



*Optimizing Clinical, Patient
Satisfaction, and Financial
Outcomes in a Growth Environment*

Maria Thurlow, RN, BSN
Chief Clinical Officer
Advanced Home Care

&

Angela P. Orth, MBA
VP, Regional Development and Quality
Advanced Home Care

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Vice President Regional Development & Quality

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Structure, History and Culture... Creating Silos

Advanced Services
+
Home Care of Central
=
Advanced Home Care



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- Joint Venture and Ownership Structure
- Scope and Size
- Locations

Who we really are and how it hurts us...

- Entrepreneurs
- Change oriented
- Committed to our own health systems
- Open and fast paced work environment
- "Best in Breed"
- Good is never quite good enough

How does this build silos?

Choosing to become a bigger fish in a small pond

- 1996-2005—DME and infusion expansion
- March 2005- 3 new home health agencies,
- September 2006- Acquired 2 more home health agencies
- July 2007 – Acquired two more home health agencies, a DME company and a home infusion pharmacy

M&A the “AHC Way”

- Who do we merge with and why?
- Crazy stuff we do
- Tough Love

How does this build silos?

The mergers from the patient's perspective!

No fun for us and no fun for our patients...

- **Business as usual at first**
- **Process and services breakdown as we try to meet increased capacity for drop ship, telephone systems, IT support and conversions**
- **After hours and on the weekend service failures**
- **New name**
- **Turnover creates disruption in continuity of care**
- **New philosophies about visits, practice and formulary**
- **Standard guidelines/protocols**
- **Changes in billing practice/insurance coverage**
- **Disgruntled caregivers**

The mergers from the employee perspective !

Those "Left Behind"

- ✓ All hands on deck-The core support and leadership team shifted focus to new locations
- ✓ Travel/multiple location issues
- ✓ Blending of cultures stress cores processes
- ✓ Work loads doubled and tripled for some teams
- ✓ Easy for problems/opportunities to get buried or "fly under the radar"

The "Newly Acquired"

- ✓ Learning the "AHC Way", leaders are challenged to lead
- ✓ Grieving and loss of identity
- ✓ Productivity, productivity, productivity!
- ✓ New computer system and technology
- ✓ New forms/process/structure

"We're Gonna Need a Bigger Boat"

Then

- 6 Employees
- Net Revenue
- Below 6 figures
- 1 Location
- 3 Owners
- Cost Based Reimbursement
- Oxygen Forever
- Visits for Everyone
- Fee For Service

Now

- 900 FTE and 350 PRN Employees
- \$112 in Net Revenue This Year
- 19 Locations in 3 States
- 12 Owner Health Systems
- PPS; LUPAs; PEPs and Thresholds
- Oxygen Capping and Cuts

A Few Rays of HOPE!

- We consistently achieve a high percentage of our organizational goals
- Two home health agencies in the Top 100 nationally
- National HME Excellence Award
- Best Places to Work Awards
- Fast 50 Awards
- Individual Leadership Awards
- United Way Giving Award

There's a BUT here...

**Organizational and cultural barriers to
extraordinary care:**

- Information Overload & Metrics
- Meetings/Emails
- Service line silos
- Referral coordination and intake
- Admission processing for care and services
- Caring too much-Our Care Teams
- Staff development and patient education
- Policies and procedures

