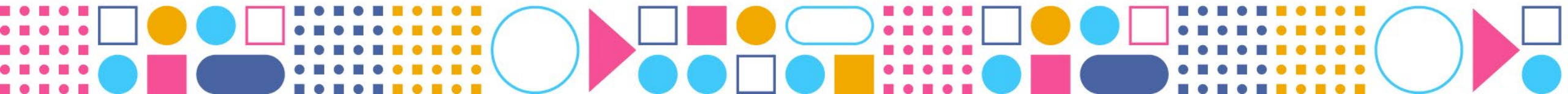
- ▶ Definition – Revenue - Direct Costs

$$\text{Direct Costs}^* = \text{Caregiver Gross Wages} + \text{Taxes} + \text{Fringe} + \text{Ancillary}$$

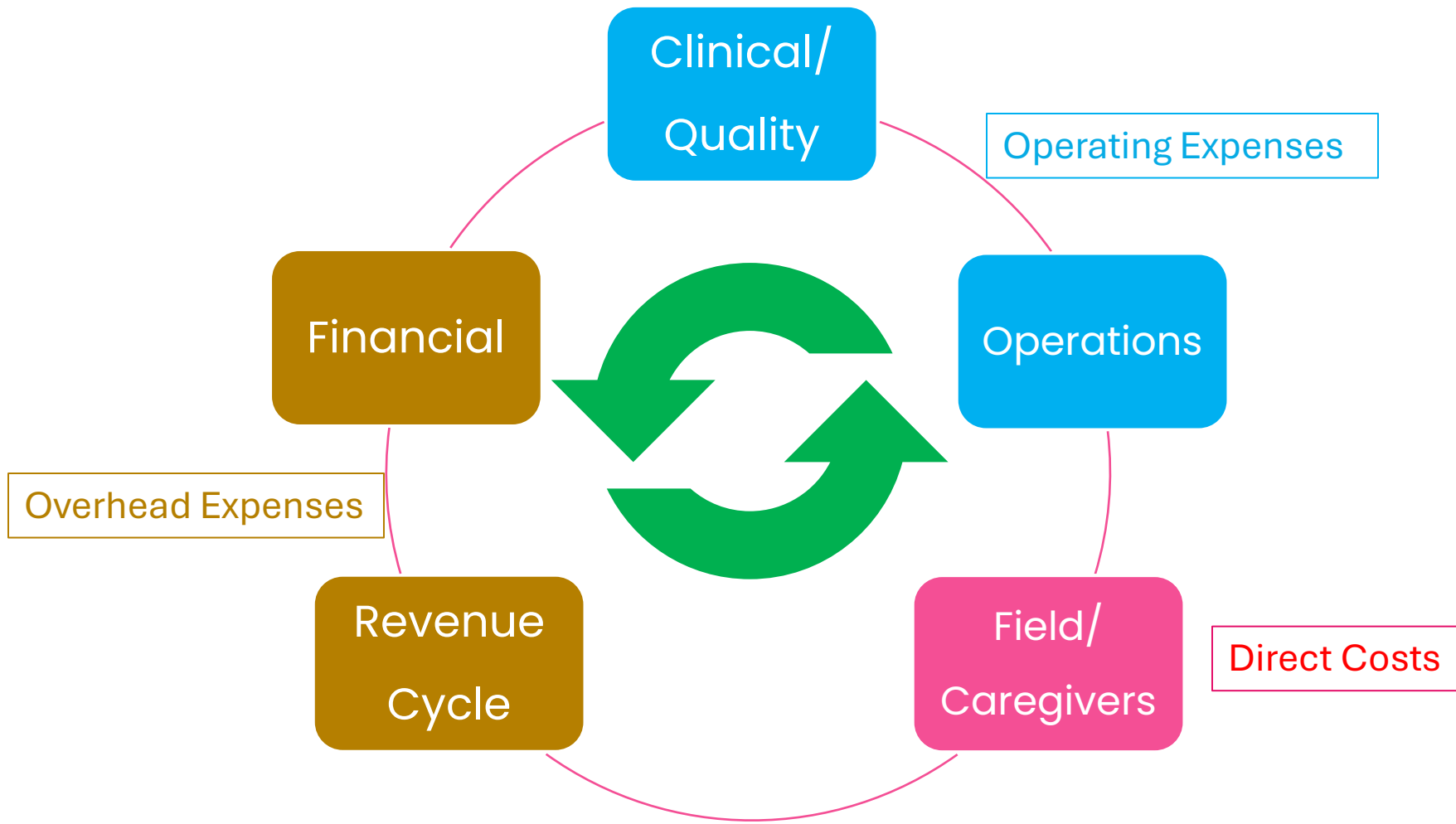
- ▶ Gross Margin Percent = Gross Margin / Revenue

* Be sure to include salaried/contracted caregivers, overtime, transportation, supplies(?)

