



We'll get you there.

Key Health Care Trends Using Data

August 24, 2022

CPAs | CONSULTANTS | WEALTH ADVISORS

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Introduction

Stephen M. Taylor, CPA, MBA

Principal – Senior Living & Care Segment Leader

Stephen Taylor is a Principal within the health care group at CLA (CliftonLarsonAllen) and serves as the leader of CLA's Privately Held Senior Living and Care practice. Stephen's primary focus is creating enterprise value for skilled nursing and senior living and care operators and owners.

Deb Emerson, CPA, RAC-CT, RAC-CTA

Principal – Senior Living & Care Reimbursement Leader

Deb Emerson is a principal with the health care group of CLA's specializing in reimbursement and consulting services for senior living facilities, home health and hospice organizations. She has extensive experience handling the distinctive issues facing health care organizations in today's challenging environment.

Seth Wilson, CPA, MST

Data Analyst Manager

Seth is a data analyst manager with CLA's Data Analytics team. He has been with CLA for more than 13 years. Seth began his career as a CPA with a focus on audits, tax, reimbursement, and consulting services before transitioning to data analytics. By pairing his industry and technical accounting knowledge with his passion for data and technology, Seth helps organizations transform data to insights.



Agenda

- Review key 2022 health care trends and how they continue to cause operational and financial challenges in health care
- Discuss current trends within the skilled nursing/long-term care industry
- Demonstrate how industry-focused-data-driven insights can provide skilled nursing/long-term care organizations clarity and information on strategic, operational, and financial actions



Do you have a concise,
consistent, unbiased
approach to assessing
your SNF(s)

Are you spending more
time gathering and
organizing data vs.
identifying
opportunities?

What are your
opportunities?

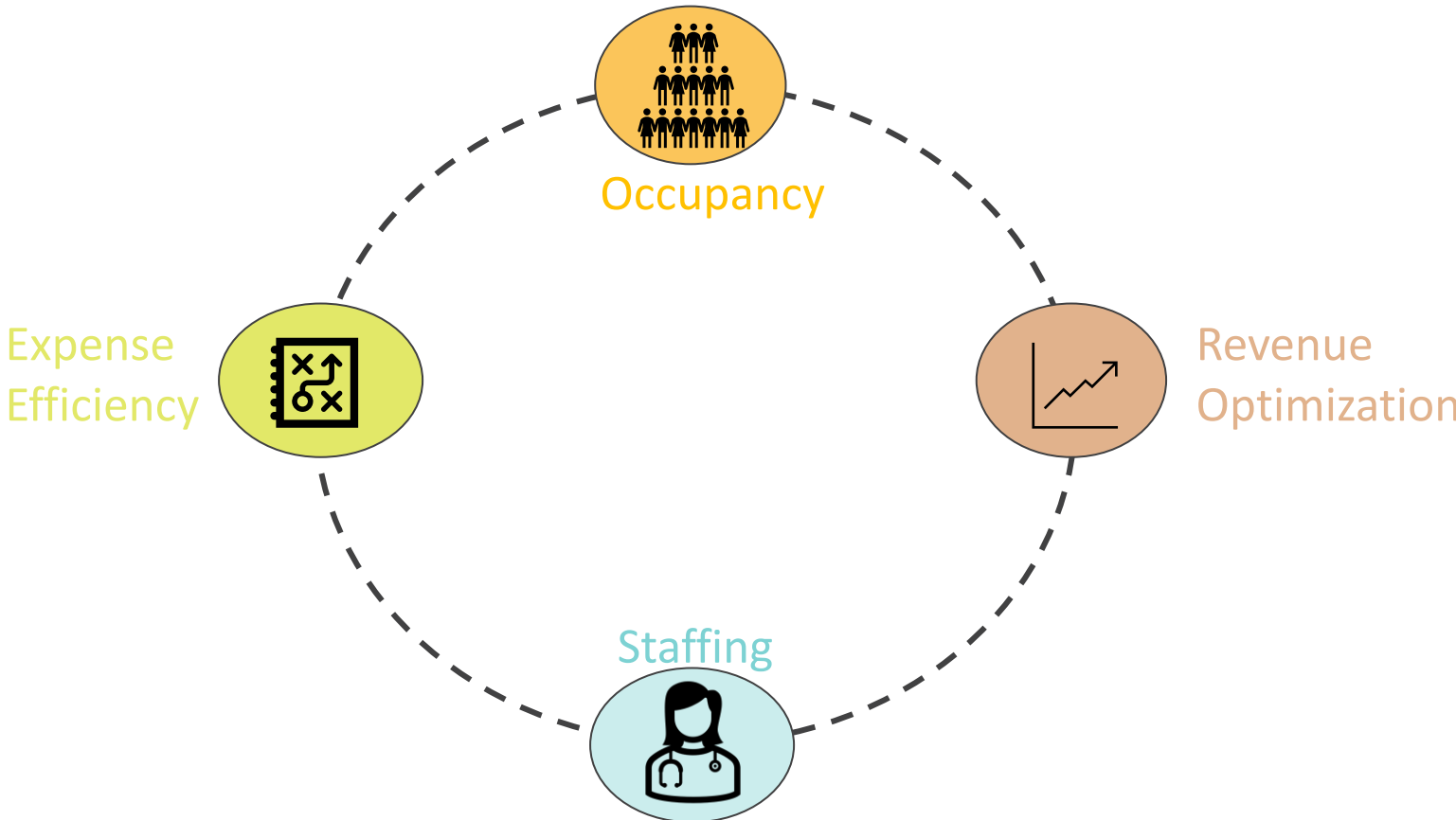
Which opportunities are
most actionable?

