

*Recruitment & Retention*  
*Where Does the Financial Manager*  
*Fit Into This Effort*

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# *Staff Growth & Development*

“To Build a Great Staff,  
Pay Them Well,  
Keep Them Busy, and  
Keep Them Happy”

Jules W. Lederer, Chairman & Founder  
Budget Rent a Car Corp. of America

# *Caregiver Compensation Goals*

From an Agency Perspective

- Staff Recruitment & Retention
- Optimize Productivity
- Management of Unit Costs
- Management of Episodic Costs
- Optimize Case Management Capacity
- Utilize Primary Case Management Model

## *Caregiver Compensation Goals*

From a Staff Caregiver Prospective

- Take Home "Pay" and Benefits
- Work Effort (Time Required)
- Sense of Accomplishment - Patient Care
- Sense of Appreciation
- Contribution to Agency
- Fairness
- Educational Opportunities

## *Where Does the Financial Manager Fit Into This Effort*

The Financial Manager Should Review:

- Current Agency (and Affiliate) Policies
  - Flexibility of Approaches
- Payroll and Accounting System Flexibility
- Union Contracts
- Staff Productivity
  - Cases Managed
  - Visits per Day
- Targeted Unit Costs by Discipline

# *Where Does the Financial Manager Fit Into This Effort*

## Identify and Align Incentives

- Meet with Clinical Management to Identify Goals for all Clinicians -- Current Case Management Model!
  - Cases Managed and Productivity – Actual versus Plan
  - Plan of Care Consistency with Standards of Practice
  - Timeliness and Accuracy of OASIS and Documentation
  - Achievement of Optimum Patient Outcomes
  - Low Un-Planned Re-hospitalization Rates
  - Low Emergency Department Incidents
  - Very Positive Patient Satisfaction Results
  - Spirit of Volunteerism and Team Players

# *Caregiver Compensation*

## Remuneration Models (With & Without Fringes)

- Hourly (Non-Exempt)
- Salaried (Both Exempt & Non-Exempt)
  - With or Without a Visit Productivity Bonus
- Pure Incentives ([Per Visit Rates] [Non-Exempt])
  - Weekday & Weekend Structure
  - With or Without a Case Management Incentive

Human Resource Policies May Effect Creative Flexibility

# *Caregiver Compensation*

## Hourly & Non-Exempt Salary

- Pros From the Staff Prospective
  - Common Acceptance and Earnings Well Defined
  - Overtime Compensation Well Defined
- Pros From the Agency Prospective
  - Common Acceptance and Regular - Overtime Earnings Well Defined in Relationship to Working Time as Recorded

# *Caregiver Compensation*

- Cons From an Agency Prospective
  - Visit Productivity -  
Management Standards vs. Reality
  - Patient Cases Managed -  
Standards vs. Reality
  - Lack of Positive Incentives Including  
Timeliness of Documentation
  - Does Not Fix the Salary & Payroll Tax Cost  
Per Unit of Service
  - Productivity & Utilization Management  
Required

# Caregiver Compensation

## Exempt Salary

- Same Pros & Cons are True as Those for Hourly & Non-Exempt Salary
- Additional Pro From the Agency Prospective
  - Cost of Overtime Eliminated
- Additional Con From the Staff Prospective
  - Compensation for Overtime Eliminated
- Without Positive Incentives - *Exposure to Labor Relations Actions*

# *Caregiver Compensation*

## Popular Myths

### Hourly & Salary - Non-Exempt & Exempt

- Provides
  - Incentive to Perform Necessary Longer Visits
  - Greater Quality of Care & Patient Education
- Does Not Provide
  - Incentive to Perform Unnecessary Visits

# *Caregiver Compensation*

Pure Incentives ([Per Visit Rates] [Exempt])

- Visit Rates
  - Structured by Type of Visit, including Telephone Follow-up Visits
  - Cafeteria Approach to Premium-Based Fringes
- Paid Days Off Based Upon Average Daily Earnings for the Previous Quarter (or Six Months)
- Compensation Floor at 70% of Average Projected Earnings, if Advantageous
- Episodic Incentive, Layered up to 6% of Quarterly Earnings, Based Upon Threshold of Cases Managed in a Calendar Quarter

# *Caregiver Compensation*

Pure Incentives ([Per Visit Rates] [Exempt])

- Weekender Program

- Additional Weekend Premium to Visit Rates
- Friday-Noon to Monday-Noon
- Scheduled Admissions & Follow-up Visits
- Patient Management Rates
- Weekend On-Call Activity to Separate Staff Person
- Earns Prorated Fringe Benefits Including Paid Days off

# *Caregiver Compensation*

## Pure Incentives ([Per Visit Rates] [Exempt])

- Pros From the Staff Prospective
  - Earnings Potential Well Defined
  - Earnings Directly Relate to Effort
  - Continuity & Coordination of Patient Care
  - Improved Morale (No Longer Carrying “Deadwood”)
- Cons From the Staff Prospective
  - May Not be Readily Accepted Within Agency Structure
  - Less Productive Staff Fear Loss of Earnings
  - No Overtime Compensation
  - Enforces Timeliness

# *Caregiver Compensation*

Pure Incentives ([Per Visit Rates] [Exempt])

