Fair Meadow Nursing Home Operational Assessment

Presented by

Health Dimensions Group

Health Dimensions Group Presenters

Kathy Karr
Manager, Consulting Services

Tammy Golkowski
Director, Business Office Consulting

Brian Ellsworth, MA
Director, Payment Transformation

Michelle Kastenholz
Director, Therapy & Reimbursement Consulting

Stephanie Cyrus
Senior Financial Consultant

Michael Riley
MDS & Reimbursement Consultant

Matthew Giedd
Consultant, Financial Analysis & Reimbursement

Shannon Thompson
Benefit Specialist

Introduction

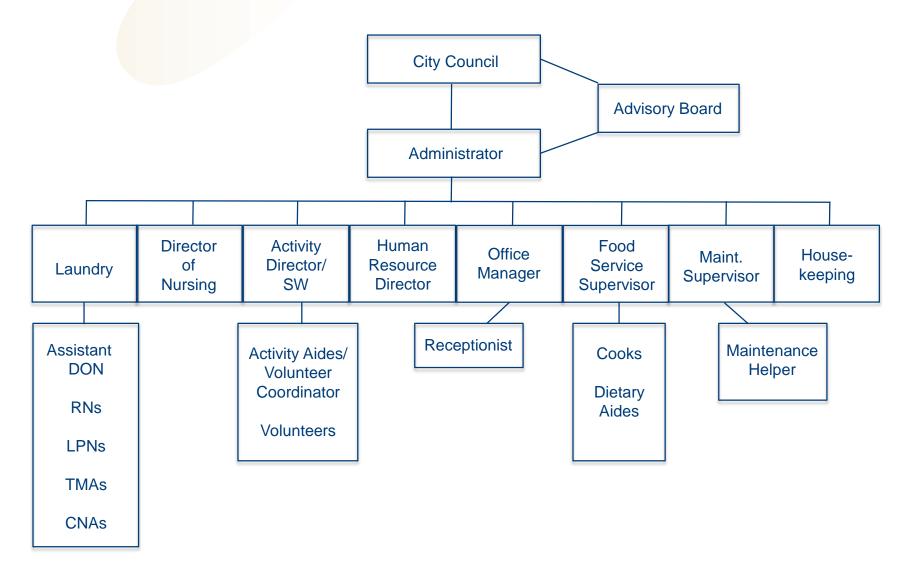# Fair Meadow Nursing Home General Observations

- Built in 1967, facility recently celebrated 50th anniversary

- Skilled nursing facility originally had 83 licensed beds; recently renovated to transition to 42 licensed beds—all private rooms with private bathrooms

- Facility is well maintained for its age

- Approximately 3 years ago, facility added 19-unit attached assisted living wing

- Residents appear happy and well cared for

Fair Meadow Nursing Home Organizational Structure

Organizational Structure
Recommendations

HDG Recommendations	Key Benefits/Considerations	Timing
1. Develop/revise personnel policy to clearly define administrator's scope of authority (contract management, purchases, capital expenditures, and compensation adjustments)	• Clear direction for effective decision-making and clarification of authority as administrator leads the care facility	60–90 days
2. Define Advisory Board's role and qualifications of its members to provide clear direction for effective decision-making and structuring a partnership to best serve the City.	• Clear direction for effective decision-making and structuring a partnership to best serve the City	60–90 days

Financial Assessment

Financial/Benchmarking Summary

HDG conducted a review of Fair Meadow's financial performance compared to benchmarks with a focus on identification of opportunities for cost savings, as well as a fiscal review.

Key areas reviewed included:

- Cost per patient day analysis (PPD)

- Hours worked PPD for nursing and other departments

- Employee benefit expenses

- Medicare versus Medicaid rate comparison

Financial/Benchmarking Summary (continued)

Costs per Patient Day (PPD)
Expense Benchmark Comparison

Department	2016	2017	A	B	C	D	E	F	Average	MW 50th	VIG MN
Nursing	115.49	120.62	79.50	68.86	91.69	83.22	88.49	85.01	82.80	74.86	98.08
Social Services/Activities	15.80	17.28	6.53	6.46	7.14	9.92	6.38	5.30	6.95	3.88	7.00
Ancillary	7.59	5.34	18.83	13.21	16.13	13.03	21.65	18.69	16.92	21.04	23.79
Plant Operations	20.57	24.49	9.00	12.14	13.08	10.83	13.50	9.21	11.29	11.38	12.59
Housekeeping/Laundry	11.66	12.34	5.41	8.39	8.07	8.83	11.06	9.03	8.47	8.13	9.37
Dietary	24.22	21.45	13.58	20.51	17.26	19.26	20.83	21.93	18.90	17.88	21.84
G&A	32.50	33.56	40.79	39.58	27.31	30.34	58.37	61.36	42.96	40.46	38.59
Benefits	50.35	50.41	15.62	36.74	20.22	25.95	24.77	27.17	25.08	18.83	26.78
Total Operating Expenses	278.18	285.49	189.26	205.89	200.89	201.39	245.04	237.70	213.36	196.46	238.04