What decisions/actions
will capture the
opportunity?

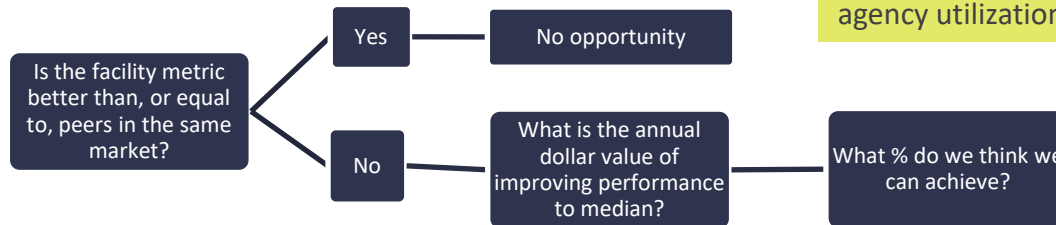
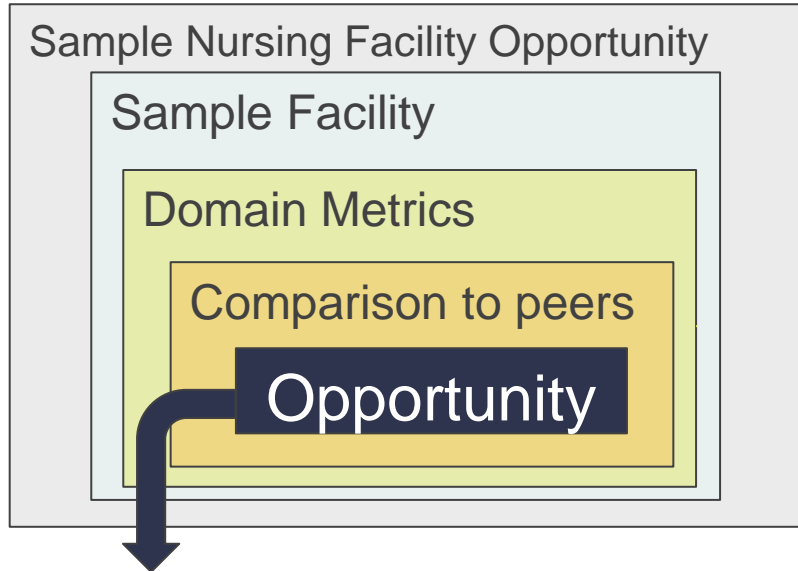
What help is needed to
execute on the
opportunity?



CLA's Response: Focus On The Fundamentals



CLA Clarity – Definition of “Opportunity”



Domain Metrics

Revenue	Medicare Rate
	Medicare Mix
Census	Pre-COVID
	Recovery
Cost Control	Nursing*
	Ancillary
	Administrative & support cost centers

*Nursing opportunity considers impact on CMS star rating and agency utilization



About the Data

Information presented as is

Information presented was obtained and derived from the following publicly available data sets:

- Medicare Cost Report (for report periods ended between 12/31/2020 and 12/31/2021)**
- Nursing Home Compare (updated monthly)**
- 2020 Medicare SAF (updated annually)**

The data has NOT been subjected to audit, review or compilation procedures and no assurance of any kind is provided on it.

Measured Value of Differences vs. Benchmarks (Opportunities) represents mathematical differences between you and specific benchmarks.

This report is for informational purposes only and not intended to be a guarantee of the value of improved performance.



