



2023 INDUSTRY TRENDS REPORT



EXECUTIVE SUMMARY

Industry Trends Survey Shows Organizations Needing to Do More With Less While Dealing With Staffing and Regulatory Challenges

In a survey of thousands of home-based care providers from organizations of all sizes, key takeaways show care at home providers grappling with ways to do more with less while dealing with staffing and regulatory challenges in 2023.

The survey conducted jointly by healthcare technology leader Axxess and healthcare consulting firm SimiTree in December 2022 revealed predominant concerns include recruitment and retention of staff and concerns over regulatory challenges related to the new OASIS-E, home health value-based purchasing and reimbursement adjustments resulting from the 2023 home health final rule. Hospice providers are also concerned about the impact of increased compliance and audit scrutiny.

There appeared to be mixed feelings about the impact regulatory changes will have on the care provided. More than 50 percent of respondents feel technologies that provide prescriptive analytics to identify patient changes and necessary interventions to prevent patient decline; remote patient monitoring and other smart home technology; and streamlined automation and workflow solutions for revenue cycle processes could improve patient outcomes.

Three in four respondents indicated that work demands have increased since the pandemic, and four of five respondents felt their organization has been implementing strategies to improve staff retention and engagement.

Important strategies to drive higher margins will include:

- Increasing productivity requirements for all clinical and field staff
- Decreasing the number of visits provided in an episode or benefit period
- Decreasing discretionary spending

SURVEY RESPONDENTS

Of the respondents, 74% indicated they provide home healthcare service. Nonetheless, the issues addressed in the survey are impacting all aspects of the care at home industry.

- Improving staff turnover
- Diversifying payer sources
- Using telehealth, virtual visits and remote monitoring to supplement in-person visits
- Standardizing assessment reporting to maximize staff efficiencies, and
- Optimizing software solutions workflow to maximize efficiency.

Four in 10 responded that direct cost by patient and/or diagnosis and actual versus budgeted performance are key performance indicators used at their organization. Three in 10 indicated KPIs at their organization include revenue by referral source, revenue by diagnosis and the overall case mix.

More than half of respondents felt diversifying service lines of care would enable their organization to develop strategic partnerships with referral sources, and nearly as many see it as an opportunity to increase revenue. Somewhat surprisingly, 30 percent indicated their organization is not considering diversifying service lines.

