



MARGIN SOLUTIONS

Margin Optimization for Continuing Care

Richard Kunnes, MD
Managing Director-Margin Solutions

Michael F. Masse, OTR/L
Senior Director-Continuing Care

9.25.20



MEET MICROSCOPE – “We Put Healthcare Into Focus”

OUR ENTERPRISE-WIDE SOLUTIONS PROVIDE A SPECIALIZED EXPERTISE AND AN IN-DEPTH LOOK AT YOUR BUSINESS.

Financial, Operational and Clinical Healthcare Expertise. All In One Place.

Enterprise-wide margin optimization requires Financial, Operational and Clinical expertise. Our healthcare experts provide extensive experience guiding healthcare organizations to be more efficient. We know how healthcare organizations work because Microscope has the expertise of our own doctors and nurses on our team. We provide a unique one-to-one relationship with your staff who speak the same language, allowing us to make practical solutions to address the clinical challenges you address every day. The 8 services we offer cover the areas that require constant vigilance in order to be more cost-effective, proactive and compliant with government regulations.



William N. Wildridge III

CEO/Managing Partner

315.430.6838

Syracuse, NY

wwildridge@microscopeHC.com





DISCLAIMER

The material in this presentation, and presented during this webcast, is designed for, and intended to serve as an aid to, continuing professional education. Due to the certainty of continuous current developments in the healthcare industry, these materials are not appropriate to serve as the sole authority for any opinion or position relating to the subject matter. They must be supplemented with the authoritative source. Before making any decisions, or taking any action, you should consult the underlying authoritative guidance and if necessary, a qualified professional advisor.

The presenters and microscope HC LLC shall not be held responsible for any loss sustained by any person who relies on this material or presentation made by the presenters.

Copyright is not claimed in any material secured from official US government sources.



HOW TO GET CPE

1. At some point during the webinar, please be sure to type a message or question into the question box.
2. Be sure to complete the survey (evaluation) at the end of the webinar.

*If there is an issue with your chat box/question box or if your evaluation does not populate, please email Jackie Al-Nwiran @ jackieA@microscopeHC.com to receive credit.

CPE Certificates will be emailed out next week.

*Questions: There will be time allotted at the end of the presentation for a brief Q&A. You can type your questions throughout the presentation into the question box and they will be answered in the order in which they were received.

* This presentation will be available in PDF format by request.



TODAY'S PRESENTERS



RICHARD KUNNES, MD

Managing Director – Margin Solutions

Rick brings over 35 years of experience in the healthcare industry helping hospitals and health systems on an enterprise-wide basis. He has worked as a Partner at a “Big Four” accounting/consulting firm, as a Managing Principal at one of the largest accounting/consulting firms in the Midwest, as a Chief Medical Officer at a 50 hospital/health system and as a Founder/CEO of a hospital consulting firm serving hospitals in 33 states.



MICHAEL MASSE, OTR/L

Senior Director – Continuing Care

Mike brings over 22 years of clinical and leadership experience in the healthcare field as an Occupational Therapist, Director of Rehabilitation and as a Regional Manager for a therapy and consulting service company. Most of Mike’s time has been providing these services to continuing care facilities.



AGENDA

- Course Objectives
- Background & Overview in a COVID Crunch Era
- Optimizing Margins....Quickly & Enterprise-Wide
- Basic and Best Approaches for Early and Easy Implementation
- Continuing Care Implementation Solutions...Examples
- Q&A



COURSE OBJECTIVES

- Provide a basis for appreciating how the COVID crunch era has dramatically altered the operational and financial infrastructures for continuing care programs and related facilities.
- Understand the financial and operational necessity for the rapid implementation of widely-available, carefully-curated, but under-used operational and financial continuing care solutions.
- Learn specific continuing care solution examples that maximize new, high-dollar savings and net revenues quickly in a continuing care environment.

Margin Optimization and the COVID Crunch Era

The COVID crunch era....is characterized by...

- Increased expenses
- Reduced revenues
- Subtracted staffing...relative to work-load, work complexity and team cohesion
- Required accelerated mitigation and amelioration.....

Resulting in and confronted with....



COVID Headwinds Exacerbate...

- Constricted cash flow
- Decreased days cash on hand
- Negative ops margins...
.....and just as importantly...
- Not enough of the right staff experiences and training to quickly increase cash and margins...

Continuing care programs must work with what they have and optimize/maximize the cost-effectiveness and creativity of their incumbent execs, managers and staff.



How to: Margin Optimize Quickly for Continuing Care

Margin optimization that...

- Decreases unnecessary use and expenses, e.g., linen change frequency, disinfectant/detergent, sitters
- Converts expenses to revenues, e.g., CMG Scoring Accuracy...more later
- Increases collections and reimbursements, e.g., amnesty, purchased AR
- Gains new dollars from untapped sources.....e.g., patient estates, PTO optimized
 - ...Using only 20-30 of the fastest-acting, highest dollar yielding Solutions to produce: **Substantial increases in new savings and net revenues.**



Margin Optimization in Continuing Care is finding and using...