**Separate but equal,
“Technology Firewall”**

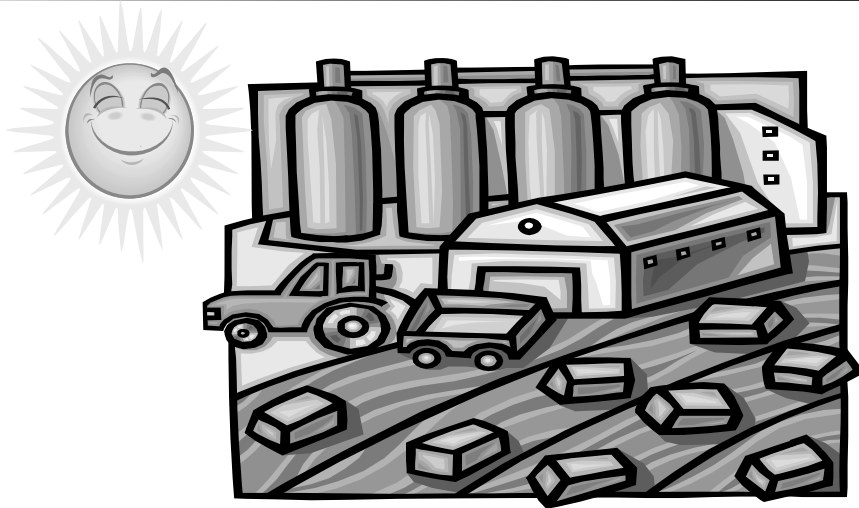
- Separate Computer Systems
- Electronic Patient Record
- Even our technological innovation
operates in silos



**Incentives and measures of success that
create barriers to extraordinary care:**

- **Bonus Programs**
- **Strategic Plans**
- **Sales and marketing incentives**
- **Patient Satisfaction**

Silos in the Sun



Phase I

- **Consolidation of two distinct entities, merged Advanced Services & Home Care of Central Carolina**

- **Develop a strategic growth and partnership plan**
 - ✓ 250 mile radius
 - ✓ Partner with health systems
 - ✓ As health systems expand so do we

**Develop Regionalization
&
Matrix Management**

- **Recruit talent**
- **Re-organize governance model**
- **Consolidation of patient services leadership**

**Re-engineer the care delivery model around
the patient !**

- **Consolidation of patient services leadership**
 - ✓ Build Wonder Care
 - ✓ Consolidate Care Teams
- **Innovate technology around the patient**
 - ✓ The Wonder Board

Historical Perspective...

■ **Customer Service and Patient Satisfaction measured by product lines**

- ✓ Leadership bonus plans rewarded product line achievements
- ✓ Customer Service goals were product line drive, encouraging isolation by specialty
- ✓ Sales representatives were aligned by product line, minimizing cross over in specialty
- ✓ Home Health and HME did not share common goals

Historical Perspective...

- **Limited sharing of information from specialty to specialty to encourage one patient, one plan**
- **Home Health and DME departments did not collaborate with one another regarding patients on service, leaving patients with multiple providers from the same organization**
- **Home Health Compare Scores were used to evaluate home health quality and were not considered a valuable tool to evaluate improvements in care provided to multi-service patients**

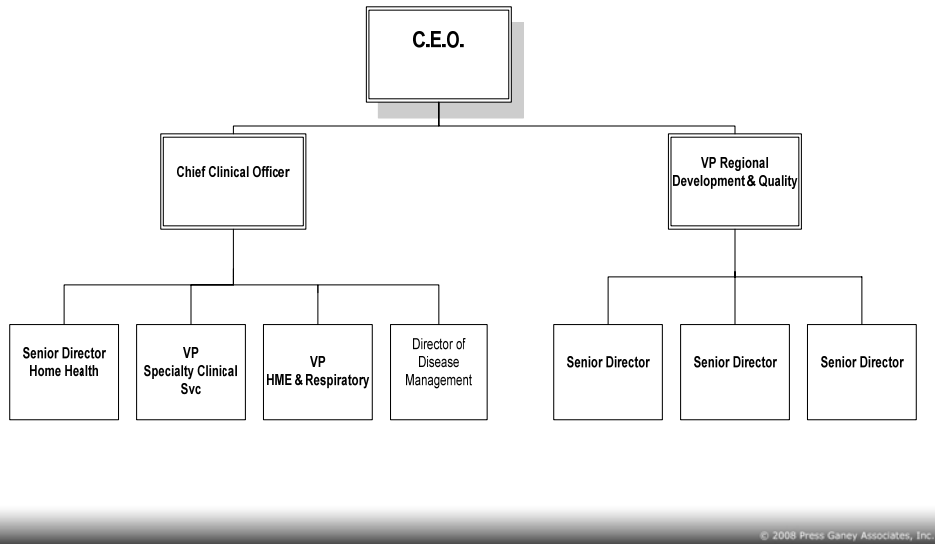
- **Infusion programs were managed by the pharmacy with minimal integration with home health quality measures**

