



HEALTH DIMENSIONS GROUP



Resizing Operations Based on Your Data – Presented by Health Dimensions Group and Prime Care Technologies

October 21, 2021



Today's Presenters

MODERATOR

Debi Damas, R.N.



As the Senior Director of Customer Success at Prime Care, Debi has held clinical and product leadership roles in LTPAC organizations for 30 years, with a focus on increasing quality of care, retention, and ROI. She has a passion for helping organizations solve issues that keep them up at night. With an early career in SNF administration, she knows what it requires to juggle the day-to-day.

INDUSTRY PERSPECTIVE

Erin Shvetzoff Hennessey



As the CEO and Principal at HDG, Erin has +20 years of expertise in the senior health care industry, advising providers in the areas of post-acute care management, operational/financial performance improvement, and organizational and ownership structure. She also has hands-on experience as an administrator of skilled nursing and senior living facilities in several states.

INDUSTRY PERSPECTIVE

Darrin Hull



As Executive Vice President, Consulting, Darrin Hull leads HDG's nationwide consulting practice, provides operational turnaround support and project oversight to clients, and serves as an industry thought leader. Mr. Hull is also responsible for researching, identifying, and securing business development opportunities, including care community management and leases.

ANALYTICS PERSPECTIVE

Jonathan Duvall



As the Senior Director of Product Management at Prime Care, Jonathan leads development efforts around innovative use of data to enable managers and caregivers to spend less time gathering reports and more time driving better patient and financial outcomes. Prior to Prime Care, Jonathan spent 10 years at PruittHealth in various financial roles, Executive Director of Finance.

Who We Are

HDG

HDG is a leading consulting and management firm, providing services to post-acute, long-term care, and senior living providers, as well as hospitals and health systems, across the nation



HDG Consulting Services

- Management services
- Strategy
- Pre-development and pre-opening
- Operational performance
- PACE and value-based transformation
- Revenue cycle management
- Financial advisory
- Workforce solutions
- COVID-19 support



Prime Care Technologies

Prime Care has answered the technology needs of senior living for nearly 20 years. Our unique perspective drives the ongoing development of our flagship product, primeVIEW. As a tool in the HDG arsenal, it aggregates critical labor, clinical, financial, and other data into a powerful KPI analytics dashboard.



Reasons for Resizing

SNF Occupancy

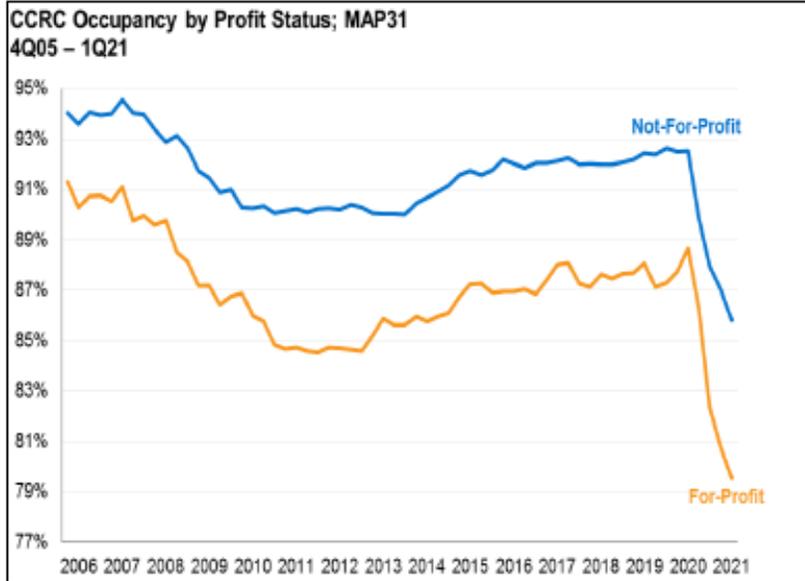
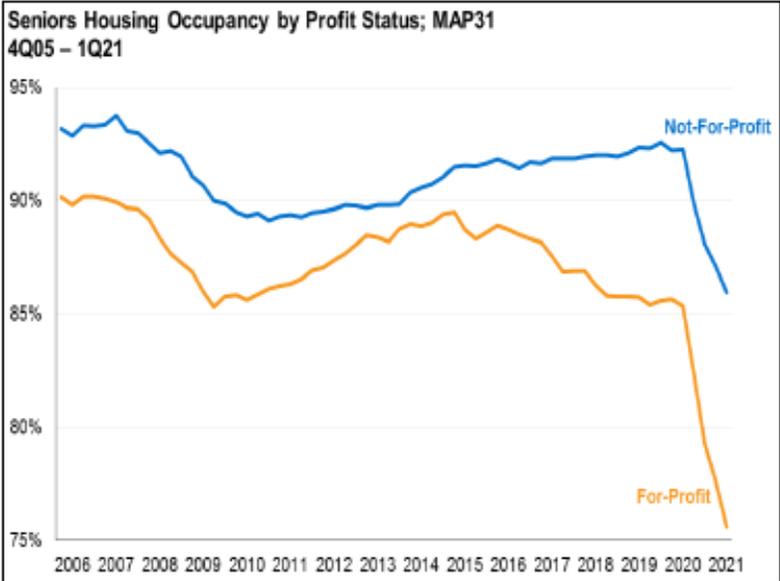
SNF Occupancy 4Q 2019 to 1Q 2021