Operating Expenses



Functional Dependencies For Agency Success



Operations Support

Functions/Departments:

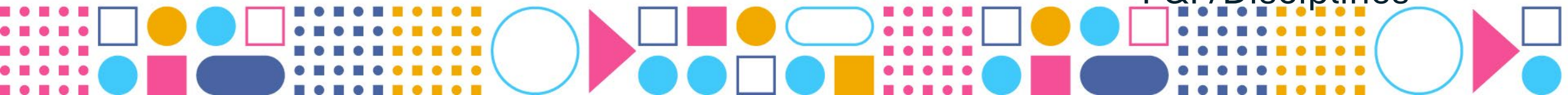
- Clinical Management / Support
- Intake – Eligibility/Benefits/ Authorization (EBA)
- Human Resources – Staffing
- Scheduling / Coordination

Beneficial Impactors:

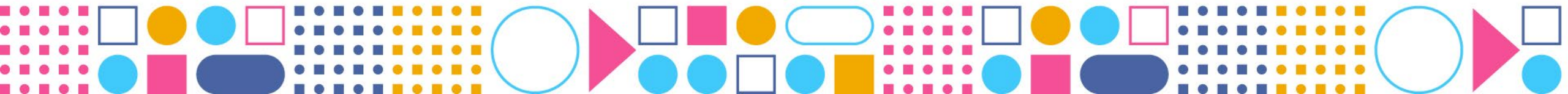
- Increase Productivity
- Optimize Effectiveness
- Improve care quality
- Improve caregiver satisfaction
- Improve collections
- Reduce cost

Vehicles:

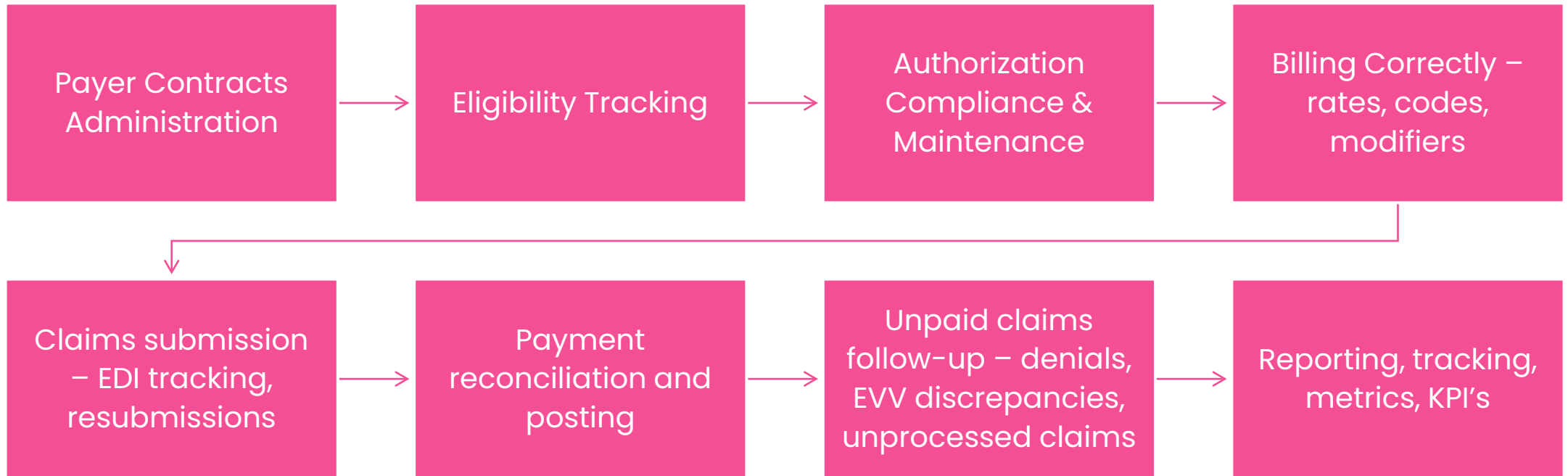
- Technology
 - EVV
 - Case broadcast
 - Training Apps
 - AMS-EMR Features/ Functionality
 - BI – Compliance
 - Supportive integrations
- P&P/Disciplines



Overhead Expenses



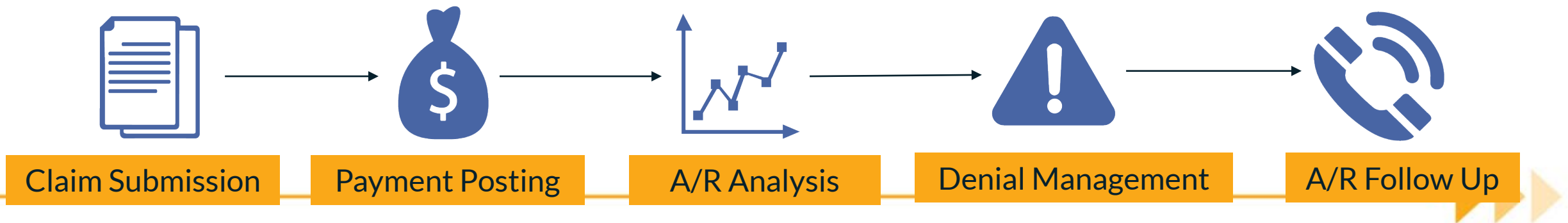
Revenue Cycle Management Processes

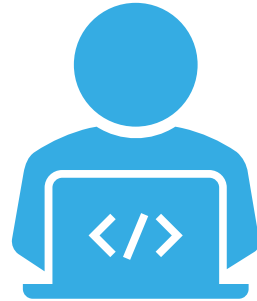


Note: Non-optimal RCM performance impacts net collected revenue and admin cost, thereby decreasing profitability

Revenue Cycle Management Broader Benefits

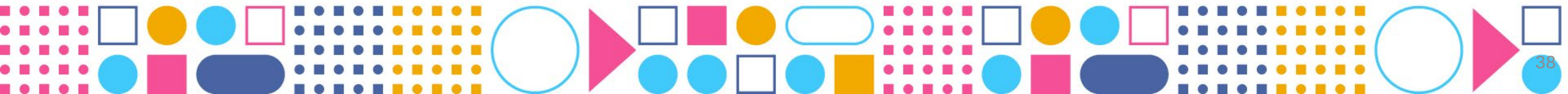
- ▶ Effective/efficient RCM process affords staff and management the time to focus on quality
- ▶ RCM resources can be re-purposed to support client care (intake, coordination, customer service, caregiver support)
- ▶ Full and timely payment provides resources for investments in training, clinical management, technology





Financial Departments

Where Do We Fit?