MW 50th = Midwest 50th Percentile
V& IG MN = Value & Information Group

> For skilled nursing costs per patient day, Fair Meadow is higher than competitors and medians in all cost centers except ancillary and G&A

Financial/Benchmarking Summary (continued)

Nursing Hours Per Patient Day

Position	2016	A	B	C	D	E	F	Average	Midwest	National
RN	0.40	0.21	0.43	0.38	0.27	0.31	0.64	0.37	0.54	0.49
LPN	1.20	1.06	0.66	1.31	0.77	1.15	0.63	0.93	0.78	0.89
CNA	3.57	2.31	2.44	2.86	2.89	1.92	1.93	2.39	2.41	2.46
Nursing Administration	0.15	0.21	0.43	0.38	0.27	0.31	0.64	0.37		
Total Nursing	**5.33**	**3.80**	**3.95**	**4.93**	**4.21**	**3.69**	**3.85**	**4.07**	**3.73**	**3.84**

As noted in the previous slide, Fair Meadow has higher expense in the nursing department compared to competitors and benchmarks.

A key factor driving this increased expense is that Fair Meadow has higher nursing hours per patient day in relation to competitors and benchmarks.

Financial/Benchmarking Summary (continued)

Staffing Hours per Patient Day by Other Department

Department	Fair Meadow Hours PPD per Listing	Benchmark Hours PPD
Activities	0.69	0.22
Housekeeping	0.39	0.39
Laundry	0.19	0.17
Dietary	1.43	0.74
Maintenance	0.29	0.13

Fair Meadow also has high hours per patient day in non-nursing departments compared to benchmarks.

Sources: CLA 31st Licensed Nursing Facility Cost Comparison and MN DHS Nursing Provider Portal

Financial/Benchmarking Summary (continued)

Employee Benefit Percentage

Community	Year End	%
Fair Meadow	6/30/17	29.7%
Fair Meadow	9/30/16	31.4%
Fair Meadow - Less PERA	6/30/17	15.1%
Fair Meadow - Less PERA	9/30/16	16.0%
A	9/30/15	15.9%
B	9/30/15	35.0%
C	9/30/15	17.7%
D	9/30/15	20.5%
E	9/30/16	21.1%
F	9/30/16	21.0%
Comparison Facility Average		21.9%
Midwest Benchmark		18.3%
National Benchmark		18.6%

Fair Meadow's employee benefit percentage as compared to salaries is higher than comparison communities and regional and national benchmarks. One of the driving factors of this increased expense is related to pension expense.

Sources: 2016 and YTD 2017 Financial Statements, CLA 31st Licensed Nursing Facility Cost Comparison, and MN DHS Nursing Provider Portal

Financial/Benchmarking Summary (continued)

Medicare versus Medicaid Rate Comparison

	Medicare	Medicaid
Average Rate	$356.15	$252.46
Average Additional Cost	$78.82	-
Net Rate	**$277.33**	**$252.46**

If Fair Meadow was to actively market to Medicare patients, it could potentially realize additional revenue of $24.87 per patient day compared to Medicaid.

Financial/Benchmarking Summary (continued)

Key areas that could have positive financial impact:

- Optimize nursing and other department staffing levels and/or implement process improvements to bring staffing levels closer to benchmarks

- Review employee benefit programs and make reductions where necessary to reduce costs while still offering a competitive benefits program

- Actively market to and accept Medicare patients

Operational Assessment

Operational Assessment

HDG reviewed the operational workings of key service areas of Fair Meadow Nursing Home that are driving profitability.