	4Q 2019	1Q 2021
National	81%	68%

- Factors driving SNF decline includes:
 - Elective surgeries at hospitals paused or postponed
 - Increased care at home; delayed long-term care placement
 - COVID-19 deaths

Source: HDG analysis of 4Q 2019 CMS and NMSN data

Seniors Housing and CCRC Occupancy Trends

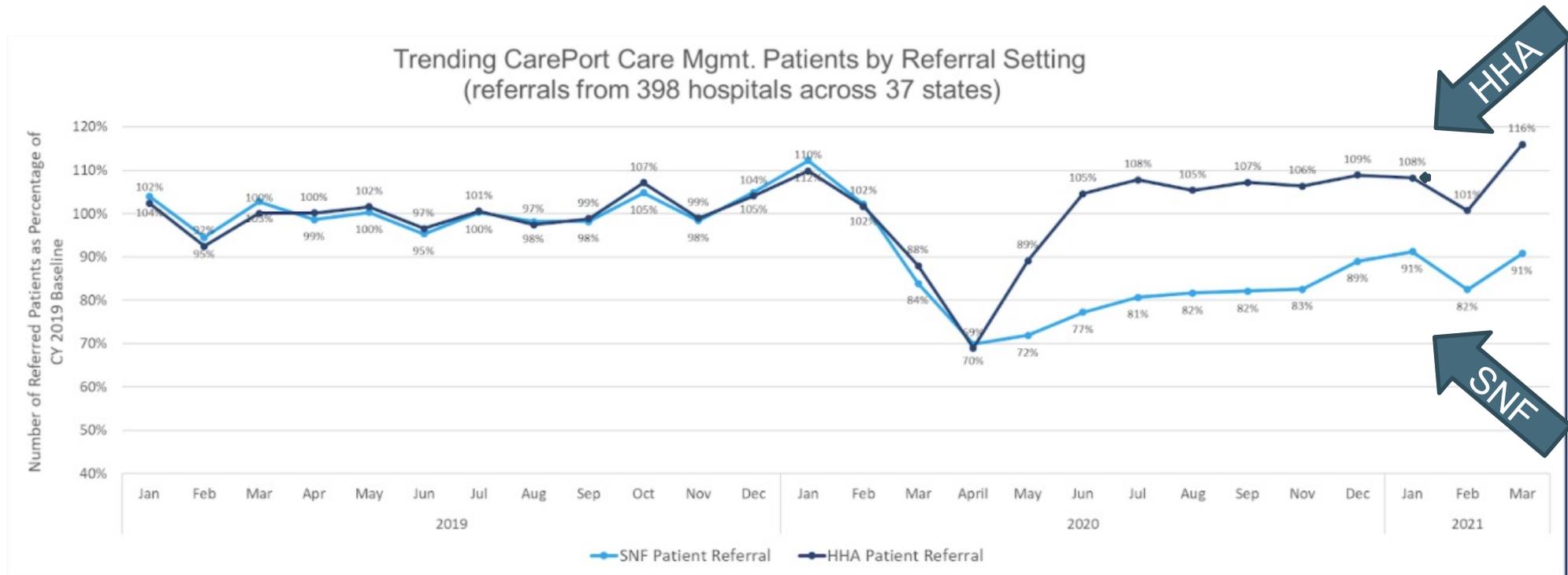


Property Type	Q1 2021 National Occupancy (FP & NFP)
CCRCs	84.4%
Seniors Housing	78.9%
Majority IL	82.2%
Majority AL	75.5%
Majority SN	74.1%

CCRC Segment	Q1 2021 Occupancy (both FP and NFP CCRCs)
Independent Living	88.6%
Assisted Living	82.5%
Memory Care	82.5%
Nursing Care	76.5%

Source: National Investment Center.