- **Tools were not available for clinicians to consult with other product lines regarding patients that might benefit from services offered by another specialty within the organization**

Evolution of Wondercare and the Journey

- **Strategic Planning- October 2007**

Leadership structure changes were introduced by the CEO to department and senior leaders to create the vision for the organization's plan to provide services to patients within a 250 mile radius of High Point, NC



Evolution of Wondercare and the Journey

- **Through a facilitated discussion with department and senior leaders, the concept of One Patient, One Plan was developed**
 - ✓ Synergy was created between home health, DME, RT and Infusion about the possibility of a *"Patient for Life"*
 - ✓ Leaders became energized that our organization could provide a full service, life plan for home care needs

Filling the Tool Kit (Quality Measures)

- Adopted the LEAN philosophy in 2005-2006
- Hired a full time LEAN specialist
- Trained the entire workforce on LEAN philosophies and methodologies
- Created a culture to support LEAN philosophies
- Set quality and financial goals tied to LEAN

Local Collaboration Meetings

- Established quarterly meetings with key constituents to discuss quality and financial measures
- Created a balanced scorecard as a tool for accountability



Local Collaboration Scorecard

| Projected Market Share Percentages | October | November | December Q1 Average | January | February | March Q2 Average | April | May | June Q3 Average | July | August | Sept Q4 Average | YTD | Target of Potential |
|---|---------|----------|---------------------|---------|----------|------------------|-------|-----|-----------------|------|--------|-----------------|-----|--------------------------|
| Respiratory (potential = 52 referrals per month) | | | | | | | | | | | | | | 70% of the business |
| Enteral (potential = 7 referrals per month) | | | | | | | | | | | | | | 60% of the business |
| Infusion (potential = 28 referrals per month) | | | | | | | | | | | | | | 50% of the business |
| Home Health (potential = 373 referrals per month) | | | | | | | | | | | | | | 100% of the business |
| Medicare A | | | | | | | | | | | | | | 50% Medicare A |
| Medicare Advantage | | | | | | | | | | | | | | |
| Total Medicare A and Medicare Advantage | | | | | | | | | | | | | | |
| Quality / Satisfaction | | | | | | | | | | | | | | |
| Rehospitalization Percent* <small>(minimize the % of patients readmitted for any reason during HH episode)</small> | | | | | | | | | | | | | | <28.0% |
| Emergent Care Percent* <small>(minimize the % of patients seeking emergent care during HH episode)</small> | | | | | | | | | | | | | | <21.0% |
| DME Deliveries** <small>(Deliver DME within 2 or 4 hrs from receipt of referral)</small> | | | | | | | | | | | | | | 90.0% |
| RT Deliveries** <small>(Complete RT assessment within 4 business days of referral)</small> | | | | | | | | | | | | | | 90.0% |
| Home Health Start of Care** <small>(Contact patient within 24 hours of referral)</small> | | | | | | | | | | | | | | 90.0% |
| Infusion Start of Care** <small>(Provide all infusion deliveries prior to the dose time)</small> | | | | | | | | | | | | | | 90.0% |
| Home Care Coordinator <small>(Visit every patient prior to discharge 90% of the time)</small> | | | | | | | | | | | | | | 90.0% |
| Home Care Liaison <small>(Respond to referral within 30 minutes 90% of the time)</small> | | | | | | | | | | | | | | 90.0% |
| Phone Calls in Three Rings (company wide) | | | | | | | | | | | | | | 90.0% |
| Patient Satisfaction - DME | | | | | | | | | | | | | | 67.8% (very good scores) |
| Patient Satisfaction - Home Health | | | | | | | | | | | | | | 71.9% (very good scores) |
| Indigent/Charity Care YTD* | | | | | | | | | | | | | | |
| Cash Back to Forsyth Medical Center* | | | | | | | | | | | | | | |

