



FLORIDA ASSOCIATION OF HOMES FOR THE AGING
The FAHSA Innovation Exchange

Submission

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Date of Submission:	5/15/06
Title of Innovation:	Developing a Stronger Case Mix
Topic for Submission: (Please choose a topic from the list included in the attached submission guidelines which best describes the innovation you are submitting.)	Topic: Financial Planning
Audience: (Choose one or more, as appropriate.)	HUD Housing Communities Retirement Communities (CCRC or fee for Service) Assisted Living Facilities X Nursing Homes

1. **Description of Innovation:** Please succinctly describe the innovative program or service, creative idea or best practice and the resulting benefits to your organization or the consumers you serve. Limit the narrative to 3 pages, excluding attachments such as forms.

The continued rising costs of operating a skilled nursing facility has caused the management team at the Alliance Community Center for Health Care to look for creative ways to maximize revenue and control expenses. For some nursing facilities the answer lies in increasing census. But for our community, which historically runs at 96% occupancy, the answers had to be found elsewhere.

Since increasing occupancy was not an option for us, the approach taken was to aggressively adjust our case mix to reflect better revenue while maintaining the same census.

For the five years prior to 2003, Our average Medicaid daily census continued to increase to a high of 90 Medicaid patients per day in early 2003. This represents just under 75% of our census and all indications were that the trend would continue. At the same time, our Medicare daily census historically had averaged 11.5 or 9% of our total census. This number also represented

less than a 7% market share of available Medicare days in our region. Clearly this did not represent the type of revenue needed to ensure a strong financial position.

As is our practice, a task force was put in place for the purpose of developing an action plan that would reverse our historical case mix trends. Our ultimate goal was to reduce our Medicaid census (yet stay true to our mission) and increase our market share of available Medicare days.

The task force suggested several recommendations that included a review of financial qualifiers for Assisted Living and Residential admissions to our CCRC, establish financial qualifiers for our private pay SNF admissions, maximizing PPS for the purpose of increasing our Medicare average length of stay, etc. (Prior to our implementation of this plan, our average length of stay for Medicare was 15 days)

As a result of the implementation of the recommendations, we now maintain an average Medicare census of 20 patients per day, our average length of stay for Medicare runs at 29 days, and our market share for Medicare is at 17%. Our Medicaid census is also now a manageable 75 patients per day.

2. **Budget:** Provide information about the annual budget or total cost of your innovation (if a one-time expense) and the number of staff or volunteers used to implement it. If your innovation did not require a budget or staff, please indicate.

The financial impact has been significant. Without increasing overall census, our annual gross revenue with this case mix has increased by just over \$900,000.