Finance & Analytics

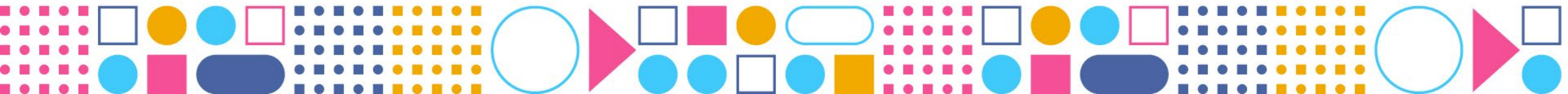
- ▶ Skillsets:
 - ▶ Data analysis – relate cause and effect
 - ▶ Agency management system / EMR – data compilation – queries and reports
 - ▶ Comprehensive analytics and reporting tools – Excel, Access, BI Platforms
 - ▶ Forecasting, Budgeting, Performance/Cost Analysis
 - ▶ Understanding of clinical, operational and revenue cycle processes



Finance & Analytics

- ▶ Broader thinking:
 - ▶ Use current data to project forward activities
 - ▶ eg – percent of residents over 70? How do we plan to replace them?
 - ▶ eg – minimum wage increase – will current reimbursement cover? What is cost per individual?
 - ▶ Support Executive Director
 - ▶ Do they know what questions to ask?
 - ▶ How do we get them out of day to day – eg – RCM?
 - ▶ What's the math of our different businesses – residential, facility, home, adult day
 - ▶ Grant funding – maintain and report / re-apply?

Technology



Total Clients

205

Client Management Summary

Active Programs

193

Inactive Programs

32

Unscheduled Clients

22

Pending Programs

5

Expired Authorizations

50

Expiring Authorizations

23

CREATE CLIENT

Search here

FILTERS

EXPORT

CLIENT	CLIENT ID	MEDICAID ID	Program	Status	Payor	Service	SOC Date	Supervisor	Authorization	Auth Expiry Date
Baldwin, John	12345	845927472	VNS Choice Plan	Active	PrimedHealth Inc	CCINS, DTS	06/02/2023	Wright, Lucy	0384758659	01/02/2024
Smith, John	75847	739485768	ODP Program	Active	MedStar	HHA, PCA	03/01/2023	Jones, Jack	1849374859	01/12/2023
			Centerlight	Active	United Healthcare	CCINS, SN	06/02/2023	Smith, John	0384758659	01/02/2024
Adkins, Hana	95028		Centerlight	Active	Aetna	PCA	06/02/2023	Hernandez, Sophia Jennifer	0384758659	01/02/2024
			VNS Choice Plan HealthMed Program 12345	Active	PrimedHealth Inc	RN, SN	12/02/2023	Smith, Anna	1738593958	15/02/2024
Aguilar, Alessandra	74923		Centerlight	Active	Humana	HHA	06/02/2023	Hale, Anna	0384758659	01/02/2024
Smith, Katherine	94730	1122849500	Centerlight	Active	United Healthcare	CCINS, DTS	06/02/2023	Hernandez, Sophia Jennifer	0384758659	01/02/2024
			VNS Choice Plan HealthMed Program 12345	Active	MedStar	RN, SN	12/02/2023	Smith, Anna	1738593958	15/02/2024

25 / 100 of 1000 entries

1 2 3 4 5 ... > >>

Visit Maintenance

HISTORY NOTES

Navigate Modules

Dashboard

Clients

Employees

Scheduling

Visit Maintenance

Payroll

Billing

Reports

Security

Online Manual

Search here

FILTERS

EXPORT

Filter by: DATE RANGE EXCEPTIONS TYPE VISIT STATUS TABLE OPTIONS

	VISIT DATE	CLIENT NAME	EMPLOYEE NAME	SERVICE	SCHEDULED TIME IN	SCHEDULED TIME OUT	SCHEDULED HOURS	CALL IN	CALL OUT	CALL HOURS	BILL HOURS	TASK	VISIT STATUS
No Signature	10/28/2023	Parino, Salvatore		HHA	08:00 PM	08:30 PM	00:30	No Call In data		-	-	-	Incomplete
	10/26/2023	Gunnmeister, Ursula		HHA	09:00 PM	10:00 PM	01:00			-	-	-	Incomplete
GPS Exception	10/28/2023	Malone, Kevin	Huston, Stanley	HHA	11:00 AM	12:30 PM	01:30	08:01	No Call Out data	-	-	-	Incomplete
	10/23/2023	Bernard, Andrew	Green, Al	HHA	08:00 AM	09:00 AM	01:00	08:01 AM		-	-	-	Incomplete
	10/24/2023	Hannon, Erin	Bernard, Andrew	HHA	01:00 PM	02:30 PM	01:30			-	-	-	Incomplete
	10/23/2023	Huston, Stanley	Tone, Miles	HHA	11:00 AM	12:00 PM	01:00			-	-	-	Incomplete
	10/28/2023	Parino, Salvatore	Smith, Jane	HHA	08:00 PM	08:30 PM	00:30	08:01 PM	08:29 PM	00:28	00:30	3	Complete
	10/28/2023	Tone, Miles	Smith, Jane	HHA	09:00 AM	09:30 AM	00:30	09:00 AM	09:31 AM	00:31	00:30	5	Complete
	12/21/2023	Flenderson, Toby	Cumin, Brian	HHA	01:00 PM	02:30 PM	01:30	-	-	-	-	-	Incomplete
	12/20/2023	Bratton, Creed	Hannon, Erin	HHA	08:00 PM	08:30 PM	00:30	-	-	-	-	-	Incomplete