Selected solutions in selected Continuing Care operational areas:

- Laundry
- Pharmacy
- EE Benefits: Medical & Non-Medical, Disability
- Equipment (Capital & Non-Capital)
- Legal/Risk/Contracting/Liability/Mal-Practice
- Repair/Maintenance (Clinical, Facility/Grounds)
- Food Services
- Clinical & Non-Clinical Items/Devices
- Temps/Agency/Contracted/Part-Time Staff
- Telecomm/Cells/Fax
- Clinical Services
- Energy, Electricity & Water
- IT: Software & Hardware, Contracting
- Waste/Sewage
- Payroll Operations/Time & Attendance
- PTO/OT/Premium Pay
- Payer Revenue Management
- Freight/Transportation/Logistics
- Mail/Postal Services
- Physician, Exec. & RN Recruitment/Retention
- Patient and Non-Patient Revenues/Collections
- Out/In-Sourcing
- Contract Management

Value of Margin Optimization for Continuing Care

Quickly and Easily....

- Achieve **bigger savings & revenues** faster and more simply for Continuing Care facilities .
- Decrease variation and waste, while increasing cost-effectiveness, days cash and ops margins ASAP.
- Be affordable, practical, **implement-able & 100% scalable** for all sizes and types of Continuing Care programs.
- Increase **new savings** and **net revenues** with no layoffs, no furloughs, no new hires and no new overtime.





Margin Optimization's Biggest Opportunities

Continuing Care facilities with any of these issues:

- Need increased: margins, cash flow, debt capacity/ratings and/or days-cash-on-hand.
- Want to avoid layoffs, stay independent, strengthen bargaining position and/or make new capital purchases.
- Want more focus on direct cost and margin per case, and on a carefully selected census ...to avoid...
 - ❖ ...Increasing negative-margin admissions...“Can’t make it up in volume” ...or with a non-discriminated census.





Margin Optimization Facilitators for Continuing Care

All Top 20 Solutions evidence-based and proven-in-practice:

- Margin Optimization: “Been there, done that...for 100s of facilities”
- Top 20 Solutions must be: documentation-established and referenced.
- Top 20 Solutions must produce high-dollar value savings/revenues.

“Stolen shamelessly, proven effective!” *(Registered Service Mark)*

You don't “re-invent the wheel.”



Margin Optimization's Advantages

All Solutions....

- Customizable & scalable for Continuing Care facilities
- Cost-effectiveness-enhancing
- Implementation-ready... leading to:
 - Quick-hit, easy-to-achieve new, high-dollar level of new savings & net revenues...
 - Setting your own pace, moving as quickly or as slowly as you want, but faster.....means more multi-year, sustainable and growing new savings/net revenues.

Starting With the Solution for Continuing Care...

Leads to:

- Decision-Support to “Decision-Now”
- Actionable-Now Solutions
- Speed-to-Solution Implementation
- Fastest new and continuing savings/revenues



Prevents: the delaying *blur* of and drowning in Paper

Mountains



Advantages of Fast Margin Optimization for Continuing Care

Always for Continuing Care...

- ❖ Days cash-on-hand growing...quickly
- ❖ Margin-increasing...continually
- ❖ Credit rating-enhancing



➤ Count only actually implemented new dollars, not “implementable” dollars.



Advantages of Margin Optimization for Continuing Care

- More quickly achieves new, higher, actual savings/revenues...sooner
- Avoids: Analysis Paralysis...”talk is cheap”
- Proven effective for over 15 years in all states.
- Margin optimization’s “MO” is...Margin Optimization

Continuing Care Facility Fully Controls...

- Selection, sequence & rejection of Solutions
- Customization of Solutions by:
 - Type/Category/Department
 - Pace and Acceleration
 - Who/Where/When/How Implement
 - Maximized dollar gain/value
 - Continuing Care's administrative fit.
- The number and category of Solutions:
 - Implemented
 - Customized/Modified
 - On-Hold
 - Rejected





Obligations for Continuing Care Facility....

*Work toward a mutually **effective**, savings & revenue-generating dynamic via...*

- Appointing an **executive champion/sponsor** for the Margin Optimization approach.
- **Implementing** at least 2-4 high margin-optimizing Solutions in 6 months, out of 20-30 Solutions....and repeating...
- Regularly **scheduling** margin-emphasizing meetings for the implementation of quickly optimizing Solutions with appropriate execs, supervisors and staff, virtually and frequently.
- Tracking and **reporting** margin optimization's new savings & net revenues on a bi-weekly basis.

The Margin Optimization approach assures...

- Ease of implementation...repeat every 6 months for best results.
- Only implemented savings & net revenues counted.
- Enhanced cash flow, days cash on hand and ops margins....sustained and growing.
- No layoffs no furloughs, no new hires, no OT required.
- Decreased variation and waste.





Rapidly Optimizing Solutions for Continuing Care...

Examples:

1. Census Building/Optimizing (cc)
2. Therapy Labor Cost Containment (cc)
3. Linen Management
4. MDS Coding Support (cc)
5. CMG Scoring Accuracy & Reimbursement Optimization (cc)
6. Therapy Documentation (and Nursing as Appropriate) (cc)
7. LTC Programming/CMI (cc)
8. Recovery Audit/RAC, ADR Denials (cc)
9. Document Out-Put/Print Mgmt.
10. Credit Card/Procurement Fees
11. Waste/Recycle Mgmt.
12. EE Medical Benefit Eligibility



QUESTIONS?





For more information on Margin Optimization for Continuing Care, contact:



Richard Kunnes, MD
Managing Director-Margin Solutions
614-339-1339
Columbus, OH
rkunnes@microscopeHC.com



Michael Masse
Senior Manager- Margin Solutions
607-316-6576
Syracuse, NY
mmasse@microscopeHC.com



William N. Wildridge III
CEO/Managing Partner
315.430.6838
Syracuse, NY
wwildridge@microscopeHC.com