Key areas reviewed included:

- Historical financial performance at overall organizational level and by functional area or department

- Organizational structure, operating practices

Operational Assessment
Operational Leadership

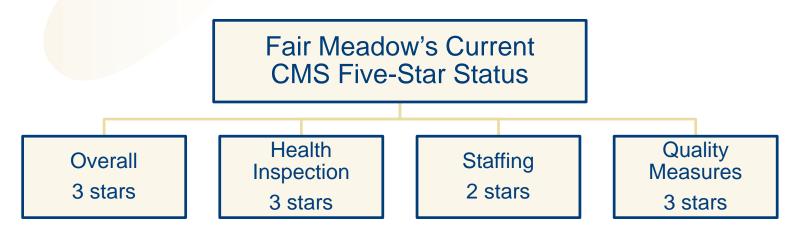| HDG Recommendations	Key Benefits/Considerations	Timing
1. Develop facility administrator as campus leader with focus on gaining insight into changing landscape of health care; e.g., clinical integration of care, bundled payments, shared risk, MEGA Rule	• Improve knowledge and expertise necessary to implement changes, systems, and processes for facility's financial stability and viability	90–120 days
2. Review office location for key leadership roles to equally support nursing home and assisted living	• Expand administrative support and oversight of campus operations	30–60 days
3. Evaluate DON's interest in developing leadership skills in area of delegation	• Improve skills for leading and directing employees	TBD

Operational Assessment
Operating Budget

HDG Recommendations	Key Benefits/Considerations	Timing
1. Develop operating budget for facility for fiscal year 10/1/17 to 9/30/18	• Tool to help prioritize spending and manage money	30 days
2. Administrator to establish account control logs for each department with expense control logs that correspond with budget based on daily census or per patient day (ppd)	• Tool for department managers to use to prioritize spending and manage money for their department	30–45 days
3. Develop purchase order system that requires department managers to communicate with business office to verify availability of funds prior to purchase, therefore acknowledging adherence to department budgets	• Establish standard of accountability	30–45 days

Operational Assessment
CMS Five-Star Staffing Comparison

```
┌─────────────────────────────────┐
│      Fair Meadow's Current      │
│      CMS Five-Star Status       │
└─────────────────────────────────┘
```

Overall 3 stars	Health Inspection 3 stars	Staffing 2 stars	Quality Measures 3 stars

- CMS 5-star staffing: Fair Meadow is currently at 2-star staffing; however, when most recent July 2017 annual survey is posted, it is projected that staffing will go up to 4-star, as will overall rating.

- Minimum actual hours required to achieve 4-star staffing would have to average 0.71 for RN and 3.79 for total nursing, as shown below.

Fair Meadow – 4 Star Staffing	RN	Total Nursing
Min actual hours needed	4 Star = 0.71	3 Star = 3.79
Alternate actual hours needed	3 Star = 0.53	4 Star = 4.32

Operational Assessment
CMS Five-Star Staffing Comparison (continued)

- Staffing as currently posted on July 2017 CMS Staffing Data File

	Aides	LPN	RN	Total Licensed	Total Nursing
Reported	2.71	0.99	0.37	1.36	4.07
Expected	2.49	0.64	1.03	1.68	4.17
Adjusted	2.68	1.28	0.27	1.28	3.94
Star Rating			1 Star		3 Star

- Projected staffing star rating using current survey 671 (7/11/17) and expected hours as posted (census of 42)

	Aides	LPN	RN	Total Licensed	Total Nursing
Reported	3.32	0.78	0.77	1.55	4.87
Expected	-	-	1.03	-	4.17
Adjusted	-	-	0.55	-	4.72
Star Rating			4 Star		5 Star

Operational Assessment
CMS Five-Star Staffing Comparison (continued)

- Minimum hours for 4-star staffing given current expected hours

	Aides	LPN	RN	Total Licensed	Total Nursing
Reported	-	-	0.71	-	3.79
Expected	-	-	1.03	-	4.17
Adjusted	-	-	0.51	-	3.67
Star Rating			4 Star		3 Star

- For Fair Meadow to achieve 4-star staffing

Fair Meadow – 4-Star Staffing	RN	Total Nursing
Minimum actual hours needed	4 Star = 0.71	3 Star = 3.79
Alternate actual hours needed	3 Star = 0.53	4 Star = 4.32

Operational Assessment
CMS Five-Star Staffing Comparison (continued)

HDG Recommendations	Key Benefits/Considerations	Timing
1. CMS 5-star staffing: Currently at 4-star (see previous slides) RN 0.71 ppd and total nursing 3.79 ppd, based on census of 42 • RN 0.71 ppd = one MDS @ 40 hrs/week and one RN on each shift, or 24 hrs/day • LPN 0.76 ppd = two LPNs on 1st shift and two LPNs on 2nd shift, or 32 hrs/day • CNA (NAR) 2.40 ppd = five CNAs on 1st shift, five CNAs on second shift, and three CNAs on third shift, or 100.75 hrs/day • **Total nursing of 3.87 ppd**	• Staffing pattern consistent with meeting needs of residents and unit operations	30 days
2. Eliminate nurse educator position at 30 hours per week	• Reduces nursing management	30 days
3. Realign MDS and nurse supervisor positions	• Improves coordination and collaboration of care and services	30 days