Hospitalizations Returning to Normal, But SNF Referrals Are Down and Home Health is Up

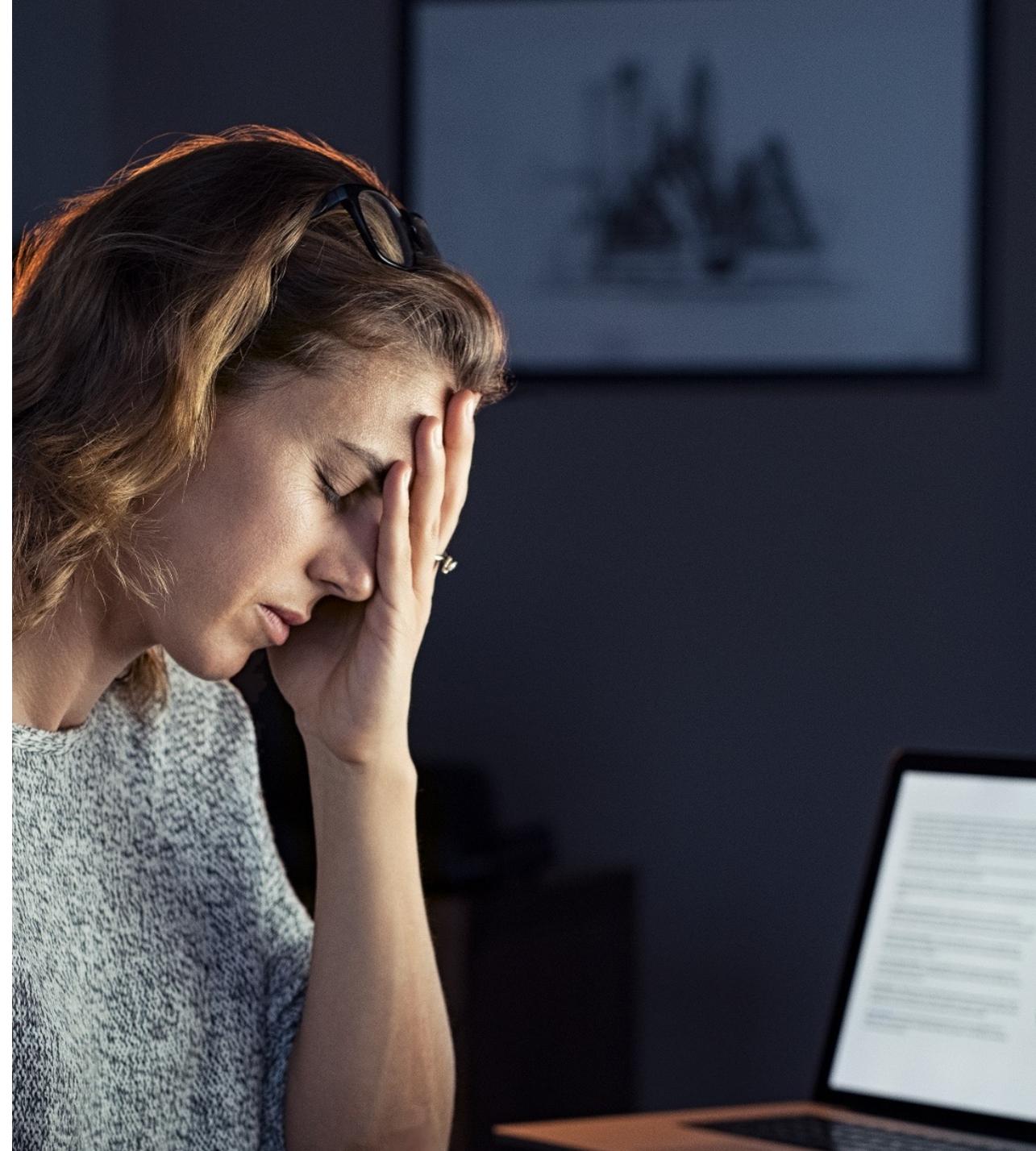


Return of elective surgeries & recovery of hospitalizations is uneven in markets across the country, with some markets having rapid bounce back & others slower

