

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