Operational Assessment
Recommendations – Staffing (continued)

HDG Recommendations	Key Benefits/Considerations	Timing
4. CNA and TMA: Eliminate 478.75 hrs/wk of the 1,184 hrs/wk currently on staff	• Staffing patterns consistent with meeting needs of residents and unit operations	30 days
5. Rehab coordinator: Eliminate 28 hrs/wk		
6. Therapy aides: Eliminate 58 hrs/wk		
7. Activity staff: Eliminate 60 hrs/wk		
8. Maintenance staff: Eliminate 20 hrs/wk		

Business Office Assessment

Business Office Summary

HDG conducted a review of Fair Meadow's business office systems and processes, with a focus on the following key areas:

- Admissions and census

- Resident financial file contents

- Billing and collections

- Medicare/Managed Care billing and compliance

- Accounts receivable (A/R) review process

- Billing and collections software

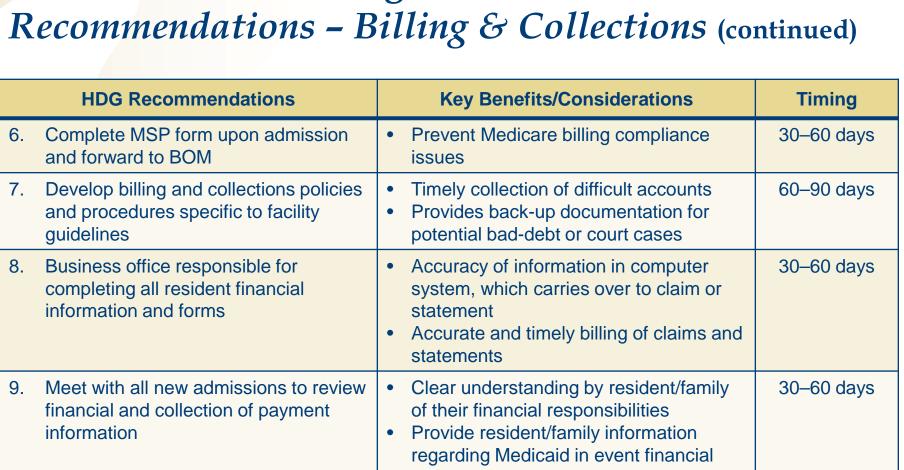- Business office issues/training needs

Business Office Management
Recommendations – Admissions & Census

HDG Recommendations	Key Benefits/Considerations	Timing
1. PointClickCare® (PCC) training for business office staff	• Improve office efficiency • Enable staff to use software to its fullest capacity	30–60 days
2. Daily communication between business office staff and admissions	• Accurate information necessary for billing and collections • Daily census updates crucial for billing compliance	30 days
3. Nursing staff to complete midnight census form each night to verify "heads in bed"	• Accuracy of claims and statements • Billing compliance	30 days
4. BOM completes insurance/payor verification form for each potential admission prior to acceptance of new resident	• Timely collections of account balances	30 days
5. Develop checklist for admission documents to ensure accuracy and timely routing to BOM for resident financial file	• Verification of required forms prior to submitting claim or statement • Ensure signed admission agreement on file when needed for contesting accounts	30–60 days

Business Office Management
Recommendations – Billing & Collections (continued)

HDG Recommendations	Key Benefits/Considerations	Timing
6. Complete MSP form upon admission and forward to BOM	• Prevent Medicare billing compliance issues	30–60 days
7. Develop billing and collections policies and procedures specific to facility guidelines	• Timely collection of difficult accounts • Provides back-up documentation for potential bad-debt or court cases	60–90 days
8. Business office responsible for completing all resident financial information and forms	• Accuracy of information in computer system, which carries over to claim or statement • Accurate and timely billing of claims and statements	30–60 days
9. Meet with all new admissions to review financial and collection of payment information	• Clear understanding by resident/family of their financial responsibilities • Provide resident/family information regarding Medicaid in event financial resources dwindle	30–60 days
10. Consider immunizations currently being billed as potential source of income	• Additional revenue for facility	30 days

Business Office Management
Recommendations – Billing & Collections (continued)