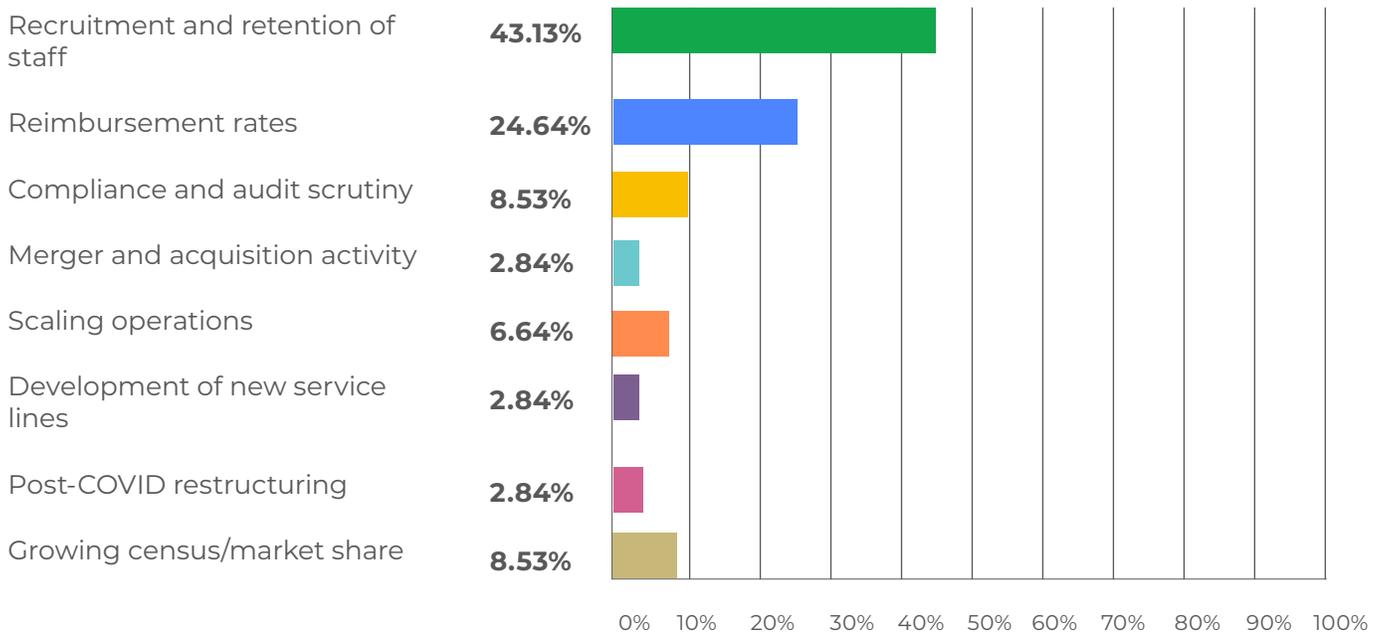
Conclusions

This survey shows that post-pandemic and with regulatory challenges organizations are being tasked with doing more to achieve quality patient outcomes while still addressing ongoing staffing challenges.

Based on the findings, numerous best practices to consider are offered by Axxess and SimiTree at the end of this report to help organizations thrive in the years ahead.

SURVEY QUESTIONS AND RESULTS

What is the biggest challenge your organization will face in 2023?