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Tools, Tactics and Metrics

Filling the Tool Kit

■ Developed Values and Standards of Behaviors

- ✓ Senior Leadership created the values
- ✓ Department leaders and senior leaders created role specific behaviors to support the values
- ✓ Developed a communication plan (impact walls, hard communication)
- ✓ Revising job annual review template to add role specific behaviors- ties behaviors to performance review and merit increase

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Filling the Tool Kit

- **Values and Standards of Behaviors**
 - ✓ Extraordinary Care
 - ✓ Innovation
 - ✓ Synergy
 - ✓ Empowerment with Accountability
 - ✓ Transparency
 - ✓ People Development

- **Behaviors are assigned to each value by job role**

Filling the Tool Kit

- **Reorganized the Professional Advisory Committee from regional to company wide with representation from all owner health systems**

- **Established committee goals and objectives**

- **Enhanced medical director oversight and encouraged all departments to collaborate with medical director on policies, procedures and clinical philosophies company wide**

Filling the Tool Kit

- **Regional Work Groups established to evaluate the patient's experience and enhance extraordinary care**

- **Data is gathered, reviewed and distributed prior to the meetings**

- **Quality facilitates the meetings; Regional leaders are expected to come to the meetings prepared to discuss their region's experience (good and bad)**

Filling the Tool Kit

- **Patient event reporting system created whereby concerns are reported electronically and automatically routed to leadership and regions so that immediate action can be taken**

- **Patient events are tracked and trended by region**

- **Patient reporting is "non-punitive" and is encouraged**

- **Risk management plan created that demonstrates organization's commitment to safe clinical practices and extraordinary care**

- **Focus reviews established to evaluate clinical risk**

Filling the Tool Kit

- Created multidisciplinary financial meetings whereby best practices are shared and regions are held accountable for financial indicators
- Tied financial performance and quality outcomes to bonus programs
- Set expectations that leaders are prepared to discuss the financial performance and identify actions to take in their regions to improve financial performance

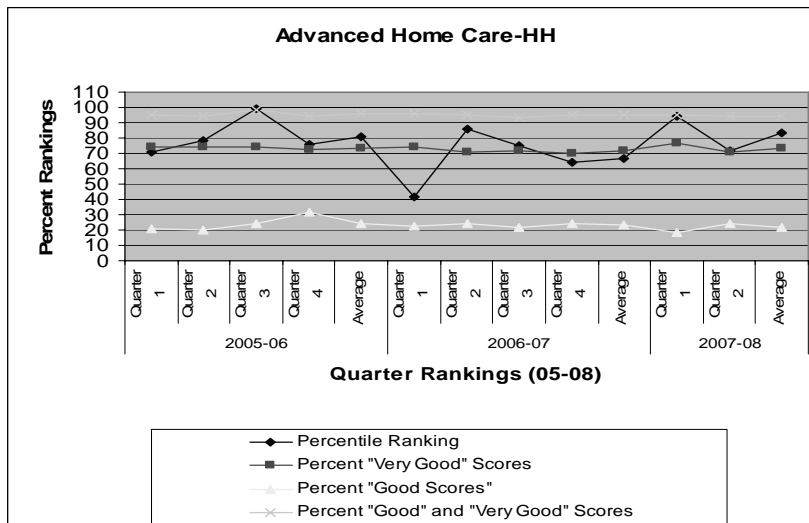
Top Box versus Percent of Very Good Scores