Source: [Skilled Nursing News, May 11, 2021, SNFs Continue to Battle Depressed Referrals as Hospital Inpatient Volumes Recover - Skilled Nursing News](#)

Workforce Concerns – National Scale

- ***The Great Resignation***
 - Workers leaving their jobs in a search for meaning and fulfillment
 - Early retirement for older workers
 - Burnout from prolonged stress in certain occupations, especially healthcare
- Continued concern about unemployment and stimulus funds creating incentives for people to stay at home instead of working



LTC Workforce Remains Very Challenging: *National Survey Results*

- 94 percent of nursing home providers said they have had a shortage of staff members in the past month; in assisted living, 81 percent said they had similar staffing shortages
- More than half of nursing home and assisted living providers lost key members of their staff last year during the pandemic due to workers quitting, including certified nurse assistants (CNAs) or direct caregivers and dietary staff
- Close to 75 percent of nursing homes and nearly 60 percent of assisted living communities said their overall workforce situation has gotten worse since 2020

LTC Workforce Remains Very Challenging: *National Survey Results* (continued)

- 81 percent of nursing home providers and 75 percent of assisted living communities stated that higher reimbursement to offer better staff pay and benefits would help improve the facility's ability to recruit and retain staff members



Expiration of Federal Unemployment and Pandemic Benefits May Help Workforce Situation

- On September 5, 2021, several federal unemployment benefit programs expired across the country; the federal benefit programs that will expire are:
 - Pandemic Unemployment Assistance (PUA)
 - Pandemic Emergency Unemployment Compensation (PEUC)
 - Extended Benefits (EB)
 - \$300 Federal Pandemic Unemployment Compensation (FPUC)
 - \$100 Mixed Earner Unemployment Compensation (MEUC)
- To be considered eligible for Unemployment Insurance (UI) after September 5, 2021, a claimant must be unemployed AND be in the first 26 weeks (or 104 effective days) of benefits.

LTC Workforce Woes

- High turnover: In a recent research study (*Health Affairs, Vol. 40, #3, 2021*), turnover data for nurses in LTC was analyzed:
 - Median turnover: 128 percent
 - Mean turnover: 94 percent
 - Turnover was related to quality rating among other things
- Necessity to recognize nurse aides hired during the pandemic under waivers—four months from end of PHE, aides hired under waivers must meet training and certification requirements



National Workforce Trends We Are Seeing

- Flexible workplace
 - Flexibility with schedules and work/life blending
- Advancement of technology platforms
 - Video conferencing, virtual workspaces, and increased cyber security
- Employee health and safety
 - New and attractive benefit offerings, mental health, telehealth
- Adjusting staffing ratios to census
- Creative wage and bonus programs
- Reskilling of workers

Source: SHRM. <https://www.shrm.org/hr-today/news/all-things-work/pages/the-workplace-in-2025.aspx>

Making the Decision

Data and Research

- Updated market demand studies
 - Current demand
 - 5- and 10-year demand
 - By service line
 - Taking into consideration new products in your market
- Workforce assessments and wage studies
 - Engagement surveys
 - Turnover and hiring data analysis
 - Competitive wage analysis taking into consideration care setting, midpoints, and rural/urban/suburban location



Due Diligence Items

- Operational modeling
- Workflow redesign
- Financial modeling
- Loan covenants
- Union agreements

Steps to Redesign

Realistic Reality – Revenue

- Using market demand study and/or labor availability, determine:
 - Census maximum
 - Reasonable payor mix
 - Estimated rates
 - Case mix
 - Managed care agreements
 - Reasonable Medicare rates and length of stay





Realistic Reality – Expenses

- Overhead reductions
 - Department head leadership
 - Shared resources among communities
- Direct care PPD and ratios for quality care
 - Evaluate acuity of residents
 - Review layout changes for efficiencies
- Review fixed fee contracts

Staffing Needs and Recommendations

- Keep executive director full-time
- Allow DON to focus on quality
- Use patient ratios for nurse managers as well as direct care staff
- View social services and activities as one department, resident life and wellness
- Cross training for financially driven roles like MDS coordinators, admissions directors, and business office managers
- Work to “top of all licenses,” even non-clinical
- Jump on part-time work trends

Organizational Strategy

- Woven into strategic planning
- Decision on length of resizing
- Evaluate long-term service changes
- Be as planful with expanding as you are with reducing