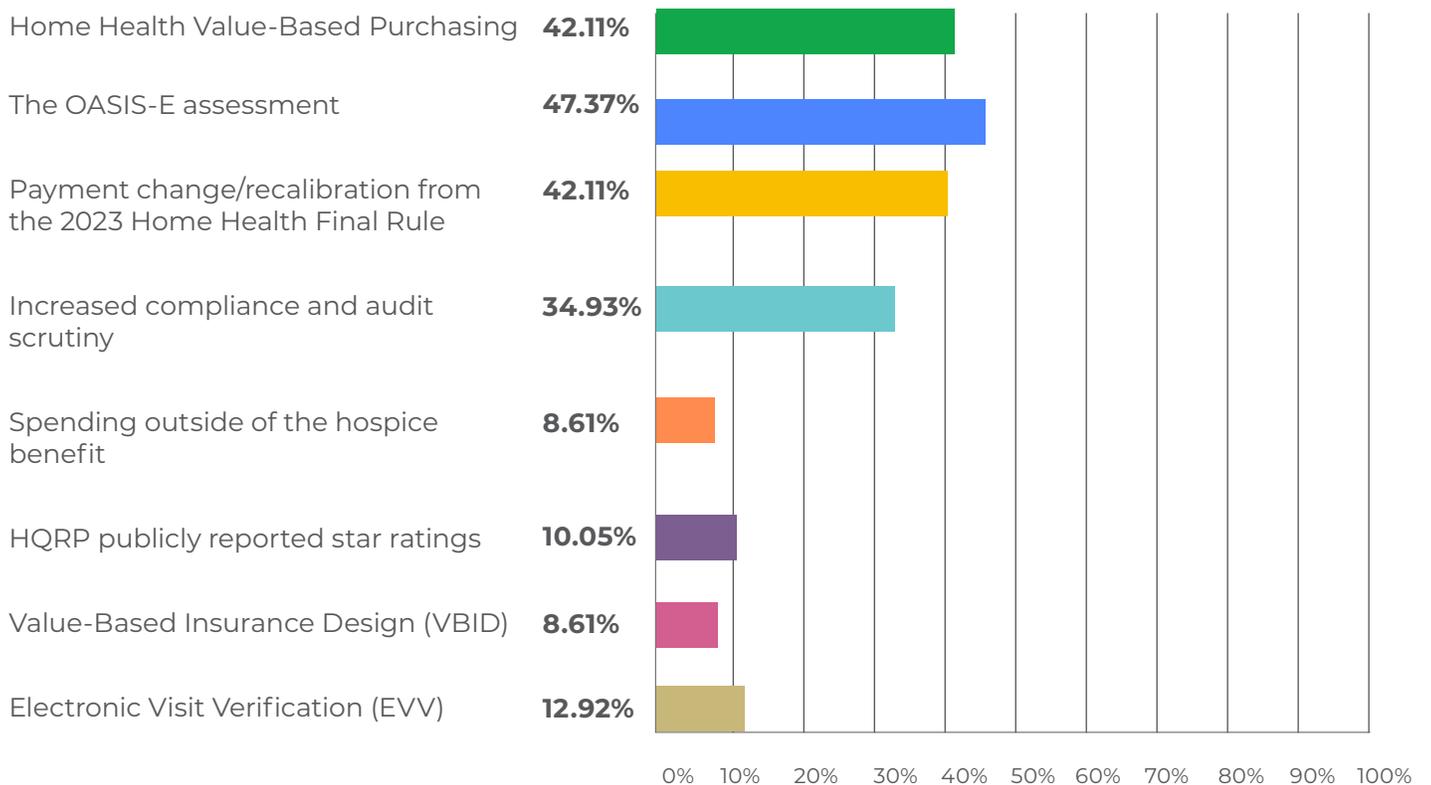


KEY INSIGHT

While a number of challenges were presented, two impacting the ability to provide quality care were noted more than others: persistent industry challenges related to recruitment and retention of staff, and reimbursement rates, most notably the cuts this year impacting providers of home healthcare.



Which of the following regulatory challenges will impact your organization the most?



KEY INSIGHT

Not surprisingly, changes in the delivery of home healthcare rose to the top of concerns. Adjusting to the new OASIS-E, the new requirements with value-based purchasing, and payment changes set forth in the 2023 home health final rule are clearly top of mind. Hospice providers also revealed concerns over increased compliance and audit scrutiny.



SURVEY QUESTIONS AND RESULTS

Which organizational changes will your organization most likely implement to improve margins in 2023?

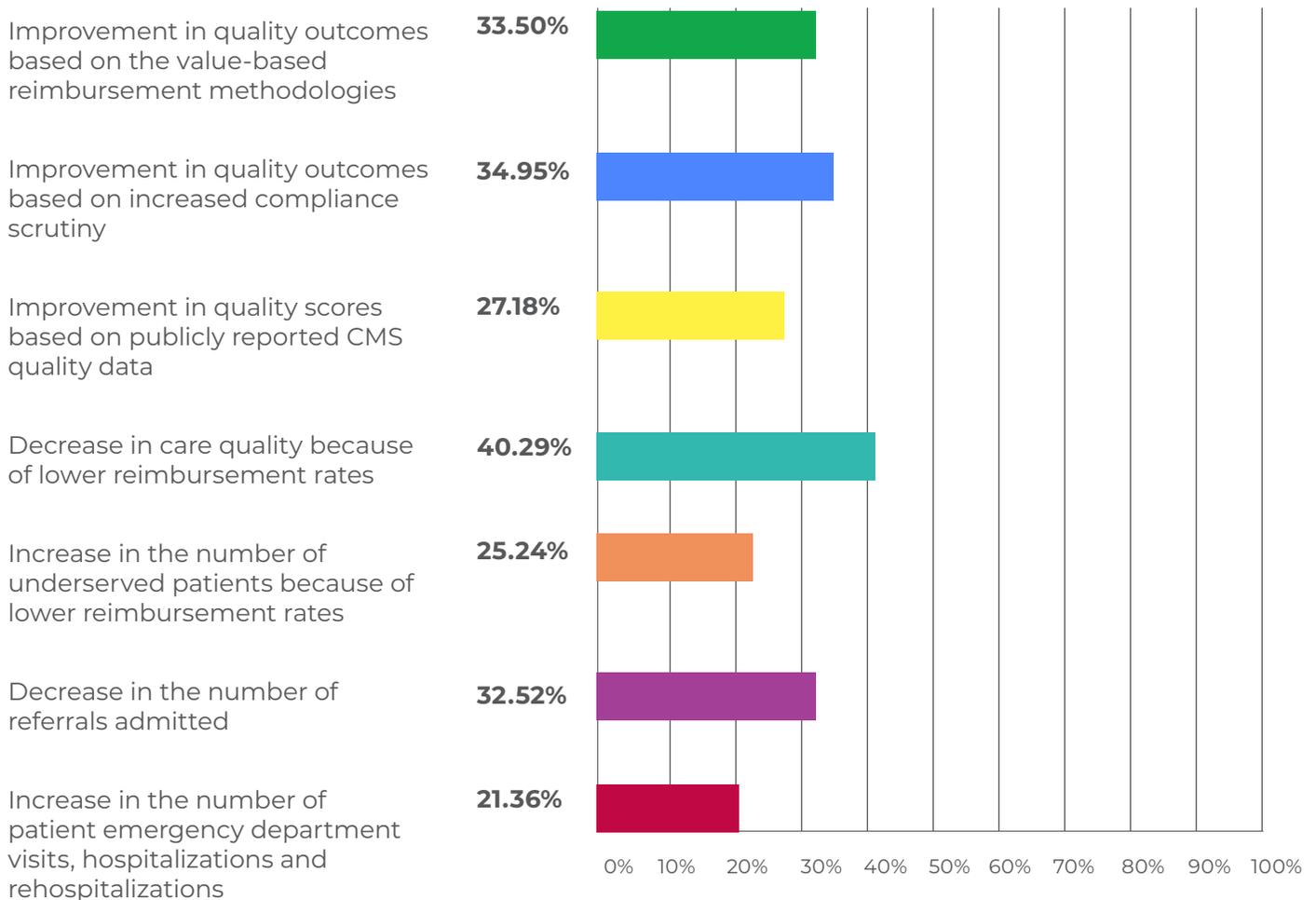
Increase productivity requirements for clinical and field staff	36.02%
Decrease the number of visits provided in an episode or benefit period	29.38%
Standardized assessment reporting to maximize staff efficiencies	23.22%
Utilize telehealth, virtual visits, and remote monitoring to supplement fewer in person visits	25.59%
Reduction in workforce	10.90%
Diversify payer sources	26.54%
Implement strategies for admissions criteria	11.85%
Identify home health patients that may be hospice eligible sooner	16.11%
Identify and measure performance metrics to tighten revenue cycle processes	18.96%
Decrease discretionary spending	34.12%
Optimize software solutions workflow to maximize efficiency	20.85%
Improve staff turnover	32.70%
Add new service line	7.11%
Seek accreditation to strategically position organization for improved market share and penetration	3.79%

