

NEW ENGLAND VNAs
OPERATIONAL INDICATORS - AVERAGES
BASED ON LAST COMPLETED FISCAL YEAR AS OF JUNE 19, 2013

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New England VNAs

We have prepared indicators consisting of home care providers. These providers represent over 75 New England VNAs.

The appendices include organizational wide comparisons as follows:

- Most profitable
- Least profitable
- New England average
- State average
- Comparable size average

Profitability for identifying most and least profitable providers is measured based on the percentage of excess of revenue over expenses as a percentage of net patient service revenue. The percentage rather than the dollar amount determines the most profitable and least profitable providers.

Please note the providers included in the organizational wide most profitable and least profitable providers are the same throughout all indicators. The objective in identifying these providers is to help identify correlation between the indicator and financial profitability.

Providers are segmented by revenue for purposes of identifying comparable size providers as follows:

- Under \$5,500,000
- \$5,500,000 to \$11,000,000
- Over \$11,000,000

For certain indicators, a comparison will also be based on the indicator itself. Where appropriate, performance is based on the indicator alone regardless of organizational wide profitability. This indicator will provide the performance range for each indicator presented.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad".

Brad Borbidge, CPA

NEW ENGLAND VNAs
TABLE OF CONTENTS

Appendix A	PPS Operational Indicators
Appendix B	Visit Cost Analysis & Nursing Productivity Analysis - Home Care Program
Appendix C	Hospice Operational Indicators
Appendix D	Financial Ratios

NEW ENGLAND VNAs
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PPS Operational Indicators

	Most Profitable	Least Profitable	New England VNA Average	-----State Averages-----					-Comparable Size Averages (Revenue)-				
				ME	NH	MA	VT	CT	RI	Under \$5,500,000	Between \$5,500,000 & \$11,000,000	Over \$11,000,000	Urban
PPS surplus as a percentage of PPS net revenue	20.62%	10.32%	18.13%	11.71%	13.09%	20.45%	8.41%	22.12%	18.07%	17.95%	14.08%	17.87%	17.73%
<i>Key Indicators - Revenue</i>													
Average revenue per non-LUPA episode	\$3,041	\$2,766	\$3,053	\$2,798	\$2,896	\$3,145	\$2,776	\$3,189	\$3,056	\$3,009	\$2,992	\$3,083	\$3,175
Average case mix multiplier for non-LUPA episodes	1.3613	1.2546	1.3106	1.3655	1.3045	1.3207	1.2878	1.2806	1.3570	1.2689	1.2921	1.3237	1.3547
Percentage of LUPA episodes	13.63%	15.41%	13.36%	14.63%	11.87%	14.40%	14.17%	12.21%	11.28%	11.01%	12.91%	13.91%	13.62%
Non-LUPA episode per Medicare unduplicated patient count	1.27	1.29	1.24	1.19	1.21	1.19	1.24	1.23	1.37	1.32	1.29	1.20	1.23
<i>Key Indicators - Cost</i>													
Average cost per non-LUPA episode	\$2,404	\$2,475	\$2,491	\$2,464	\$2,512	\$2,491	\$2,539	\$2,474	\$2,496	\$2,463	\$2,565	\$2,523	\$2,526
Visits per non-LUPA episode	7.64	8.40	8.40	7.83	7.88	8.94	7.45	8.65	7.51	8.76	8.12	8.23	8.34
Nursing	4.20	3.39	4.39	4.12	4.53	4.35	3.96	4.57	4.80	4.60	4.24	4.61	4.56
Physical therapy	1.41	1.01	1.25	1.58	1.54	1.31	0.97	1.08	1.09	1.02	1.06	1.19	1.14
Occupational therapy	0.21	0.19	0.17	0.22	0.20	0.16	0.16	0.14	0.17	0.12	0.19	0.19	0.18
Speech pathology	0.36	0.23	0.29	0.36	0.37	0.22	0.30	0.35	0.24	0.26	0.26	0.26	0.25
Social worker	2.61	4.72	3.71	2.71	2.64	2.43	5.18	5.84	2.68	4.03	4.26	3.64	3.82
Aide													
Total	16.43	17.94	18.21	16.82	17.16	17.41	18.02	20.63	16.49	18.79	18.13	18.12	18.29

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Visit Cost Analysis

Discipline	New England VNA Average			State Averages					Comparable Size Averages (Revenue)--				
	Most Profitable	Least Profitable		ME	NH	MA	VT	CT	RI	Under \$5,500,000	Between \$5,500,000 & \$11,000,000	Over \$11,000,000	Urban