How Peer Groups are Determined

Market Opportunity

\$783

10 facilities



CBSA (3+) Opportunity

\$267

90 facilities



State (Top) Opportunity

\$980

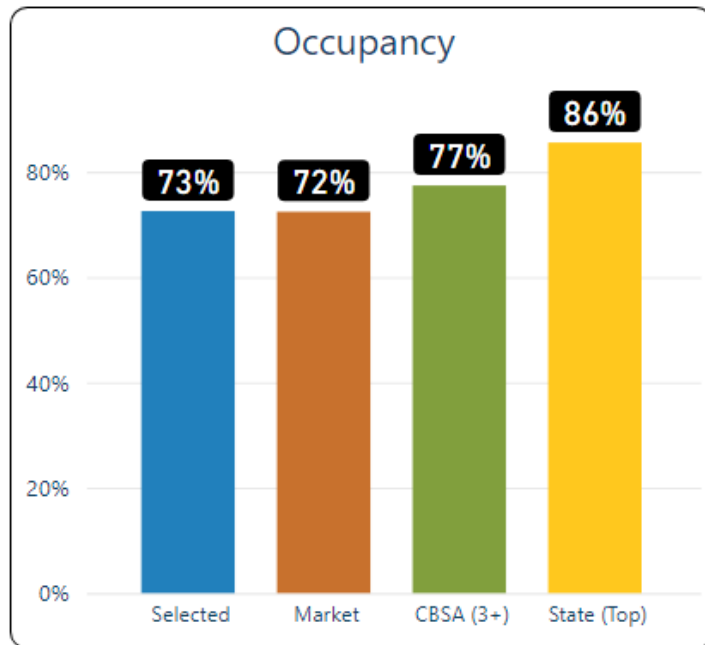
16 facilities



Revenue Opportunities