KEY INSIGHT

During these challenging times, respondents indicated their organizations are implementing a host of strategies to drive higher margins. The efforts appear to address all areas of operations, including increasing worker productivity, assessing visit needs, diversifying payer sources and optimizing software to increase efficiencies. A common theme based on the responses is organizations plan on doing more with less.



What impact do you feel regulatory changes will have on patient care in 2023?

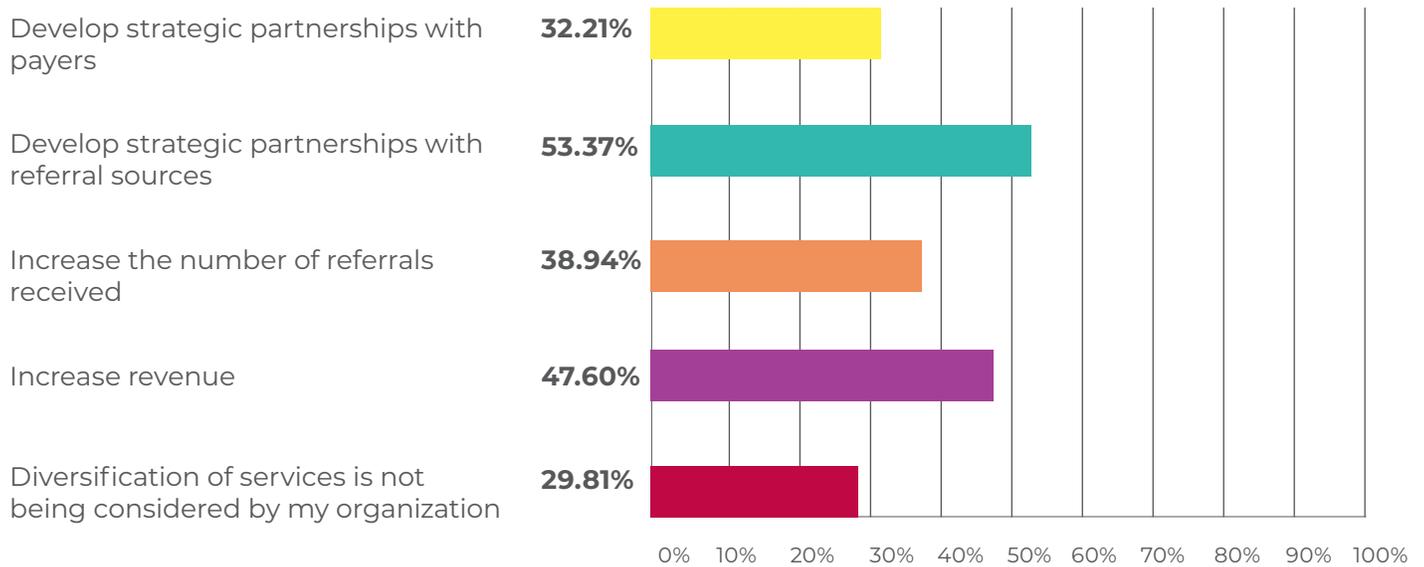


KEY INSIGHT

There seems to be mixed feelings on the impact of regulatory changes on patient care in the coming year. While four in 10 feel care quality will decrease due to lower reimbursements and a third feel there will be a decrease in the number of referrals admitted, similar numbers feel value-based methodologies and increased compliance scrutiny will lead to improved care. Quality care is clearly a concern for the industry and will be a major focus in 2023.

