

In 2003, Eastern Health Systems took a hard look at its Home Care Business. "Our survival was at stake. We were looking at all options. Do we continue to stay in business? Do we sell the agency?" Less than a year after their decision, with HealthWyse as its partner, EHS can now feel bullish on the future of their agencies.



**HealthWyse**

Take Care By the Hand

## Home Health Agencies Brave Financial Crises and Reemerge Strong with the Help of HealthWyse

### Background

Eastern Health Systems (EHS) is a complex organization of hospitals, home health agencies, and hospices serving rural and urban communities in and near Birmingham, Alabama. With the University of Alabama in EHS' back yard, and numerous health professionals in the area, the Alabama health services market is highly competitive, necessitating that EHS and its competitors work hard and smart to ensure a solid financial footing. The need for financial viability placed at risk the very survival of EHS' three home health agencies – Medical Center East, Medical Center Blount, and St. Clair Regional – all independently functioning and financially challenged in 2003 when the story of their partnership with HealthWyse begins.

In 2003, EHS' home health agencies reported poor financial statements and accounts receivables totaling almost \$2 million, precipitating a crisis that had been brewing for some time. Difficult questions were being asked and as Terrell Vick, administrator for one of the three hospitals and home health agencies (St. Clair), recalls, "Our survival was at stake. We were looking at all options. Do we continue to stay in business? Do we sell the agency?" After long consideration, consensus was reached that with the right tools, the home health agencies could be reshaped and managed for success. The times were changing, and as Mr. Vick says, "The business piece wasn't as critical back then as it is in today's environment. We were running on old home health software. The real truth was that it was hard for us to tell whether St. Clair was profitable or unprofitable." New tools designed for today's demanding environment could allow the agencies to drill down and more actively guide the operations.

### Finding the Right Tools

With the Directors of the three home health agencies working together, a search was underway to find the right solution to support three independent yet connected home health agencies. Firm criteria were established. The software needed to be user friendly and had to provide:

- A strong point of care (POC) and financial system with timely billing
- Quality indicators such as OBQI statistical data

that could be "eye-balled" for monitoring purposes

- A review of PPS visits for profitability
- Documentation review and error tracking for OASIS
- Management reporting of operations on an individual and consolidated basis

Management also asked that the solution require no capital outlays upfront, and provide enough flexibility to simultaneously allow for "in house" and outsourced billing based on each agency's preferences. Finally, EHS requested that the vendor be willing to put a portion of its fee at risk pending a successful implementation where key objectives were met.

### Enter HealthWyse

Colleagues of St. Clair Regional Home Health Director, Ms. Sharon Sheffield-Smith, recommended that along with other vendors being evaluated, EHS consider HealthWyse because of its ease of use and management reporting capabilities. "The product looked great," said Ms. Smith, "but would HealthWyse be willing to meet our requirements, particularly no cash upfront?" The answer was a resounding "yes." Through a program called Total Care, HealthWyse provided hardware, software, implementation, training and support for a fixed monthly price per device. HealthWyse was also willing to work with a 3<sup>rd</sup> party billing company for outsourcing, and suggested a potential partner whom EHS subsequently selected.

Using Days Sales Outstanding (DSO) as a performance measure for collections, HealthWyse agreed to place a portion of its fee at risk. After the first 6 months, EHS has reduced its DSO from over 120 to 45 days. This agreement aligned both parties that Ms. Smith says created "a partnership in the truest sense of the word".

### The Implementation Experience

It is now eight months post implementation and all three agencies have good news to report. While each agency used HealthWyse in their own unique way – St Clair managed the new accounts receivables and outsourced the old, Medical Center Blount managed their old accounts receivables and

outsourced their new ones, and Medical Center East farmed out all accounts receivables – each agency shares similar positive outcomes. Interviews with agency directors revealed the following post-implementation benefits:

- **Improved Financial Operations:** “Instead of billing every 30 days, we bill every 3,” says La Shawn Moorehouse, agency director at Medical Center Blount. Receivables are way down and HealthWyse has already earned the fee placed at risk. While before “We were never able to meet our end-of-month closing deadline, now we are even early sometimes,” says Ms. Smith of St.Clair.
- **Enhanced Operations Efficiency:** Less office support for field personnel is needed since the implementation of HealthWyse. The director for Medical Center East, Tommy Davis, describes the “Monumental task to meet the CMS criteria for PPS, requiring us in the past to have a field-to-office personnel ratio of 1 to 1.” Since the implementation, the ratio of field-to-office personnel at Medical Center East is 3 to 1. HealthWyse’s operational efficiency became evident with the Oasis multi-page assessment: “The first real value I saw was that we didn’t have to reenter patient data. Even better, there is no rework because you can’t go ahead until you’ve done it right,” says Mr. Davis.
- **Enhanced Continuity of Care:** Clinicians have at their fingertips access to the whole medical record. La Shawn Moorehouse describes this benefit as “Enhancing our quality of care because the continuity between clinicians is so improved. Quality is also improved because nurses have more time to focus on patient care rather than the paperwork.”
- **Improved Nurse Recruitment and Retention:** Hiring nurses is highly competitive in Birmingham. “Recruiting with the palm is definitely better and places us at a competitive advantage for attracting nurses” says Ms. Smith. The other challenge prior to HealthWyse was retaining nurses which as Mr. Vick sees it, “Costs you real dollars.” With HealthWyse, nurses appreciate the ability to better control their schedule, make fewer trips to headquarters, and easily manage the documentation. “I’ve had nurses tell me, ‘If you take this away, I quit,’” comments Mr. Davis.
- **Increased Job Satisfaction:** Because little clerical support is needed, office personnel can now perform more project-based work. Linda Williams who manages St. Clair’s billing operation says that, “We have grown professionally because we have the tools to see more and understand more. Our team spirit has improved.”

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Linda’s manager, Ms. Smith, says with excitement, “Now that our receivables are down, we are driving hard to get more market share. We can think and do marketing!”

- **Better Management Tools:** With applications such as ReportWyse, agency directors can better monitor and guide their operation. Mrs. Moorehouse cites two recent examples that were easy to do and critical. She needed to review all her providers to make sure their licenses were current and perform trending for staffing purposes. “What used to be painful, is not anymore,” says Mrs. Moorehouse. William Terrell, CIO at EHS says it differently: “HealthWyse has produced streamlined processes that reduce manual intervention, paperwork, and all the possibilities that go with it. It minimizes the ‘oops it fell between the seats.’”

### A New Perspective

Perhaps the biggest benefit of all has been the new perspective HealthWyse has given all 3 agencies and the EHS management team. “Having gone through this project, we are better supported and better understood than we have ever been,” comments Ms Smith. It is not only that corporate departments such as IT and Finance understand the agencies better, but even within the agencies relationships are easier. As La Shawn Moorehouse at Medical Center Blount sees it, “I don’t have to wait any more for nurses to turn in their paperwork. There is a lot less animosity. We function better as a team.”

HealthWyse feels equally proud about the results, as Steve Booth, Vice President of Sales and Marketing comments, “Under the hosted business model, we are able to support our customers better than a traditional software-only model. We are truly aligned with our customers’ success.” EHS is a true testimony to the success of this model.

With HealthWyse as its partner, EHS can now feel bullish on the future of their agencies. The new mood is palpable. “We can now establish realistic goals for ourselves and believe we can make them. We are no longer a loose cannon. We are in control and thinking ahead,” comments Mr. Vick. For three once-challenged agencies, organizationally, culturally and financially, the trend is up and their future is bright.

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