Risks

Assessing Risks of Resizing

- Bed demand from acute care and broader continuum
- Reputation from messaging of resizing
- Union relationships
- Financial risk
- Mission alignment

Future

Looking Forward

- Census will rebound but may not be at pre-COVID levels
- Labor will be an ongoing challenge and wages may permanently increase
- It will take time for rates to improve
- Communicate with boards, lenders, and stakeholders
- Have a plan for the way back up



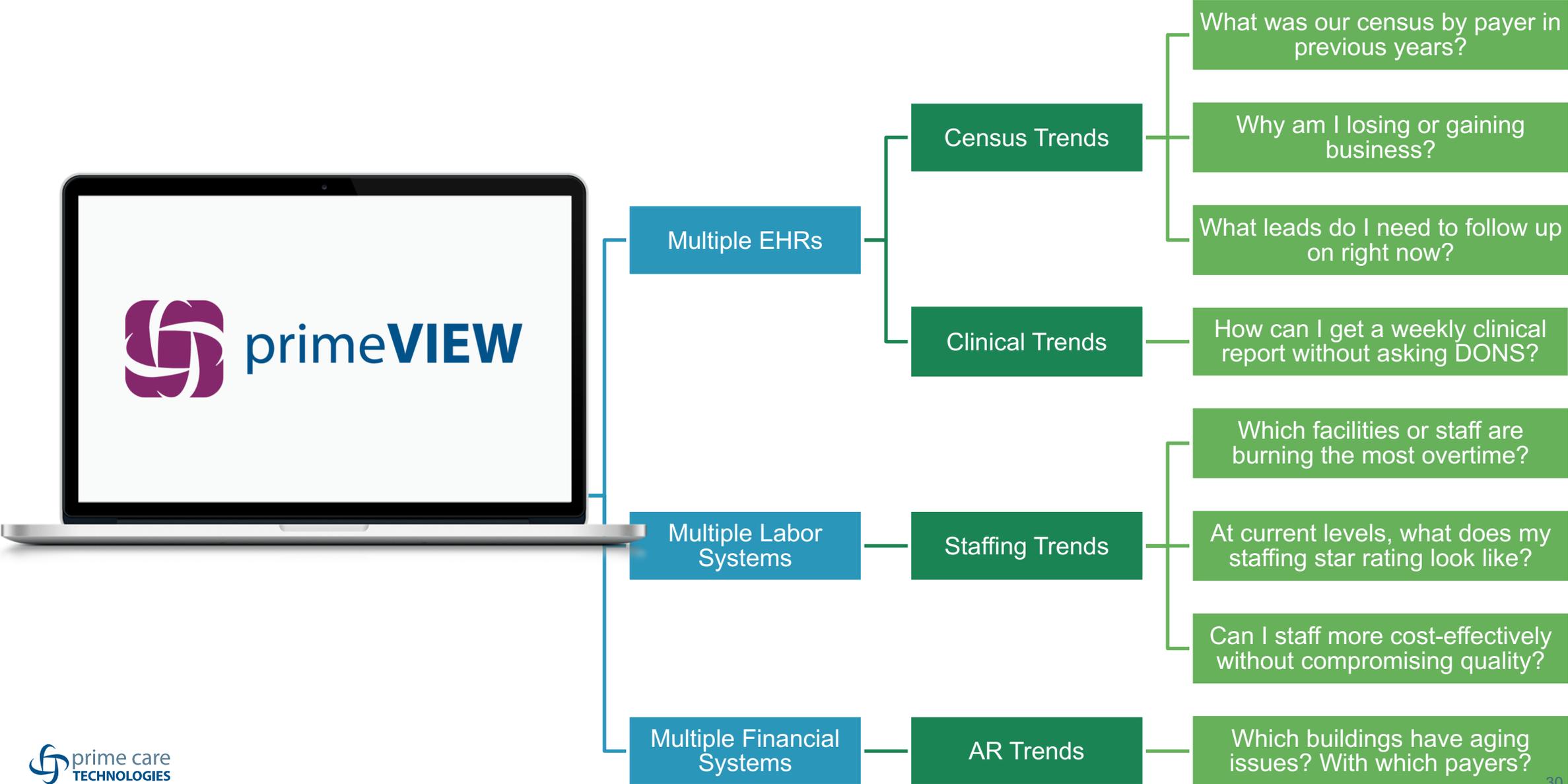
Past and Present Predicts the Future

Use Data to Manage Your Business What Does that Mean?