HDG Recommendations	Key Benefits/Considerations	Timing
11. Conduct formal triple-check meeting or prebilling meeting monthly, prior to submitting Medicare and Managed Care claims	• Billing compliance • Medicare compliance	60 days
12. Billing office staff to verify submission of MDS and acceptance by CMS prior to submission of any claim	• Billing compliance • Medicare and Medicaid compliance	30 days
13. Implement monthly A/P review process immediately.	• Timely follow-up of claims and account balances • Timely recommendations for action to be taken	30 days

Business Office Management
Recommendations – Accounts Payable

HDG Recommendations	Key Benefits/Considerations	Timing
1. Check OIG monthly, as well as all vendors used that particular month	• Compliance	30–60 days
2. Develop process for segregation of duties in A/P process to establish higher level of accountability and accuracy	• Accountability and accuracy	30–60 days

Human Resources Assessment

Human Resources Summary

HDG conducted an assessment of the human resources (HR) department, which included interviews with the HR manager and facility administrator.

Key areas reviewed included:

- Personnel policies

- Payroll practices

- Employee benefits

- Employee compensation

Human Resources Assessment
Employee Compensation

HDG Recommendations	Key Benefits/Considerations	Timing
1. Review and revise HR policies and processes and roll out across campus	• Compliance with current standards of practice	30–60 days
2. Review and revise wage scale and implement fair and consistent policy	• Compliance with current standards of practice	30–60 days
3. Complete performance reviews, bringing all past due into compliance; develop process to maintain compliance	• Compliance with current standards of practice	30–60 days
4. Establish pay credit for qualified time in like/similar position, e.g., RN experience for RNs	• Consistent pay practices	30 days
5. Clearly define process for performance reviews that includes HR staff involvement and accountability	• Improve employee satisfaction and job performance	30 days

Human Resources Assessment
Employee Compensation (continued)

HDG Recommendations	Key Benefits/Considerations	Timing
6. Contact vendors for time clock and payroll system that integrates with PBJ, fingerprint time clock (ADP, Ultimate Software – Ultipro, SmartLinx)	• Accuracy and employee accountability	Immediately
7. Initiate exit interviews with employees and develop process for compiling and reporting turnover data by department	• Decrease turnover and improve employee satisfaction	60–90 days
8. Develop and implement facility orientation program for new hires that includes all department managers	• Improve efficiency and decrease cost of general orientation	30 days

Business Office Management
Recommendations – Employee Benefits

HDG Recommendations	Key Benefits/Considerations	Timing
1. Ensure accuracy of all documents provided to new hires; e.g. provide benefits summary guide and access to video describing benefit plans	• Provides employees a clear, consistent description of benefits	60–180 days
2. Require all employees enrolled in program to contribute within norms for insurance coverage. Include policy of not charging salaried employees for benefit premiums in Benefit Eligibility section of Employee Handbook and Benefit Guide. Based on *Mercer National Survey of Employer-Sponsored Health Plans,* in most companies, employee contributes 24% for single coverage and 34% for family coverage.	• Estimated savings of $48,000 annually	30–90 days

Business Office Management
Recommendations – Employee Benefits (continued)

	Recommendations	Key Benefits/Considerations	Timing
3.	In same survey (above), employees pay 53% of dental for single coverage and 56% of dental for family coverage. HDG recommends all employees enrolled in program contribute within norm for dental insurance.	• Consistency and clarify within industry norm for all personnel	30–90 days
4.	Provide consistent benefit eligibility requirements defined by hours worked	• Consistency and clarity	30–90 days
5.	Implement industry standard for vacation time to be used once employee satisfies benefits eligibility requirements	• Compatibility with industry norm • Improve employee retention	30–60 days
6.	Adhere to facility's identified salary scale for all employees	• Fair and consistent standards throughout facility	30–90 days

Clinical Assessment

Clinical Operations Summary

HDG conducted a review of Fair Meadow's clinical systems and processes, with a focus on the following areas:

- Clinical capabilities

- Interviews

- Clinical meetings

- Quality measures

- Regulatory compliance/MEGA Rule

- Nursing supply management

- Admission management

- Social services/discharge planning process

- Activities

- Clinical IT

- Therapy services

- Clinical reimbursement/RAI process management

Clinical Assessment
Recommendations – Clinical Capabilities

HDG Recommendations	Key Benefits/Considerations	Timing
1. Increase facility's clinical capabilities to accept resident with IV, trach, NPWT	• Improves quality of care provided to residents	90–120 days
2. Develop clinical programs based on penalty diagnosis for hospital to market which would include the following: • Cardiac: Congestive heart failure (CHF) – most common cause of readmission • Pulmonary: Chronic obstructive pulmonary disease (COPD), pneumonia, acute respiratory failure • Sepsis: Prevention and follow-up	• Meets identified needs and current standard of clinical practices • Builds census and specialization	90–120 days
3. Implement electronic MAR and charting to bring facility up to current standards	• Improves unit efficiency	60 days