10 of 10 entries

1

Billing Dashboard

Billing / Dashboard

Account: 60138 [US/Eastern] - SANTRAX [CARE CONNECT](#) [LOG OUT](#)

04/09/2023 4/10/2023

Dashboard Payer

Total Visits	Total Claims
346	76 \$12,433.27

Most Frequent Reject Reasons

1. Missing referring provider taxonomy code
2. Missing diagnosis code
3. Missing ID is out of network

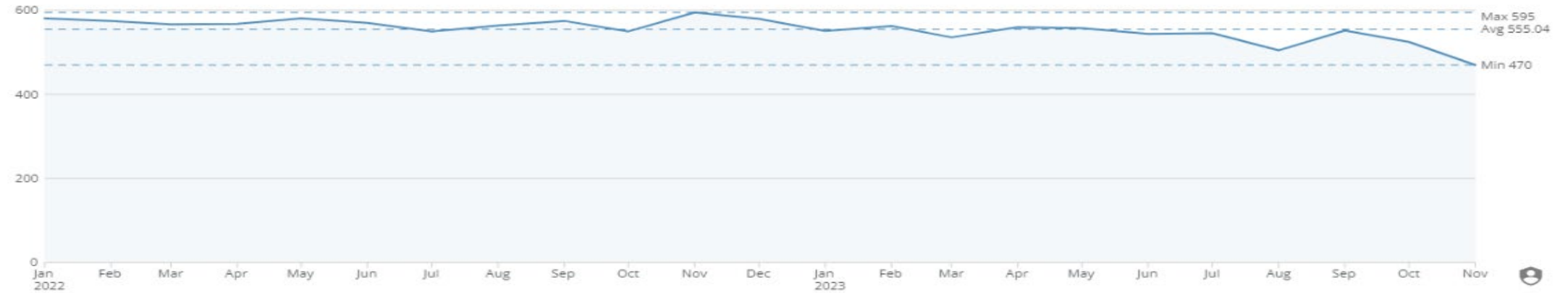
Visit with Exceptions	Unbillable Visits	Rejected Claims	Overdue Claims
10	12 \$1,345.30	7 \$1,345.30	56 \$5,843.37

Sandata

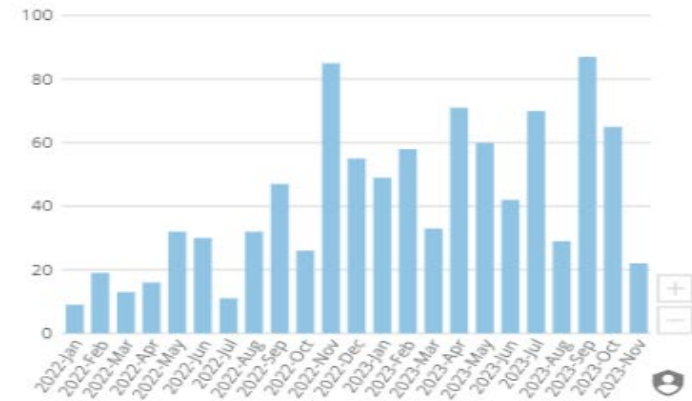
- Navigate Modules
- Dashboard
- Clients
- Employees
- Scheduling
- Visit Maintenance
- Payroll
- Billing
 - Dashboard
 - Visits
 - Batches
 - Rates Management
 - Sandata Admin
- Reports
- Security
- Online Manual