SURVEY QUESTIONS AND RESULTS

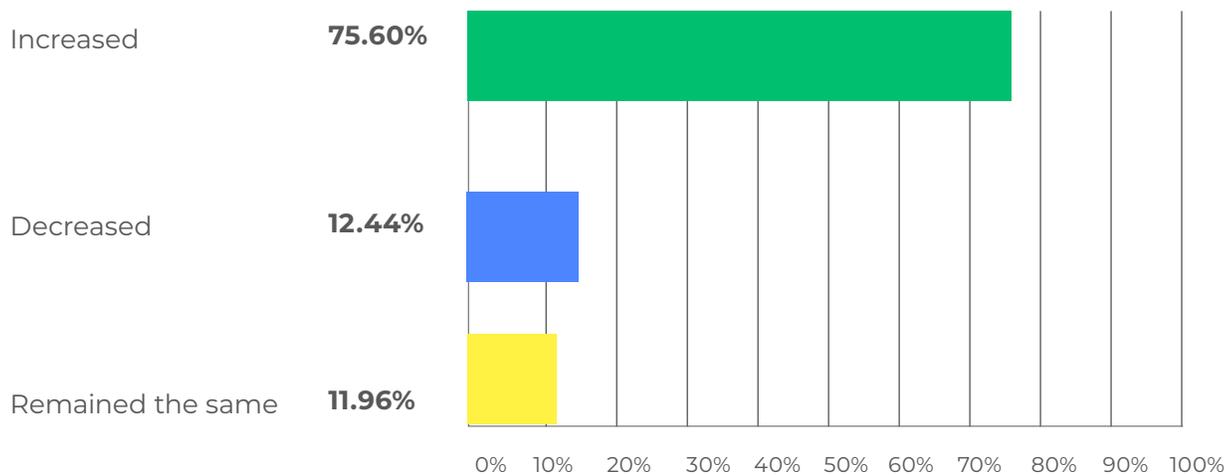
A diversification of service lines would enable my organization to do the following:



KEY INSIGHT

More than half of respondents felt diversifying service lines of care would enable their organization to develop strategic partnerships with referral sources, and nearly as many see it as an opportunity to increase revenue. Somewhat surprisingly, 30 percent indicated their organization is not considering diversifying service lines.

How have your work demands been impacted post-pandemic?



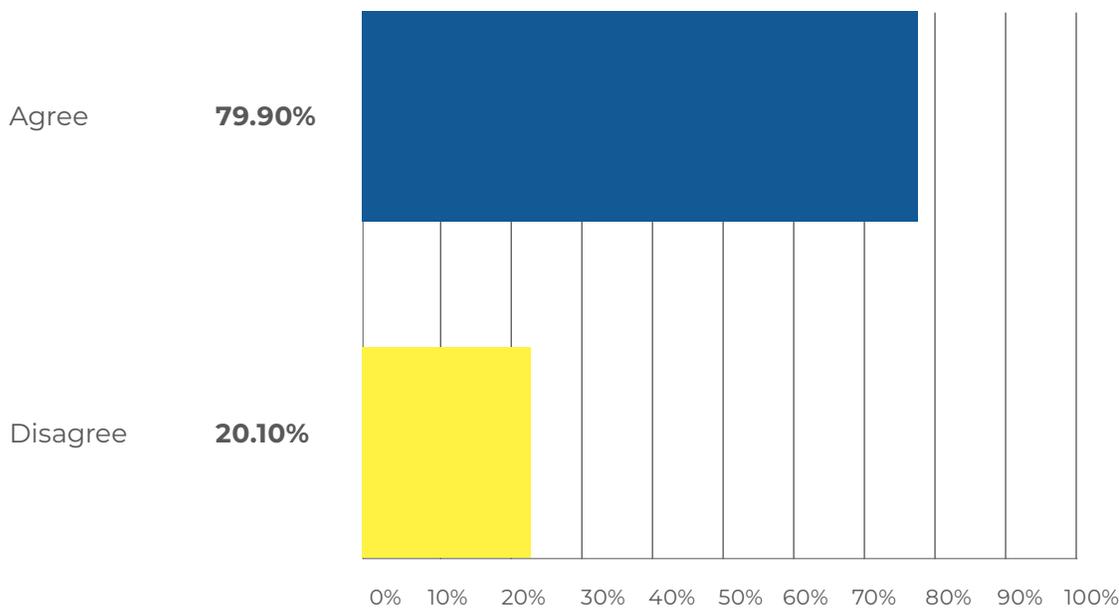
KEY INSIGHT

Not surprisingly, three in four responded work demands have increased post-pandemic.