Clinical Assessment
Recommendations – Clinical Capabilities (continued)

HDG Recommendations	Key Benefits/Considerations	Timing
4. Implement INTERACT*: Evidence-based readmission reduction program recommended by CMS and hospital systems; can also be used for QAPI *Interventions to reduce acute-care transfers*	• Improve care coordination and collaboration • Decrease fragmentation of care	90 days
5. Implement Abaqis® Medline or McKesson Quality One: Comprehensive quality assurance tools for conducting mock quality improvement surveys (QIS). • Schedule at least 2x/yr • Provide access to additional staff • Conduct comprehensive review and disseminate results to all staff • Review and discuss results during QAPI	• Continual quality improvement	90–120 days

Clinical Assessment
Recommendations – Clinical Capabilities (continued)

HDG Recommendations	Key Benefits/Considerations	Timing
6. Implement tracking system to monitor hospital readmissions (30 days, 60 days, 90 days: CMS defined 90-day episode of care)	• Compliance with CMS quality readmission measures	30 days
7. Establish or improve nursing competencies for identified units: Trach care, suctioning, comprehensive physical assessment, central lines, sepsis bundle, NPWT, IV, systemic inflammatory response syndrome (SIRS)	• Skills consistent with industry standards	30–90 days
8. Develop and implement onsite CNA training program as approved by State of Minnesota	• Recruitment and retention • Community service • Improved staff knowledge and competency for job responsibilities	6 months

Clinical Assessment
Recommendations – Clinical Capabilities (continued)

HDG Recommendations	Key Benefits/Considerations	Timing
9. Using evidence-based tool, conduct root cause analysis (RCA) on all serious events, including return to acute (RTA), adverse drug event, facility-acquired infection control, facility-acquired pressure injury, fall with serious injury, and other as appropriate. RCA is process to be used by interdisciplinary team (IDT).	• Compliance with current standards of practice	90–120 days
10. Integrate facility-specific programs within culture of entire facility: • Fall prevention • Skin injury prevention • Behavior management • Infection prevention/control • Incontinence management (therapy can bill for this) • Pain management to include non-medicinal approaches (e.g., acupressure, which is billable; aromatherapy; relaxation techniques)	• Increased knowledge and competency of licensed staff	90–120 days

Clinical Assessment
Recommendations – Clinical Capabilities (continued)

HDG Recommendations	Key Benefits/Considerations	Timing
11. Implement complex wound management (NOTE: This is a costly program in terms of time, money, and survey risk)	• Increased knowledge and competency of licensed staff	90–120 days
12. Assign restorative nursing units to CNA responsible and assign RN/OT oversight	• Compliance with current standards of practice	30 days
13. Implement evidenced-based approach to discharge planning for any resident planning to return to community, especially rehab patients (e.g., IDEAL process is easy to implement)	• Improved discharge planning process	30 days
14. Unit managers to conduct unit rounds to include resident/family visits, medication room, shower room, utility rooms, resident rooms, observation of direct care, monitoring call light response time, etc.	• Improved unit management, oversight, and efficiency in cost-effective manner	30 days

Clinical Assessment
Recommendations – Clinical Capabilities (continued)

HDG Recommendations	Key Benefits/Considerations	Timing
15. Develop on-call system and responsibilities that include all members of nursing management team in on-call rotation (e.g., DON, MDSC, unit managers)	• Expand knowledge and accountability for 24/7 nursing management and responsibilities to all members	30 days

Clinical Assessment
Recommendations – Quality Measures

HDG Recommendations	Key Benefits/Considerations	Timing
1. Conduct morning meeting daily to identify areas of priorities and brief follow-up meeting in afternoon to determine resolution of issued identified in morning meeting	• Improved communication, follow-up, and accountability	30 days
2. Run QI/QMs monthly for 6-mo period and review monthly for accuracy using quality measure quick reference chart. If error is identified in MDS, complete a modification.	• Improved accuracy of data • Capability to monitor trends	30 days