- Pros From an Agency Prospective

- Incentive for Increased Visit Productivity
- Incentives for Increased Number of Patient Cases Managed
- Positive Incentives for Timeliness of Documentation
- Positive Incentive for Increase Volunteerism
- Fixes the Salary & Payroll Tax Cost Per Unit of Service
- Develops Internal Case Capacity Without Increasing Staff
- Earnings Potential Increases Staff Recruitment & Retention
- Interfaces With Utilization Management Based on Medical Necessity
- Enhanced Continuity, Coordination & Communication

## *Caregiver Compensation*

Pure Incentives ([Per Visit Rates] [Exempt])

- Cons From the Agency Prospective
  - May Not be Initially Accepted Within Agency Staff
  - May Cause Attrition of Less Productive Staff
  - Generally Not Acceptable to Union Representation

# *Caregiver Compensation*

## Popular Myths

Pure Incentives ([Per Visit Rates] [Non-Exempt])

- Promotes Visit Over-Utilization to Patients
- Promotes Reduced Level of Care Quality
- Only Applies to Per Diem & Part-Time Staff
- Does Not Apply to Benefited Staff

# *Caregiver Compensation*

## Remuneration

- Fringe Benefits
  - Health & Dental
  - Paid Time Off (Vacation, Sick, Personal, & Holidays)
  - Disability (Long Term & Short Term)
  - Retirement (Pension, Profit Sharing, 401K, or 403B)
- Automobile Reimbursement
- Educational Reimbursement

# *Caregiver Compensation*

## Premium Based Fringe Benefits

- Current General Practices
  - Employee Contributes to Single Coverage
  - Employee Pays Most, If Not All, Family Coverage
  - Employee Compensation Doesn't Increase if Fringe Benefits are Passed Over
  - Agency & Employee Pay FICA & Medicare Tax on Compensation Paid to Cover Employee's Contributions
  - Employee Pays Income Tax on Compensation Paid to Cover Employee's Contributions

# *Caregiver Compensation*

## Premium Based Fringe Benefits

### ■ Creative Approach

- Agency Absorbs 100% of Employee Single Coverage
- Agency Absorbs Portion of Family Coverage
- Compensation Rates Are Reduced in Direct Proportion
  - » Creates Different Compensation Rates For Staff With Single & Family Coverage & Without Any Coverage
- Agency Saves Expense Equal To FICA & Medicare Tax
- Staff Saves Income Tax As Well As FICA & Medicare Tax & Enjoys Increased Net Income & Take Home Pay

# *Caregiver Compensation*

## Popular Myths

### Premium Based Fringe Benefits

- Employee Contributions Towards Fringes Reduce Agency Costs
- Employees Should Share in the Cost of Fringes to Establish Their Value
- Employee Contributions Towards Fringes are Required by Human Resource Policies

# *Caregiver Compensation*

## Automobile Reimbursement

- Mileage vs. Flat Rate Per Visit
- Mileage Generates
  - Revenue for the Caregiver
  - Documentation That Isn't Accurate
  - Audit Requirements to Issue Reimbursement Checks
- Flat Rates Based On
  - Average Mileage Per Visit x Rate Per Mile
    - » Can Be Zoned for Large Geography
  - Number of Visits in the Pay Period or Month

# *Agency Performance Incentives for all Staff*

Design a Comprehensive Agency-wide Incentive  
That Will Unify the Agency Culture

- Establish an Incentive Dollar Pool, ie Percentage of Profits
- Establish Criteria for all Personnel, Both Management and Staff
- Communicate Results Monthly
- Monthly Payment, Allowing up to 60 Days to Calculate Results

# *Agency Performance Incentives for all Staff*

Design a Comprehensive Agency-wide Incentive That Will  
Unify the Agency Culture

- Improved Clinical Outcomes
  - Homecare Compare Scores
  - Outside Benchmarking
  - Reduced Non-planned Re-hospitalizations and Emergency Department Incidents
    - » High Risk Patients
  - OASIS Timeliness and Accuracy
  - Development of Disease Management Standards of Practice Adopting "State of the Art" Clinical Technology
- Patient Satisfaction
- Admission Within 24 Hours of Referral

# *Agency Performance Incentives for all Staff*

Design a Comprehensive Agency-wide Incentive  
That Will Unify the Agency Culture

- Administrative and Financial Outcomes
  - Timeliness of OASIS Submissions, RAPs, Signed Orders, End of Episode Billing (no recoupments)
  - Achieving Planned Costs per Unit of Service
  - Achieving Planned Process Productivity
  - Reduced Absenteeism – Sick Days
- Increased Referrals
  - New Referral Sources
  - Additional Referrals from Existing Sources

## *The Financial Manager's Assessments*

- The Reality of the Incentives Effects on Clinical Productivity and Case Capacity
- The Reality of the Incentives Effects on Support and Business Office Staff Productivity
- Clinical and Financial Outcomes vs. the Costs of the Incentives
- Assess, with Clinical Management, overall Staff Receptivity

# *Recruiting Alternatives*

Develop a Promotional Brochure for the Incentive Plan

- Organization's Website
- Distribute to the Staff during the Introductory Phase
  - Encourage Staff to Talk to Their Friends
    - » Recruiting Bonus plus Added Incentive Compensation
- Creative Advertising
  - “Attention Grabber”
    - » Remember---“Where's the Beef”?
  - Outcomes and Rewards

TELL ME AGAIN HOW  
LUCKY I AM TO BE  
WORKING HERE!!

I  
KEEP  
FORGETTING