Statistics

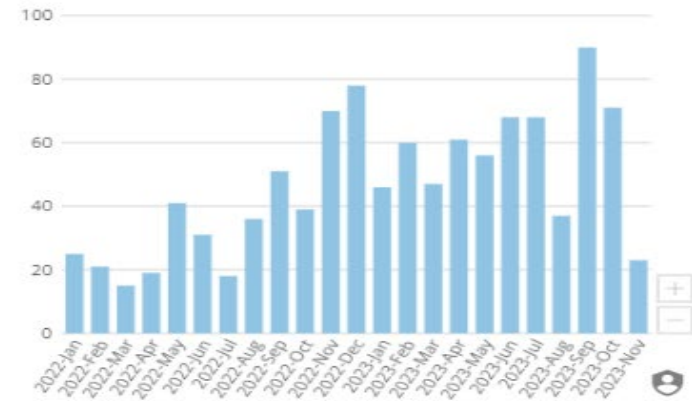
Census by Month
by Month



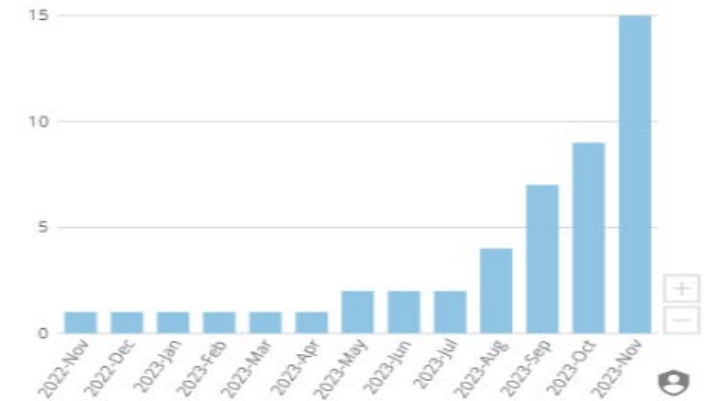
Admissions by SOC
by Month



Discharges by End of Care Date