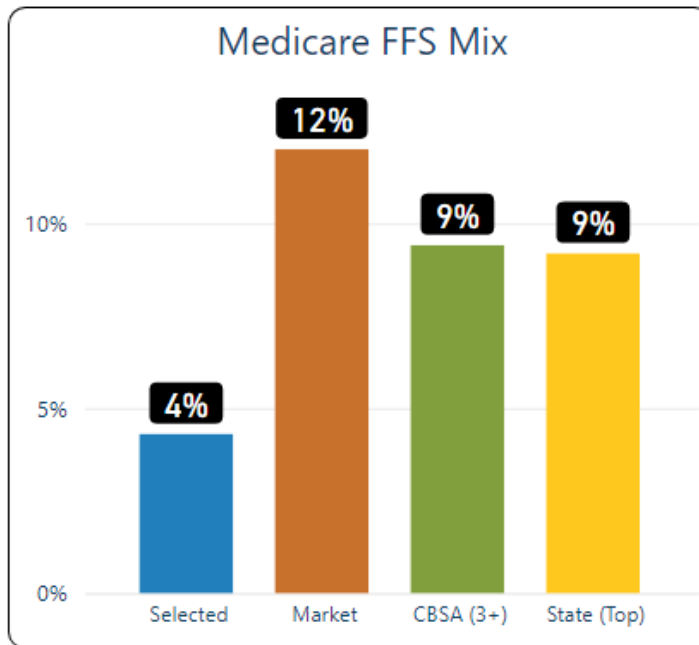
Max Identified Occupancy Opportunity

\$341



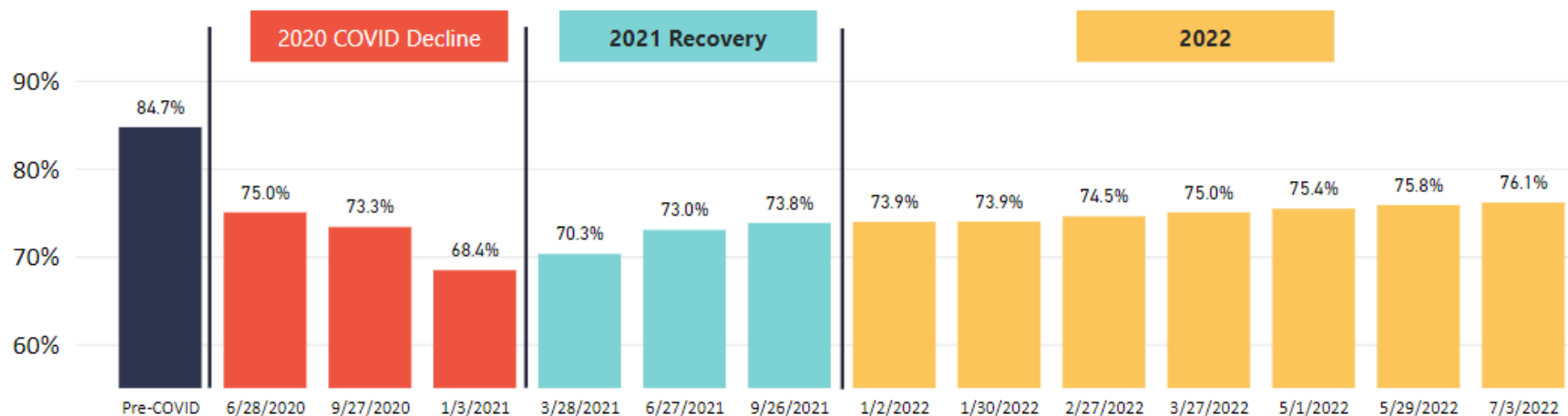
Max Identified Medicare Mix Opportunity

\$374

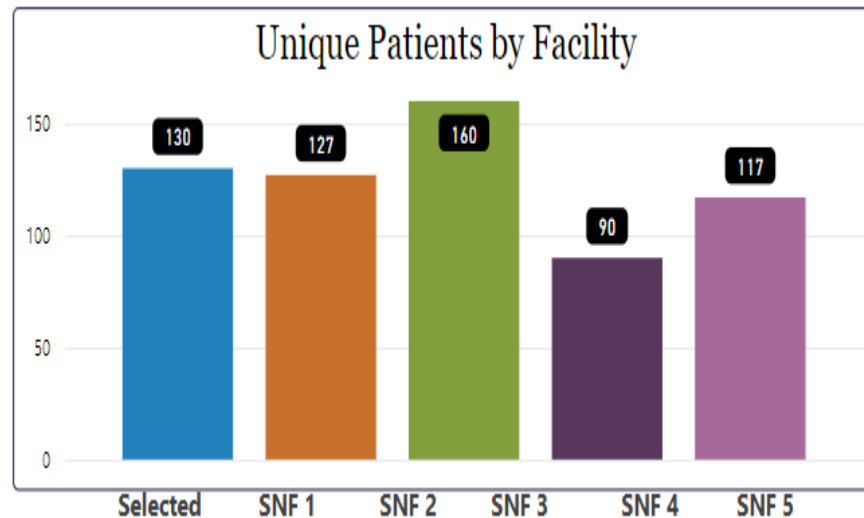
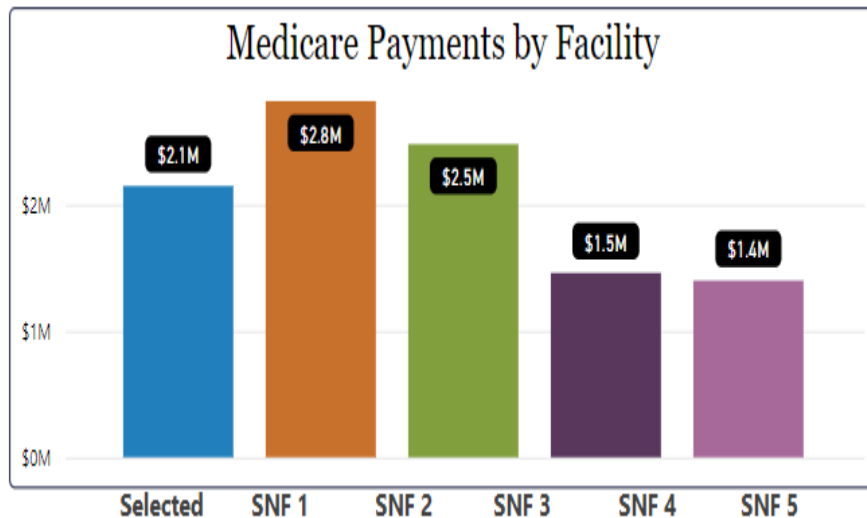