- Top Box = Percent of Good and Very Good
- Prior to 2005, Advanced Home Care measured patient satisfaction on Top Box
- Workforce was not challenged to improve
- Advanced Home Care employees receive a bonus for achieving Top Box of 93% or better

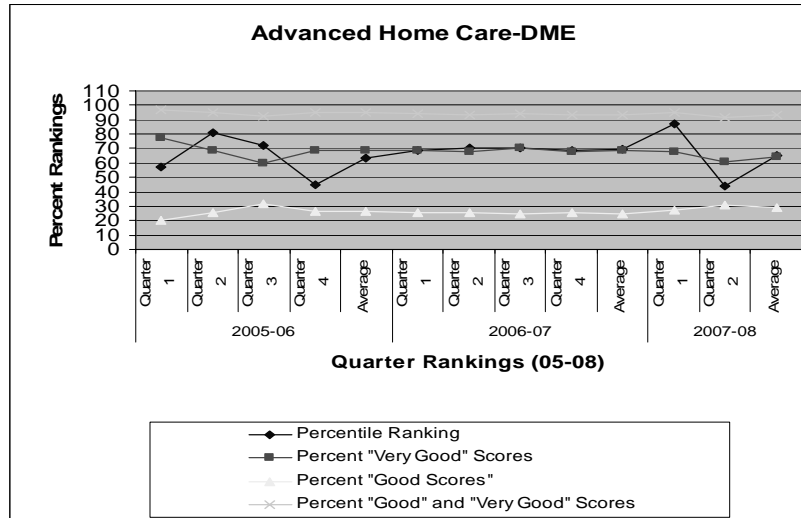
Mean Score/Percentile Rank versus Percent of Very Good Scores

Advanced Home Care revised its measuring of patient satisfaction from mean score/percentile rank to percent of very good scores to encourage "good" to become "very good"

Advanced Home Care-HH



Patient Satisfaction - DME



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Measuring Patient Satisfaction

Defining Patient Satisfaction - % of Very Good Scores

Pros and Cons

Pros

- Measuring very good scores enables the organization to track its improvement regardless of changes in the percentile ranking
- Focuses the organization to provide extraordinary care by identifying vital behaviors that define the patient's experience
- Defines the employee's role in improving the patient's experience and their individual contribution to providing extraordinary care

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Defining Patient Satisfaction - % of Very Good Scores

Pros and Cons

CONS

- Lack of focus on organization's performance against competitors (percentile ranking)
- Lack of organization's awareness of competitor's strategies and response to changes in the market place
- Minimizes focus on the external environment which can lead to disaster if the local market place is competitive
- False sense of security if the organization's "very good" scores are improving and the percentile ranking is dropping

Defining Patient Satisfaction - % of Very Good Scores

Factors to Consider

- Database size and comparisons
- Response rate from patients; Number of surveys
- Employee bonus programs
- Vital behaviors- leading change
- Competitive actions/strategies in market place
- Expectations from referral sources and key constituents
- Relationships with referral sources and ability for organization to track and trend its performance against hospital patient satisfaction scores
- Organization ability to use the information to drive improvements in patient's experience

Strategies for Success

- Set clear expectations regarding values and vital behaviors
- Establish measurable goals to evaluate success of vital behaviors - align behaviors with rewards
- Embrace new organization's structure and establish clear understanding of roles and values of team
- Eliminate barriers to one patient-one plan (computer system, intake process)

Strategies for Success

- ✓ Use quality tools to the fullest extent (LEAN, Patient Event Tracking, Regional Work Groups, Risk Management Plan)
- ✓ Create a "patient-centered" expectation whereby we embrace patient satisfaction as the priority for sustainability
- ✓ Continually evaluate the market place to ensure that our strategies set us apart from the competition
- ✓ Create a Quality Strategic Plan for the organization with defined drivers that improve perception of care and drive collaboration with referral sources
- ✓ Share our successes with others and celebrate