by Month

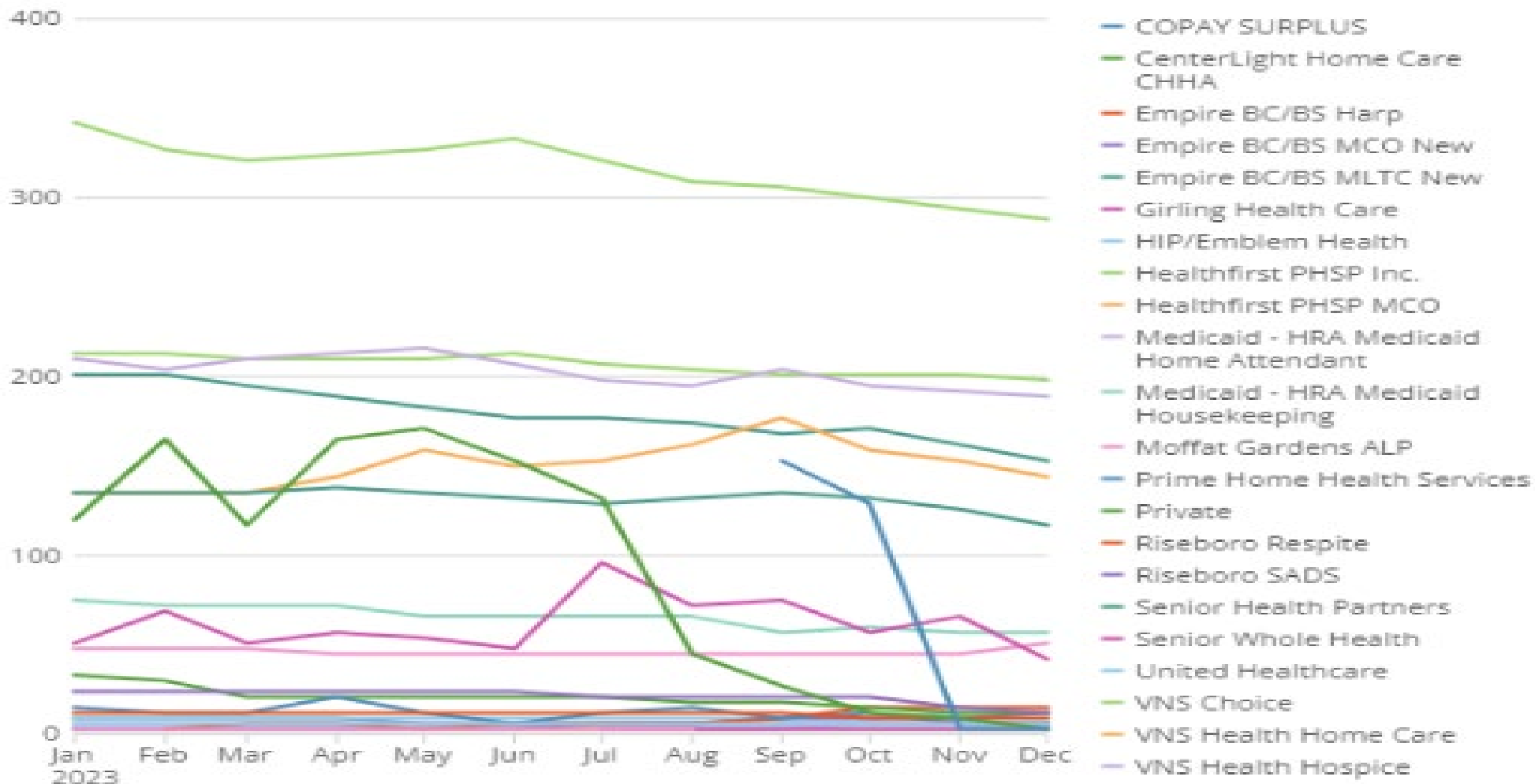


Current Holds by Month
by Month

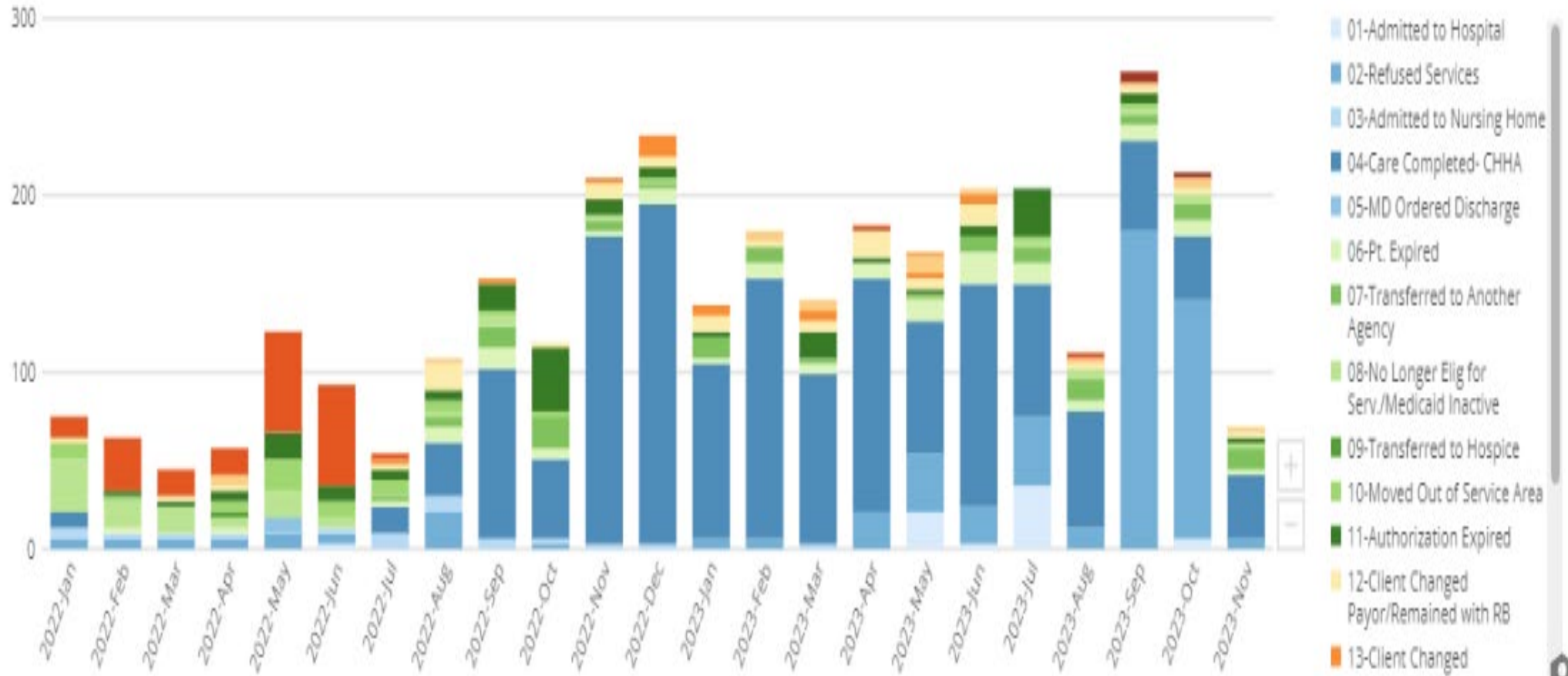


Census by Month and Payer

by Month