Occupancy Trend

Median Occupancy



Medicare Part A Referral Data by Facility

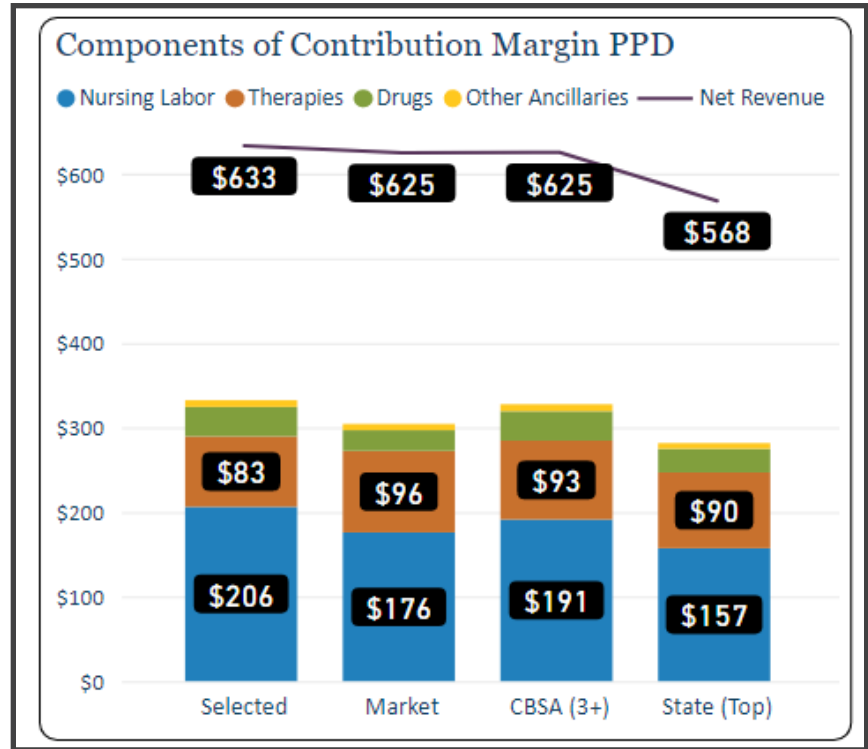


Your facility

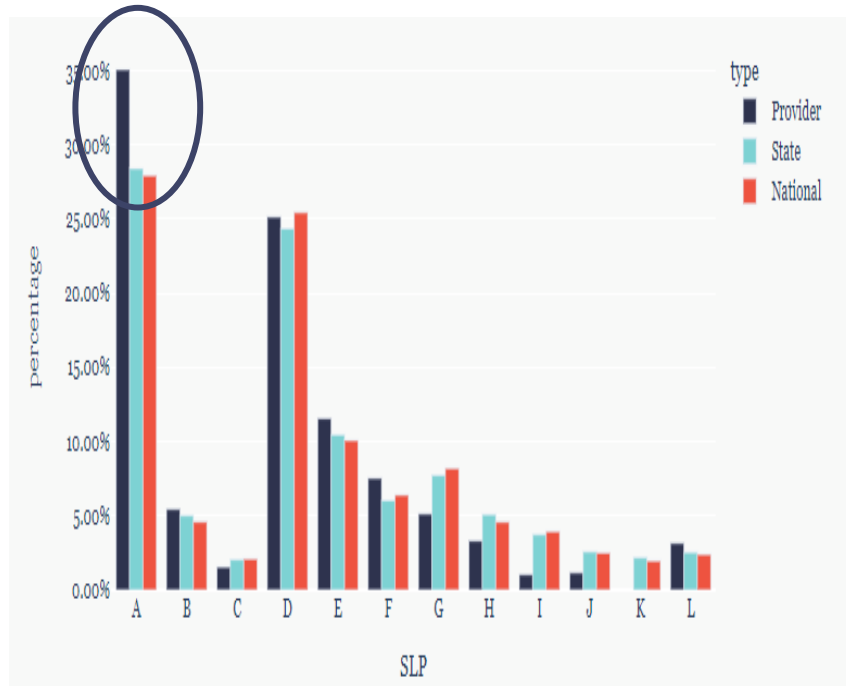


Revenue Optimization

- Do the components make sense for the acuity of residents served?
- Can nursing labor be controlled with decreased agency usage?
- How will PDPM parity adjustment impact contribution margin?



Revenue Optimization



- Focus on capturing **all** of the quality care services provided to residents
- Ability to review detail of rate calculations for both Medicare and Medicaid



Workforce

Paid Hours PPD

● Aide ● LPN ● RN ● Admin



Market Opportunity

\$360

CBSA (3+) Opportunity

\$382

State (Top) Opportunity

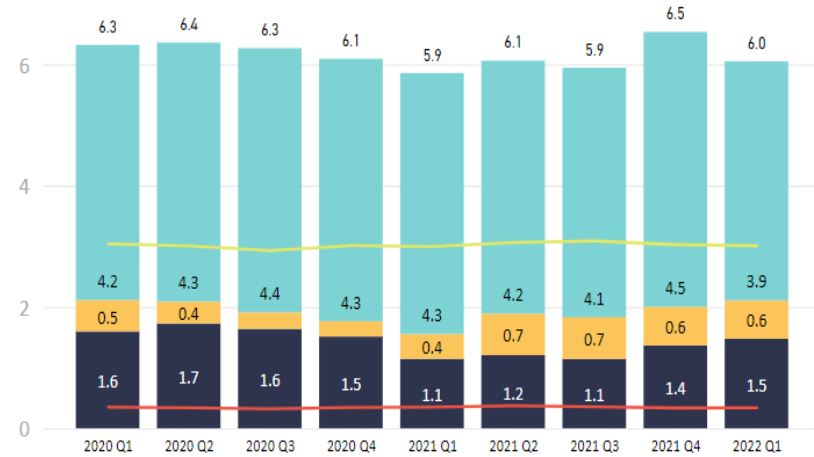
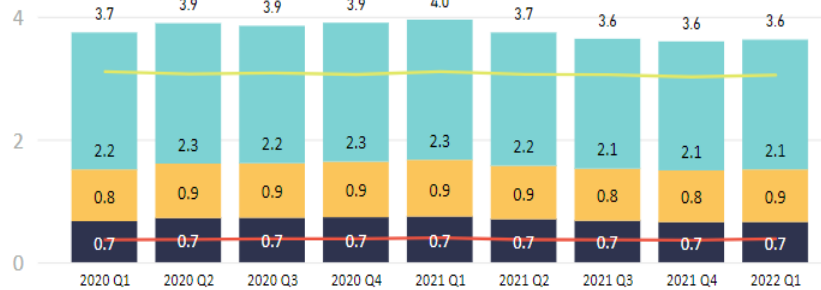
\$382