SURVEY QUESTIONS AND RESULTS

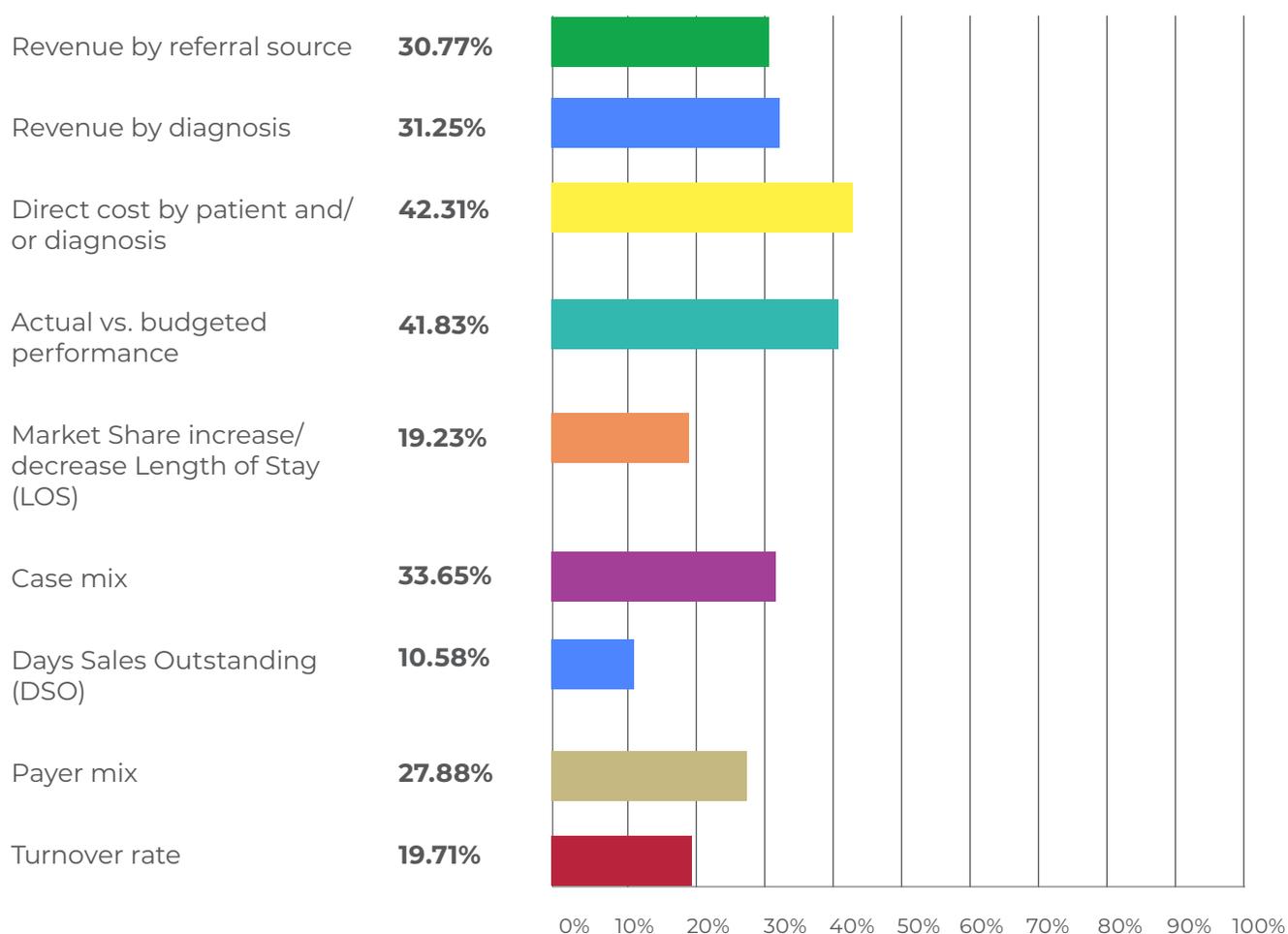
Do you agree or disagree with the following statement: My organization has implemented strategies to improve employee retention and engagement post-pandemic.