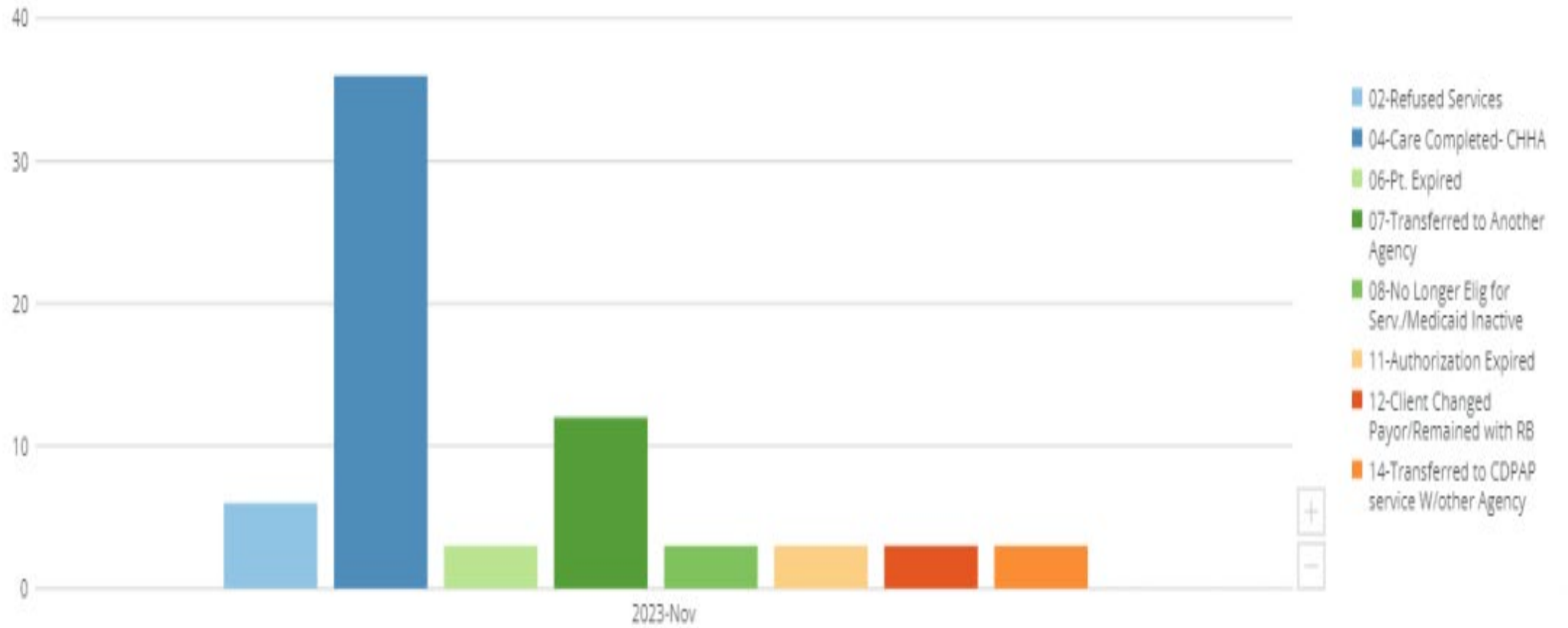


Discharges by End of Care with Reason by Month





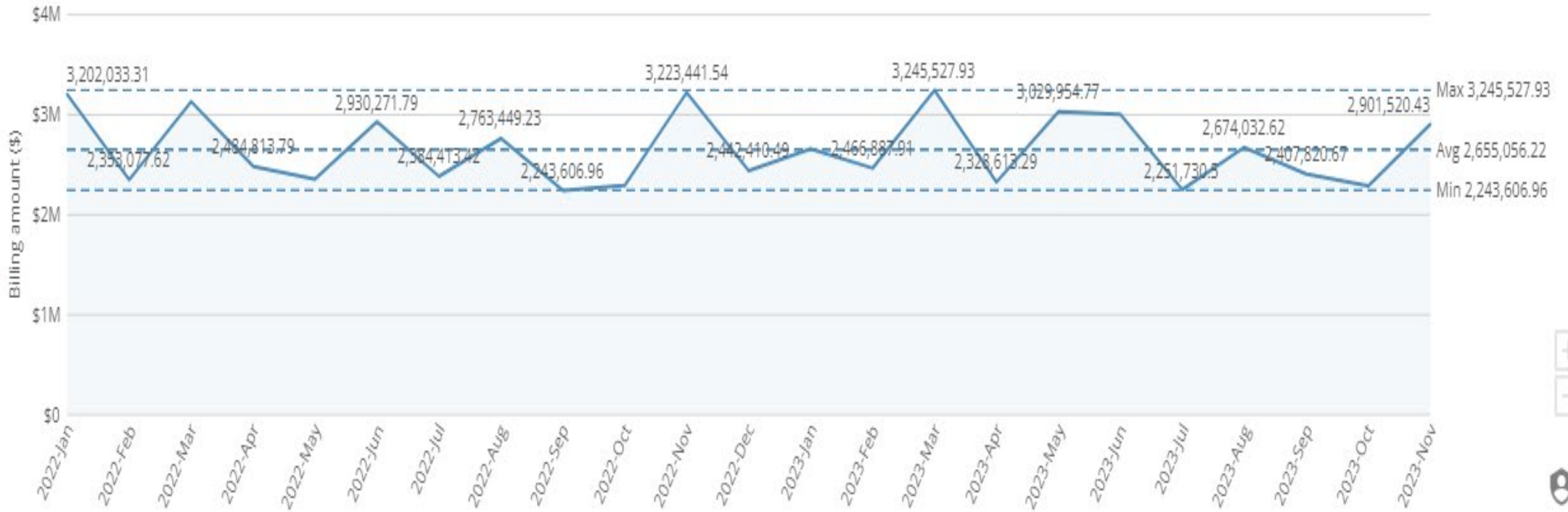
Current Month Discharges with Reason for Change by Month