Opportunities in thousands



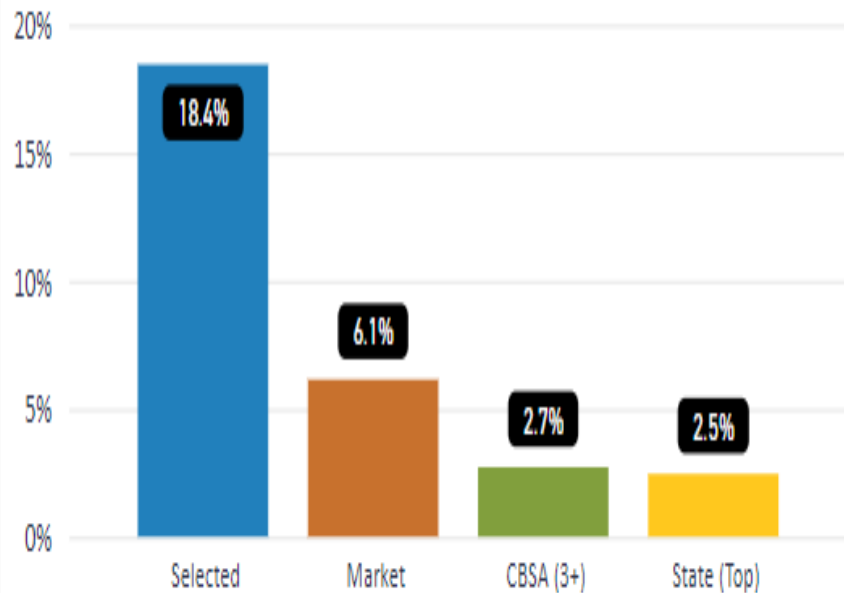
HRD Trend

● RN ● LPN ● Aides ● Exp RN ● Exp Total

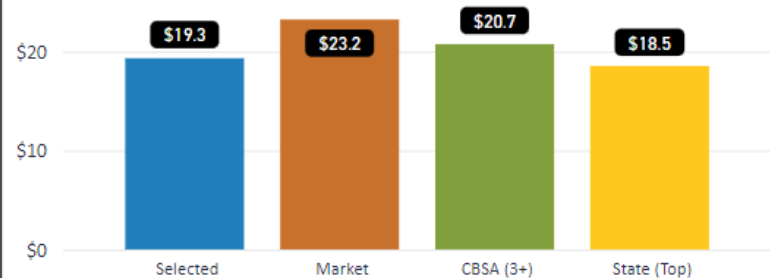


Average Hourly Rates

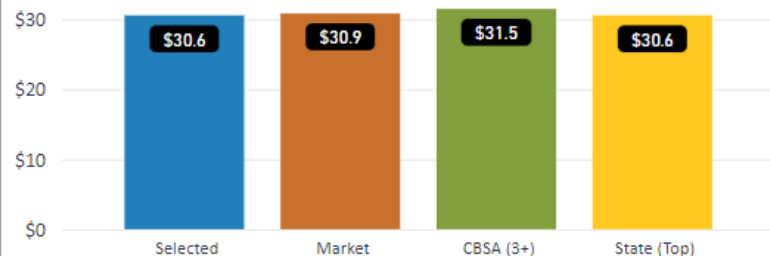
Contract Labor Utilization



Avg. Staff Aide Hourly Wage



Avg. Contract Labor Aide Hourly Wage



Financial Impact

Total →

Potential savings (costs) vs current HRD

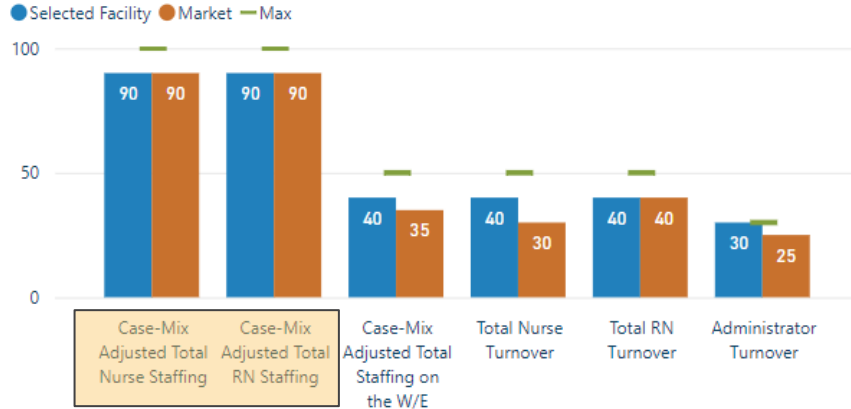
RN	Min HRD	2.747	3.03	3.248	3.445	3.653	3.869	4.105	4.429	4.954
	0.261	\$1,793,993	\$1,557,669	\$1,375,625	\$1,211,126	\$1,037,429	\$857,060	\$659,989	\$389,430	(\$48,964)
	0.352	\$1,759,337	\$1,523,019	\$1,340,981	\$1,176,466	\$1,002,778	\$822,407	\$625,333	\$354,771	(\$83,619)
	0.426	\$1,731,156	\$1,494,842	\$1,312,793	\$1,148,287	\$974,594	\$794,221	\$597,148	\$326,605	(\$111,803)
	0.505	\$1,701,070	\$1,464,750	\$1,282,712	\$1,118,205	\$944,519	\$764,151	\$567,072	\$296,516	(\$141,893)
	0.591	\$1,668,328	\$1,432,004	\$1,249,960	\$1,085,461	\$911,773	\$731,398	\$534,323	\$263,762	(\$174,643)
	0.692	\$1,629,864	\$1,393,546	\$1,211,506	\$1,046,997	\$873,309	\$692,929	\$495,868	\$225,308	(\$213,109)
	0.819	\$1,581,504	\$1,345,177	\$1,163,133	\$998,628	\$824,941	\$644,574	\$447,502	\$176,936	(\$261,461)
	0.992	\$1,515,622	\$1,279,304	\$1,097,257	\$932,758	\$759,059	\$578,686	\$381,613	\$111,058	(\$327,338)
	1.298	\$1,399,089	\$1,162,777	\$980,733	\$816,224	\$642,542	\$462,160	\$265,091	(\$5,469)	(\$443,868)
		2.350	2.613	2.810	2.985	3.174	3.382	3.623	3.896	4.328