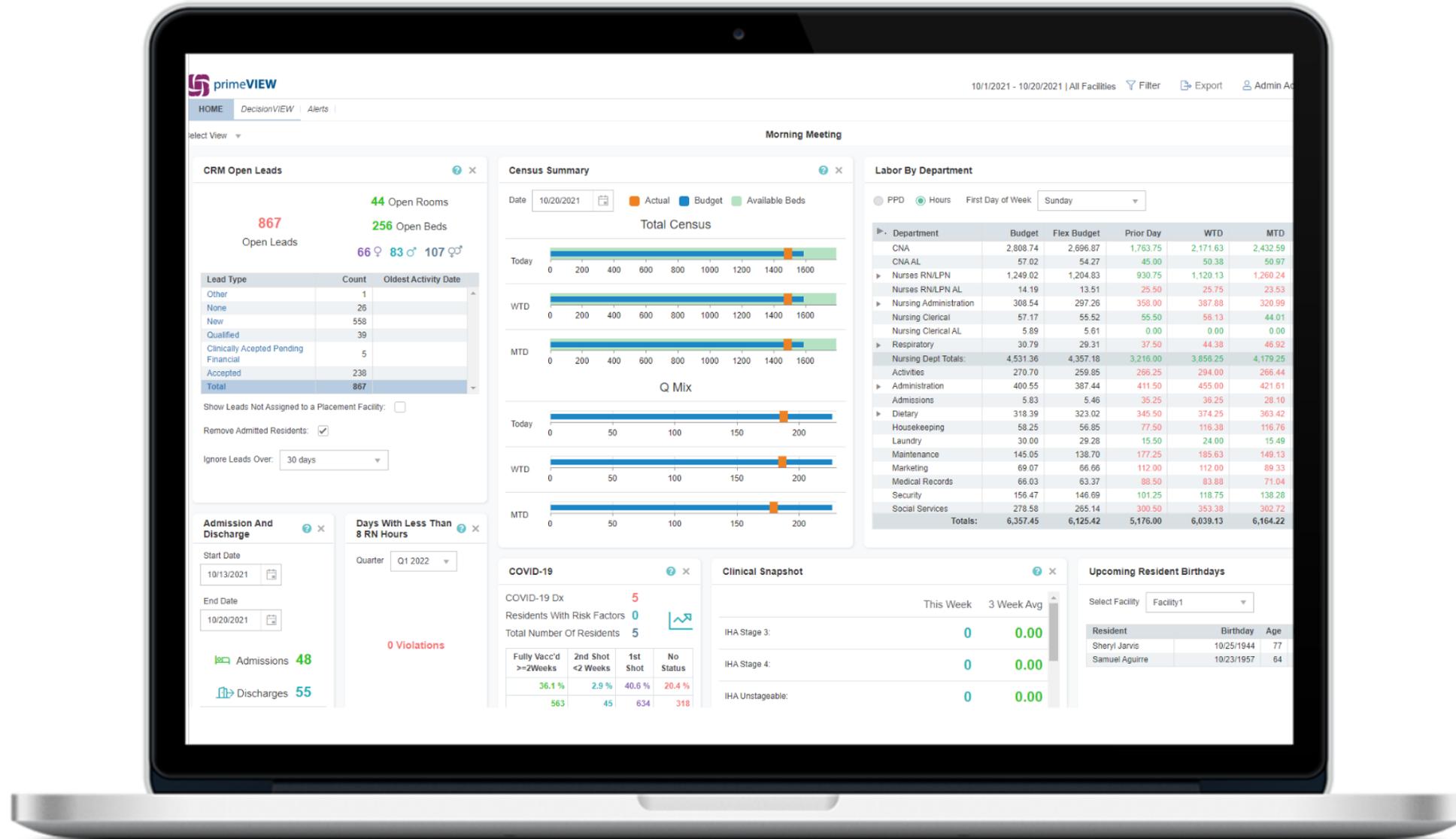
- Is a static report from an **EMR, labor or financial** system enough on its own?
- How can you find **data relationships** to make important course corrections?
- Do you spend your **management time** creating spreadsheets and asking staff to email data?
- What if there was a better way? Easy to deploy and **automated**?



Answer Complex Questions – the Easy Way!



Make Data Easy – So Your Team Can do the Hard Work!



Questions?



For More Information



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