KEY INSIGHT

Four in five responded that their organizations have been working hard to address staffing challenges post-pandemic. Despite this, recruitment and retention remains the biggest organizational challenge organizations expect to face in 2023.

Which of the following key performance indicators does your organization use?

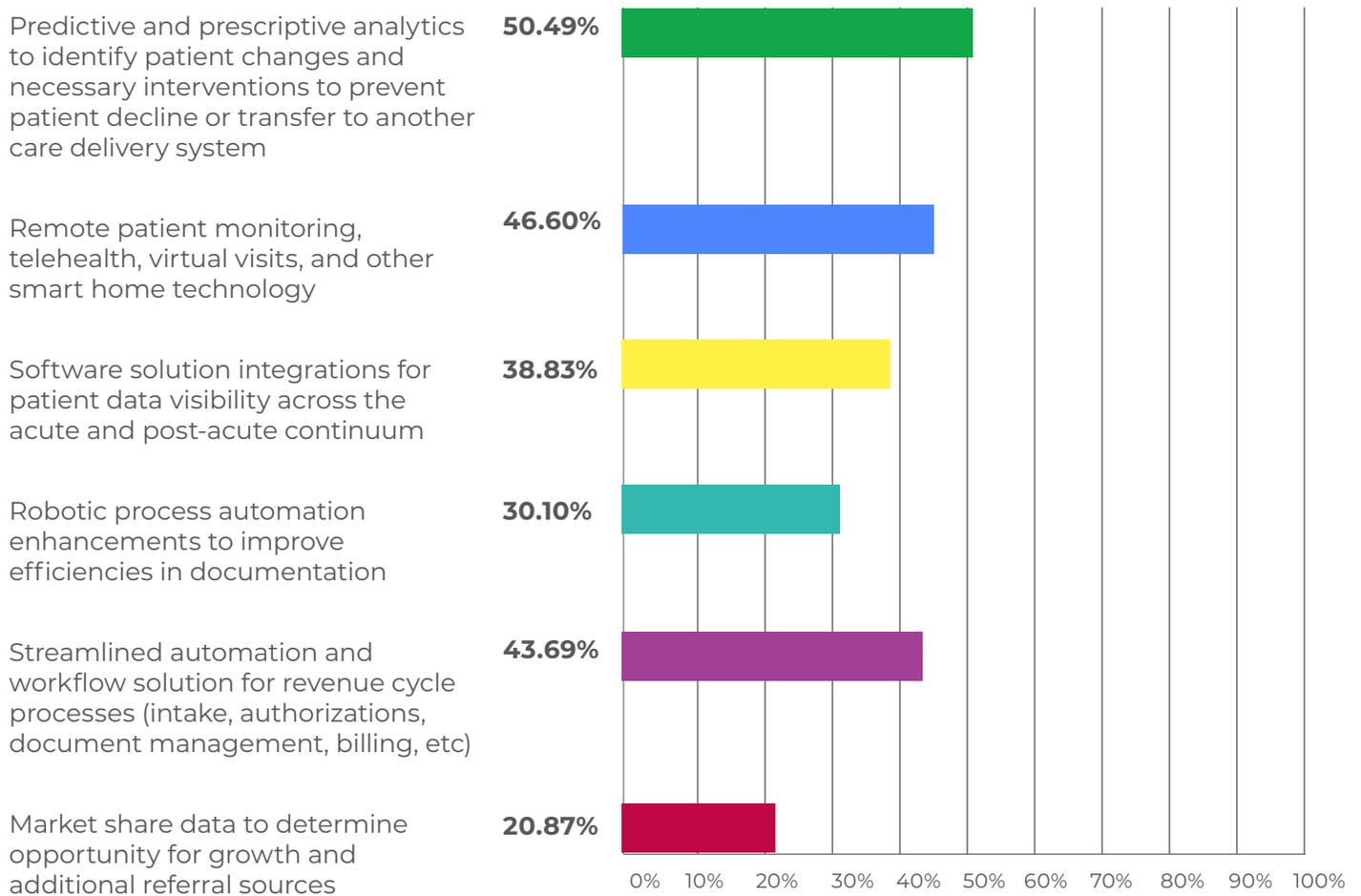


KEY INSIGHT

Four in 10 responded that direct cost by patient and/or diagnosis and actual versus budgeted performance are key performance indicators used at their organization. Three in 10 indicated KPIs at their organization include revenue by referral source, revenue by diagnosis and the overall case mix. Four in 10 responded that direct cost by patient and/or diagnosis and actual versus budgeted performance are key performance indicators used at their organization. Three in 10 indicated KPIs at their organization include revenue by referral source, revenue by diagnosis and the overall case mix.