W/E →



CMS Star Ratings

Current Staffing Measure Scores



Selected Facility Staffing Measures

Total Points

330

Staffing Rating

5

Overall Rating

2

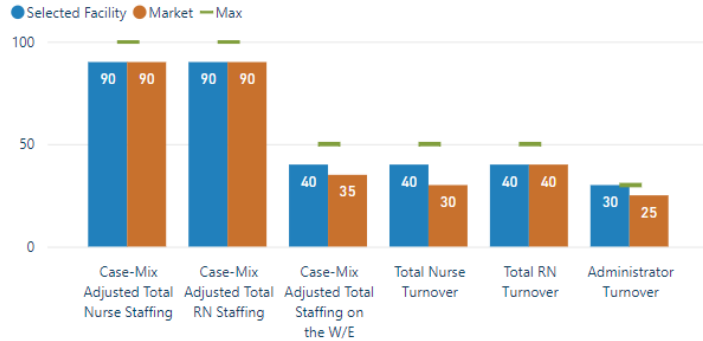
Point Floor:
320 (-10pts.)

Point Ceiling:
380 (+50pts.)



Staffing Rating

Current Staffing Measure Scores



Selected Facility Staffing Measures

Total Points

330

Staffing Rating

5

Overall Rating

2

Point Floor:
320 (-10pts.)

Point Ceiling:
380 (+50pts.)

Total Nurse Staffing

70th - 80th Percentile

.44 Decrease in HRD

RN Staffing

Current

.29 Decrease in RN HRD

W/E Nurse Staffing

Current

.01 Decrease in W/E HRD

Total Nurse Turnover

Current

3.8% Decrease in Turnover

RN Turnover

Current

.2% Decrease in RN Turnover

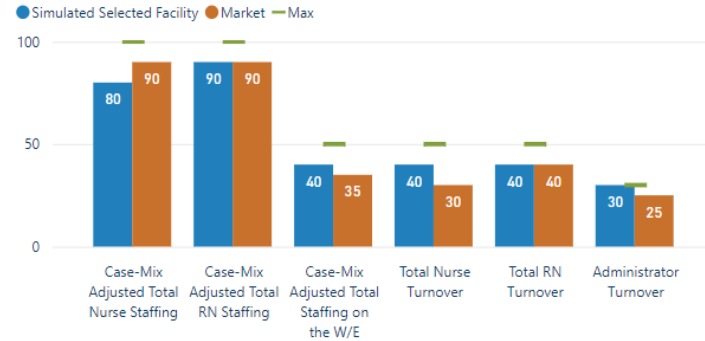
Admin Turnover

Current

Estimated Savings (Cost)