Billing

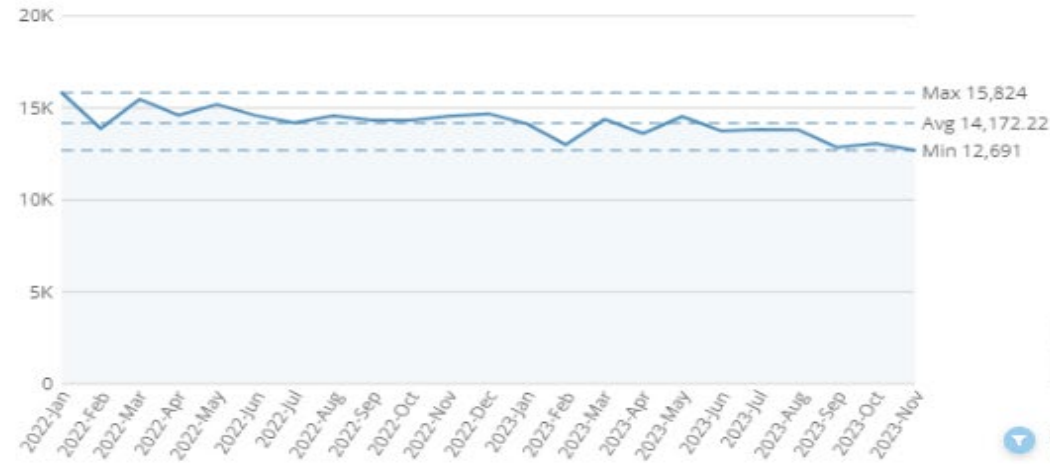
Monthly Billing by Month

26.77% Change Format Month

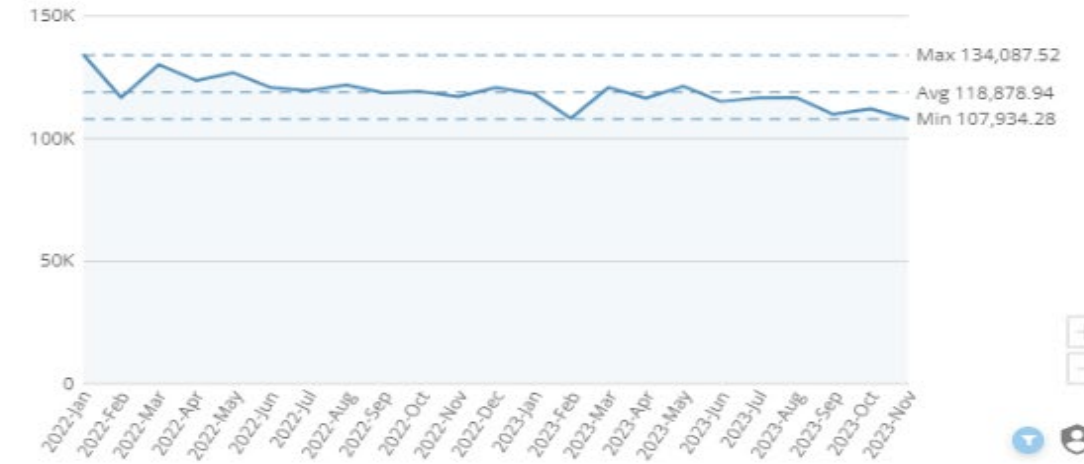


Scheduled Events

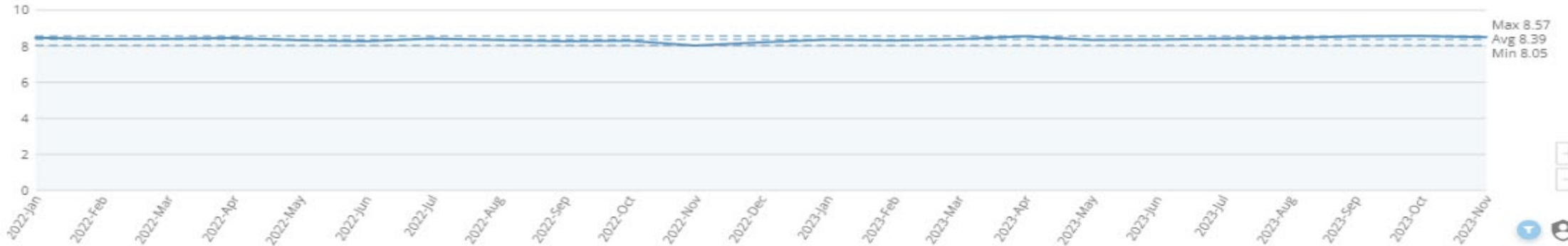
Count of Scheduled Events by Service Date by Month



Sum of Proposed Hours by Service Date by Month



Average Hours per Visit by Month



Active Employees

Total

43

No Schedule

6

Applicants

3

Running Out

6

Compliance Issue

12

CREATE EMPLOYEE

Search here

FILTERS

EXPORT

NAME	STATUS	POSITION	EMPLOYEE ID	HIRED DATE	COORDINATOR	CONTRACTOR	RELEASED DATE	UPDATE AS OF
Doe, John	Active	Personal Care Worker	678901	01/16/2023	Price, Mae	-	-	-
Adams, Samantha	Active	Caregiver	123456	05/15/2023	Johnson, Mark	Smith, Jane	-	-
Davis, Michael	Active	Nurse	456789	08/10/2023	Williams, Robert	Turner, James	-	-
Fisher, Emily	Active	Physician	567890	04/05/202	Davis, Michael	Taylor, Alex	-	-
Ingram, Daniel	Active	Caregiver	789034	09/01/2023	Anderson, Sarah	Williams, Robert	-	-
King, Nicholas	Active	Nurse	765432	07/10/2023	Turner, James	Baker, William	-	-

6 of 6 entries

< < 1 > >



BI – Dashboards – Features to Look For

- ▶ Interactive / Visualizations
- ▶ Trended performance over time
- ▶ Drilldowns
- ▶ Scalable – Organization, State/Agency, Location, Payer. Coordinator, Caregiver
- ▶ Allow view access by function



BI – Dashboards – Content Segments

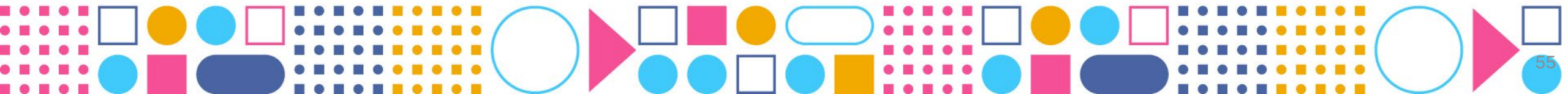
- ▶ Client/Patient Activity / Metrics
- ▶ HR & Productivity – employee/applicant status & demographics
- ▶ Billing & Finance – RCM data
- ▶ Schedule/Visits – scheduled, cancelled, authorization status
- ▶ Executive – high level + drill down



Leadership's Role: Drive Multi-Department Integration

"The most important element is receiving direction from leadership that gets everyone on the same page."

Source – Rev Cycle Intelligence

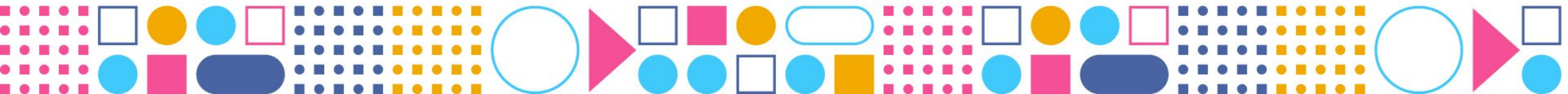


Questions?

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Sandata



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