

VOICES

William Simione III, Managing Principal Simione Healthcare Consultants



In this Voices interview, Home Health Care News sat down with Simione Healthcare Consultants Managing Principal William “Billy” Simione III to get his take on the biggest challenges for home health and hospice providers in 2020, what data points and metrics home health and hospice providers should monitor and his one-word outlook on the Patient-Driven Groupings Model (PDGM).

2019 was a year of change in home health. What were your top three takeaways of the year?

Simione: We saw a lot of organizations re-evaluate where they are. PDGM was obviously a catalyst for action.

Many organizations had to perform deep dives into their operations and truly analyze their workflows. We helped a lot of organizations with that.

Another takeaway was the staff and workforce issues that continued to emerge as agencies looked to improve retention, develop leaders and recalibrate for PDGM. We also saw a lot of succession planning in 2019 – we were making sure that organizations were able to prepare for the future in terms of leadership.

A third, and probably one of the biggest, is organizations evaluating care management and coordination, in terms of efficiencies and telemonitoring. Although I think most organizations saw the shift coming, there were some that I will say had an old-school mentality, and really were just looking at visits and not necessarily looking at outcomes.

Jan. 1 signified more than just a new decade in home health. It brought PDGM. What are the top three challenges that home health providers face under PDGM?

Simione: Continuing to uphold and improve practices to really take a look at the delivery of care in a cost-effective way, and to ensure that organizations are both compliant and have the correct quality.

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Another area, and I think this is very important, is training and team development to ensure that each role is clear in its place and accountability. That was an area that I think organizations may have skimmed on or didn't really dedicate the resources that were needed.

The last one is a long-term challenge, but it's magnified in the first two quarters of 2020: cash flow.

How bad do you think that cash flow crunch will be?

Simione: The actual magnitude of it is going to be hard to gauge because it really depends on the agencies. I do think we as an industry will get through this. We are resilient and have gotten through many other adverse things thrown at us.

But it really depends on the organization and what they did leading up to January of 2020. If they were proactive and they looked at securing lines of credit, making sure that they had cash reserves, making sure that they drove down their DSO (days of sales outstanding), those organizations will be able to weather the storm. It's going to be tough for many, but I do think organizations will be able to survive this.

Let's talk specifics. What data points and metrics are most important for home health and hospice providers to access in 2020?

Simione: It's important to have data points for each functional area and level within your organization, and then having the key metrics roll up into a global dashboard. Many times, organizations have these large dashboards and they just get lost in the numbers.

When you look at your clinical operations, it's the census by payer, it's your clinical caseloads. Those are key areas for both home health and hospice. With PDGM specifically, I think it's really important to look at visit utilization, not just globally for PDGM, but really run granularly down to the clinical groupings. Then, also the number of periods by admission, by clinical group. You need to have a case management mentality when you're looking at all this.

Also important is looking at visit utilization by all payers. That's something I think is true for both home health and hospice. Many times in hospice, we look at average length of stay, average daily census, all very important. Really looking at the visit utilization for both home health and hospice I think are extremely important.

Some of the other areas are sales and marketing, as well as understanding your referrals by payer or by referral source. From a revenue-cycle perspective, I think there are a couple of key ones. There is timeliness of billing. Obviously, DSO is extremely important.

Some of the financial ones are gross margin by payer. Many organizations only look at it globally across all payers, but we need to understand which payers have a margin and how that will affect other things that we may want to do.

Lastly, an important one is going to be days cash on hand. That's something that we need to monitor within the organization, especially in the first two quarters of 2020 when you know cash is going to be a little bit tight for organizations.

People often come to us for insight in a couple of areas when they're looking at some of their data points. One of them is DSOs. They'll say, "Our DSOs are well above industry standards," and they don't know how to peel back the layers and figure out why. What we're able to do is come in and figure out the roadblocks that are causing a high DSO.

The other one is on the growth side, namely referrals. They've got all this data and there's some great data that's out there on referral sources and where it's all going. But what do you do with it, and how do you really make changes and develop a growth plan that's going to fit your organization? Is it going to move you forward? How do you interpret all that? There is an opportunity to really understand lost referrals.

What does Simione see as its greatest benefit that it can provide to home health and hospice providers in 2020?

Simione: I think the area that sets us apart from other firms is that we have a multi-solution offering. We have experts across many business disciplines who really know the space, both home health and hospice. When we look at client needs, we truly have a holistic approach to our engagements. They're not necessarily cookie-cutter to each and every client that we see. We're also constantly modifying our approach to our engagements. Ultimately, what we want to do is meet the client's needs.

The other piece that I think sets us apart is that we have the ability to help organizations make the changes they need, and we can bring the discipline of project management. Many organizations know they have changes they need to make, but they don't have the bandwidth to really facilitate those changes. They can't hire somebody full time to do that. We bring disciplined project management to the table, and make sure that the changes actually happen in their organization.

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What does Simione expect to focus on most in 2020?

Simione: We still see many organizations that need to evaluate their financial and clinical operational workflows, and to make sure that their organizational structure really meets their volume. Helping organizations with talent and workforce planning during 2020 will continue.

Also, helping organizations use data to make informed decisions. One of the areas that we've gotten more and more requests is to help them interpret what the data truly means. They have a lot of really great data, but they don't know how to use it to make the right business decisions. We expect to see that growing in 2020 and in the future.

Another area, which goes into the M&A side, is we're seeing more and more mergers of organizations, not necessarily acquisitions. Not-for-profit agencies are looking to come together in order to survive in the changing market of home health and hospice, determine how to work together to achieve economies of scale, and meet the mission of each of the organizations.

Lastly, I think IT and system optimization will be a focus. What we did see in 2019 in helping many organizations prepare for PDGM was that they were not using their systems efficiently and that they really need to. Many of the systems have great processes and organizations try to change it. They should adopt the systems and use them the way they're built to really truly benefit from it.

What are the biggest opportunities for home health and hospice providers in 2020?

Simione: I see an opportunity to align with other home care and community-based providers in a continuum, to show value in health care. Organize with the right partners to propel change and support for a home setting. We have an opportunity with many of the health systems' population health initiatives, the ACO initiatives that are out there. We also see the ability with home health to enter into value-based and risk-type contracting. Although much of the focus in 2020 is on PDGM and rightfully so, I do think there's a lot of opportunity for home health in this new era to provide quality while reducing the total spend on patients.

Describe the influence that PDGM will have in 2020 in just one word.

Simione: Optimism.

Editor's note: This interview has been edited for length and clarity.

Simione Healthcare Consultants is a consulting firm for home health, hospice and home care companies. Learn more at [Simione.com](https://www.simione.com)