\$382K

Simulated Staffing Measure Scores



Simulated Staffing Measures

Total Points

320

Staffing Rating

5

Overall Rating

2

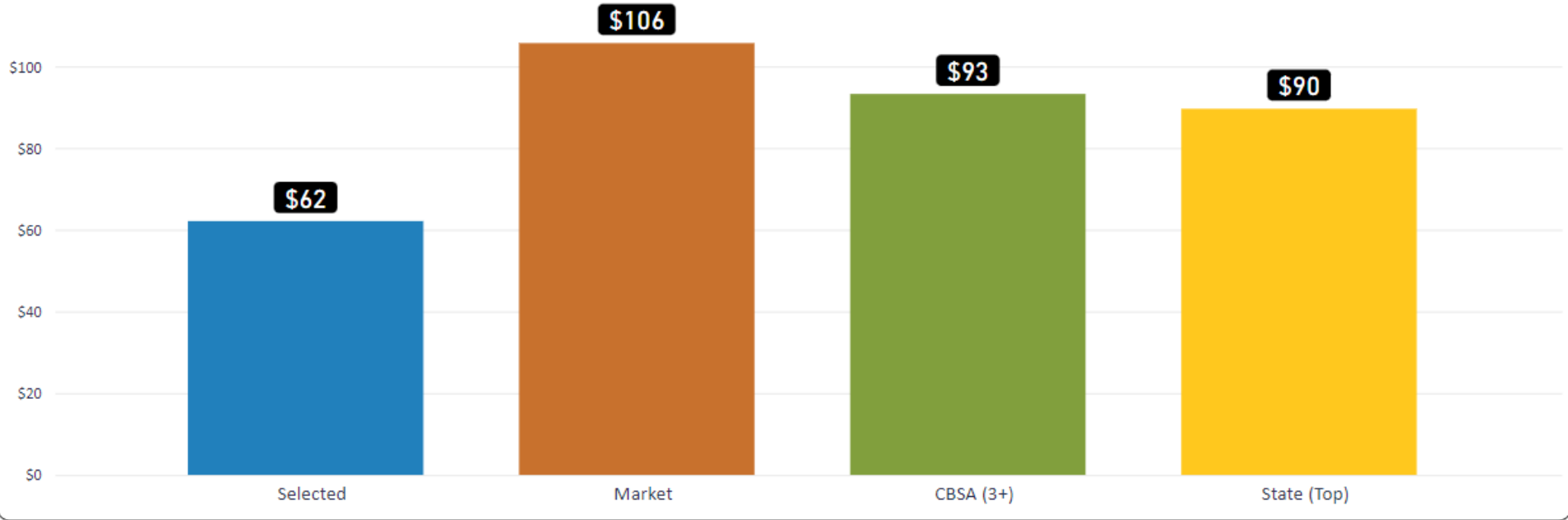
Point Floor:
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Point Ceiling:
380 (+60pts.)



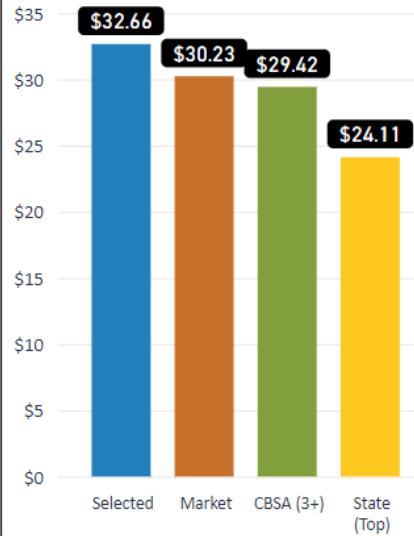
Therapy Expense

Direct Ancillaries Expenses Per Patient Day

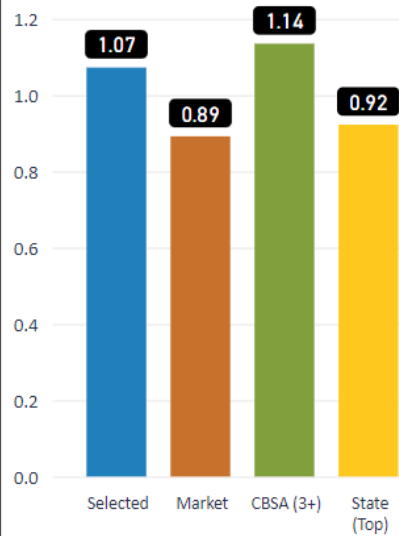


Dietary Expense

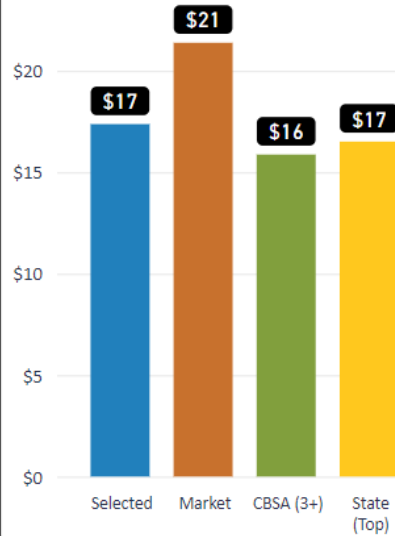
Total Average Costs Per Day



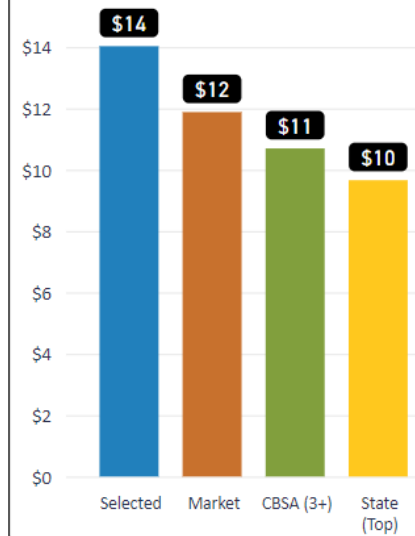
Paid Hours PPD



Avg. Salaries per Hour



Other Costs PPD





Questions



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Thank you!

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