Clinical Assessment
Recommendations – Regulatory/MEGA Rule

HDG Recommendations	Key Benefits/Considerations	Timing
1. Administrator to complete audit of Requirements of Participation (RoP) regulatory changes to ensure implementation	• Regulatory compliance	30–90 days

Clinical Assessment
Recommendations – Admission Management

HDG Recommendations	Key Benefits/Considerations	Timing
1. Administrator to champion census daily by helping staff understand census expectations and to develop census culture	• Improve facility communication and quality of care	30 days
2. Implement daily census meeting to review daily/pending referrals and scheduled marketing/hospital activity using daily census	• Develop facility census culture	30 days
3. Develop collateral material and advertising that supports marketing plan within budget (e.g., brochures, sales presentations, web content, sales scripts, product data sheets, testimonials or white papers)	• Support of marketing and sales activities • Expense management	60–90 days

Clinical Assessment
Recommendations – Admission Management

HDG Recommendations		Key Benefits/Considerations	Timing
4.	Develop comprehensive, measurable marketing plan with strategic goals including branding, market positioning, public relations, community outreach, and service area	• Focused marketing efforts and strategies	60–90 days
5.	Administrator, DON, SW/AD to create formal current clinical inventory for each unit. Identify areas for improvement in skill and acuity level to meet needs of market for increased complexity of care provided, such as IV management, NPWT, trach care, and bariatric	• Improves facility's ability to admit • Improves facility's ability to care for residents with complex care needs to enhance short-stay census and effectively work with area acute care centers to decrease acute care length of stay and unnecessary readmissions	30 days
6.	Develop process for community to admit residents 24/7 by implementation of off-hours system to address hospital and referring customers and developing clinical capabilities	• Improve quality of care • Improve ability to admit patients needing care	30–60 days

Clinical Assessment
Recommendations – Activities

HDG Recommendations	Key Benefits/Considerations	Timing
1. Reduce staffing as noted in staffing section of this report	• Alignment with industry norms	30 days

Clinical Assessment
Recommendations – Clinical IT

HDG Recommendations	Key Benefits/Considerations	Timing
1. Implement eMAR, eTAR, and build clinical assessments in PCC	• Improve effectiveness and efficiency of clinical documentation	60 days
2. Provide additional training on PCC for the financial office	• Improve efficiency and knowledge of software	30 days

Clinical Assessment
Recommendations – Clinical Reimbursement and Therapy

HDG Recommendations	Key Benefits/Considerations	Timing
1. Reduce department down to 1 FTE responsible for all scheduling, opening, closing, submission, and completion of MDS	• Streamlines RAI process with one individual responsible for completion • Provides education and tools for success	Immediately
2. Develop tracking log to monitor residents' skilled stay, including space to address residents on Part B therapy	• Utilization of log will allow tracking of RUGs, ADLs, and dollars • Addition of Part B therapy will increase case mix opportunities	Immediately
3. Custom-build a Medicare Note in Progress Notes tab in PCC.	• Sort and compile supporting Medicare charting more easily	Immediately
4. Develop Medicare charting guideline sheet to assist nursing with focus of their charting	• Provides clarity to nurses on exactly what to chart on for skilled services provided	Immediately
5. Utilize RUG screening tool as basis for determining which RUG a resident may fall into on first assessment	• Establishes skilled needs and potential RUG level pre-admission	Immediately
6. Conduct full review of all residents on restorative/functional maintenance programming based on most recent case mix audit.	• Ensures accurate coding and case mix compliance	Within 6 months

Clinical Assessment
Recommendations – Clinical Reimbursement and Therapy

HDG Recommendations	Key Benefits/Considerations	Timing
7. Create individual care plans per program (e.g., separate care plan for walking and separate care plan for range of motion [ROM] versus combining both into one care plan)	• Ensures restorative care plans meet requirements outlined in RAI manual • Meets requirements for inclusion in case mix	3–6 months
8. Conduct monthly meeting with restorative nurse and therapy manager to review care plans and restorative progress	• Maintains focus on restorative/ functional maintenance • Potential for Medicare Part B therapy based on restorative performance	30 days
9. Audit sampling of case mix index annually—one-to-two months prior to expected audit date—to ensure compliance	• Ensures facility is prepared for case mix audit	2–3 months prior to audit
10. Review case mix index for residents in reduced physical function and behavioral/cognitive RUG for inclusion in restorative/functional maintenance programming	• Continued growth of restorative/functional maintenance programming	6–9 months