SURVEY QUESTIONS AND RESULTS

What type of technology would you like your organization to use to help achieve positive patient outcomes?



KEY INSIGHT

More than 50 percent of respondents feel technologies that provide prescriptive analytics to identify patient changes and necessary interventions to prevent patient decline could improve patient outcomes. Almost as many identify remote patient monitoring and other smart home technology, and streamlined automation and workflow solutions for revenue cycle processes, as beneficial to achieving positive patient outcomes.

BEST PRACTICES TO CONSIDER



Based on the findings, Axxess and SimiTree have compiled some best practices to consider for thriving in the coming years.

Protect and increase your revenue. By monitoring clinical performance, patient satisfaction and patient outcomes using business intelligence software, you can prioritize and create an actionable “to-do list,” giving you the ability to manage risk in the moment.

Create an agency dashboard with KPIs listed. “You can’t manage what you don’t measure” is a popular business quote. Without having focus on the metrics that tell the story of agency performance, it’s almost impossible for organizations to make changes necessary to improve the bottom line. Make sure all staff understand the metrics and measure these daily. To reduce the risk of analysis paralysis, focus on managing by reports and by exception in three key areas: operations, financial, and quality. Understanding the behaviors under the metrics moves performance toward excellence.

Define your company’s culture. Most companies cannot articulate their culture and have not done anything formal to define what it is. Companies that are formally investing in defining and improving their company culture can have a significant positive impact on employee satisfaction. This leads to being an employer of choice and attracting top talent. It also leads to higher engagement scores, which have a direct correlation to retaining staff.

BEST PRACTICES TO CONSIDER

Implement productivity standards for all departments and implement staffing metrics to determine when it is appropriate to add staff. Productivity standards for all staff (not just clinicians) will help better define expectations and can also be used to determine appropriateness of staffing levels throughout the organization.

Review PEPPER reports to determine potential compliance risks. Audits and government probes continued to increase in 2022; PEPPER reports can be a useful tool in determining areas where your agency is at risk of an audit.

Analyze your current payer rates and contracts (pay rates, services reimbursed) to see what should be renegotiated. Pay careful attention to contract length, auto rate increases, timely filing limits, and services covered. Organizations should know what their break-even margins are and have a minimum requirement for rates when entering into negotiation with a payer. Organizations should also seek reimbursement rates for non-core services such as telehealth and virtual visits.

Diversify your payer mix, as well as service lines to grow in 2023. Develop a strategic plan in line with your organization's mission and vision. Now is the time to review all contracts and service lines.

Improve margins with operational changes. If using telehealth, develop protocols for virtual visits and ensure that the EMR system promotes scheduling and tracking of virtual visits. Organizations looking to decrease the number of visits to improve operational margins must beware of sacrificing outcomes and potentially creating LUPAs for home health. As an alternative, consider maximizing clinical staff to the top of their license. A team approach using LPNs, LVNs, PTAs, COTAs, and HHAs not only improves margins, it improves outcomes.

Invest in tools to better understand your current market share and where opportunities to expand may exist with referral sources. To best develop a marketing strategy for growth of referrals, organizations should have insight and data into the landscape of their current market share. Organizations should take a deeper dive into market referral data, such as payer source and primary diagnosis code.

Train and educate your staff. 2023 is a pivotal year of education with multiple regulatory changes throughout the industry. In addition, younger leaders are emerging due to staffing constraints who may be in leadership positions that are new to them. It is imperative for organizations to give them the training, education and tools they need to succeed.

BEST PRACTICES TO CONSIDER



Hospice providers should optimize the use of the interdisciplinary team. Share in the care delivery of the individualized care plan and support a diverse model of care delivery.

Assess key strategies that drive engagement and retention. Focus should include effective orientation and onboarding that highlights the rewards and benefits of the care at home industry, regular training and education, mentorship, providing flexibility to balance work and personal responsibilities, financial incentives and providing easy-to-use software.

Assess your technology partner. Review how it aligns with training and educating your staff while in the field. Using clinical intelligence that provides robust guidance within the clinical documentation can help support and navigate care change needs.



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