Clinical Assessment

Recommendations – Clinical Reimbursement and Therapy

HDG Recommendations	Key Benefits/Considerations	Timing
11. Facilitate more face-to-face interaction between therapy director and MDSC for consideration of ADLs when selecting ARDs	• ADLs play an important role in ARD selection and rates can vary greatly	Immediately
12. Therapy and nursing to collaborate when completing Section GG of MDS as it should also include time on units—all 3 shifts for 3 days	• GG coding is first 3 days of stay including all 3 shifts. Data collection by staff interview is important to ensure accurate coding	Immediately
13. Review contract specifics to address productivity	• Allows for setting of benchmarks and targets to ensure staff is productive while on shift	Within 3 months
14. Audit a sampling of Medicare A and Medicare B claims to ensure compliance and accuracy	• Internal audits help to ensure facility is in compliance with federal and state guidelines	Quarterly
15. Include therapy in marketing meeting	• Capitalize on rehab services offered	Within 3 months
16. Increase therapy services to include weekends in order to capture higher RUG for Medicare	• Regulations consider all facilities to be 7-day-per-week therapy providers • Increase percentages of RU and RV	Within 3 months

Clinical Assessment
Recommendations – Clinical Reimbursement and Therapy

HDG Recommendations	Key Benefits/Considerations	Timing
17. Provide additional education for therapy manager on RUGs, ADLs, and ADL scoring	• Education will enable therapy manager to recognize: – Changes in rates based on ADL scoring – Potential skilled nursing needed	Within 3 months
18. Create written expectations regarding RUG utilization and caseload	• Sets benchmarks and goals for RV and RU rehab levels	Within 3 months
19. Include therapy in QAPI management	• Potential for increase in therapy caseload based on quality measures • Address therapy benchmarks and goals at QAPI meetings	Next QAPI meeting
20. Generate monthly or quarterly report from therapy regional addressing benchmarks, utilization, and productivity	• Analysis data for quality assurance	30 days

Evaluation of Value-Based Initiatives

Value-Based Initiatives Summary

HDG conducted a review of Fair Meadow's value-based payment initiatives, with focus on the following key areas:

- Value-based market dynamics

- Referring hospital profiles

- Payor profiles

Evaluation of Value-Based Initiatives
Recommendations

HDG Recommendations	Key Benefits/Considerations	Timing
1. Monitor SNF 30-day all-cause readmission measure adopted for the SNF value-based programs (VBP) in FY 2016 by CMS Fair Meadow's 2014 SNF risk-standardized readmission rate (RSRR) was 18.97%, compared to national average of 19.09%; and 2015 RSRR for Fair Meadow was 19.26% compared to national average of 19.00%	• Readmissions need to be carefully monitored as 2017 is the performance period for the SNF VBP adjustment	30–90 days
2. Create marketing plan to increase referrals from Altru Hospital and maintain or improve referrals from Riverview Hospital	• Fair Meadow is ranked 51st (in terms of volume) among discharges to SNFs from Altru Hospital and is ranked 4th among discharges to SNFs from Riverview Hospital	30–60 days

For More Information

Kathy Karr, RN, NHA
Manager, Consulting Services
Health Dimensions Group

763.537.5700
kathyk@hdgi1.com

 www.healthdimensionsgroup.com

 @HDGConsulting

 https://www.facebook.com/HealthDimensionsGroup

 http://www.linkedin.com/company/health-dimensions-group

 https://www.youtube.com/user/HealthDimensionsGrp

HOSPITALITY   STEWARDSHIP   INTEGRITY   RESPECT   HUMOR

ph 763.537.5700 | fax 763.537.9200 | 4400 Baker Road, Suite 100 | Minneapolis, MN 55343 | www.healthdimensionsgroup.com

Confidentiality

The report and the analyses and the conclusions contained in the report are intended solely for your own internal use and apply only in the context described in the proposal and any RFP. Neither the report nor its contents may be referred to or quoted in any registration statements, prospectus, loan, or other agreement or document without our prior written consent.

We appreciate that companies in your business are extremely competitive. The confidentiality of your plans and data is essential to accomplishing the objectives you have identified for us, and Health Dimensions Group will protect the confidentiality of that information.

Similarly, providing health care management and consulting services is a competitive business. We view our approaches and insights as proprietary and, therefore, require our clients to protect Health Dimensions Group's interests in our presentations, methodologies, and analytical techniques. You agree that under no circumstances may this proprietary material be shared with any third party without our prior written consent, except as needed, and disclosed to Health Dimensions Group, in the course of the development of our work for you.

HOSPITALITY

STEWARDSHIP

INTEGRITY

RESPECT

HUMOR