Discipline

Home Care													
Skilled nursing care	\$ 130.31 vs	\$ 147.51 vs	\$ 151.27 vs	\$ 153.69 vs	\$ 157.37 vs	\$ 151.50 vs	\$ 154.50 vs	\$ 145.10 vs	\$ 166.81 vs	\$ 143.69 vs	\$ 158.08 vs	\$ 158.18 vs	\$ 156.51 vs
Physical therapy	151.97 vs	162.65 vs	148.94 vs	159.21 vs	151.34 vs	149.01 vs	169.19 vs	141.38 vs	139.71 vs	148.68 vs	147.98 vs	141.78 vs	141.93 vs
Occupational therapy	145.57 vs	151.22 vs	152.07 vs	149.92 vs	162.52 vs	148.29 vs	185.37 vs	138.79 vs	172.31 vs	158.51 vs	144.91 vs	145.23 vs	143.63 vs
Speech pathology	186.77 vs	224.00 vs	191.64 vs	209.52 vs	171.43 vs	194.37 vs	242.06 vs	154.80 vs	167.95 vs	161.34 vs	169.79 vs	175.34 vs	171.48 vs
Medical social worker	208.06 vs	390.04 vs	228.89 vs	221.92 vs	203.22 vs	245.80 vs	287.37 vs	186.72 vs	335.37 vs	197.66 vs	243.49 vs	215.02 vs	219.38 vs
Home health aide	56.79 vs	67.22 vs	57.92 vs	67.42 vs	69.48 vs	59.69 vs	65.17 vs	53.54 vs	71.71 vs	57.69 vs	69.04 vs	63.14 vs	63.62 vs
Hospice													
Skilled nursing care	\$ 184.77 vs	\$ 274.64 vs	\$ 218.02 vs	\$ 191.78 vs	\$ 200.68 vs	\$ 230.60 vs	\$ 208.52 vs	\$ 237.62 vs	\$ 203.25 vs	\$ 224.46 vs	\$ 216.37 vs	\$ 218.05 vs	\$ 223.33 vs
Medical social worker	262.38 vs	291.72 vs	203.21 vs	185.58 vs	183.62 vs	205.27 vs	244.93 vs	209.39 vs	264.03 vs	284.19 vs	230.52 vs	187.45 vs	198.51 vs
Home health aide	68.69 vs	68.04 vs	63.54 vs	71.97 vs	58.61 vs	57.79 vs	73.24 vs	63.62 vs	80.25 vs	80.35 vs	55.91 vs	65.42 vs	62.54 vs

Nursing Productivity Analysis - Home Care Program

Time To Perform
(Hours Per Visit)

Visit	0.75	0.74	0.79	0.76	0.90	0.72	0.83	NA	0.91	0.82	0.85	0.78	0.88
Travel	0.25	0.29	0.29	0.40	0.33	0.23	0.33	NA	0.36	0.30	0.32	0.28	0.34
Prepost	0.54	0.74	0.55	0.56	0.55	0.53	0.60	NA	0.38	0.63	0.57	0.54	0.55
Direct Service Time	1.54	1.77	1.63	1.72	1.78	1.48	1.76	NA	1.65	1.75	1.74	1.60	1.80
Visits Per 8-hour Day	5.19	4.52	4.91	4.65	4.49	5.41	4.55	NA	4.85	4.57	4.60	5.00	4.44

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Hospice Operational Indicators

	State Averages----- ----- ----- ----- ----- ----- ----- ----- ----- -----										Comparable Size Averages (Revenue)-			
	Most Profitable	Least Profitable	New England VNA Average	ME	NH	MA	VT	CT	RI	Under \$5,500,000	Between \$5,500,000 & \$11,000,000	Over \$11,000,000	Rural	Urban
<u>Profitability (as a percentage of revenue)</u>														
Hospice surplus (loss) including contributions	33.16%	-18.35%	12.62%	21.71%	17.12%	10.23%	19.79%	n/a	10.79%	7.57%	16.24%	12.49%	22.72%	10.59%
Hospice operating surplus (loss)	31.74%	-21.56%	10.33%	20.70%	15.35%	7.07%	18.03%	n/a	9.32%	4.51%	13.55%	10.54%	21.21%	8.17%
<u>Frequency of Visits (Utilization)</u> (Visits Per Routine Day)														
Nursing	0.25	0.33	0.30	0.28	0.32	0.28	0.27	n/a	0.34	0.27	0.32	0.30	0.29	0.30
Social worker	0.02	0.07	0.06	0.06	0.08	0.06	0.04	n/a	0.04	0.06	0.05	0.07	0.06	0.06
Aides	0.31	0.29	0.33	0.33	0.34	0.31	0.24	n/a	0.42	0.31	0.32	0.34	0.29	0.34
Total	0.58	0.69	0.69	0.67	0.74	0.65	0.55	n/a	0.80	0.64	0.69	0.71	0.64	0.70

Cost Per Patient Day (Dollars)

Direct non-labor patient costs	22.69	23.62	20.80	18.02	20.61	21.19	23.35	n/a	19.05	20.70	19.92	20.94	20.79	20.65
Volunteer, bereavement, counseling services	2.40	7.53	5.88	6.90	5.70	6.03	5.48	n/a	3.05	5.32	5.60	5.96	6.00	5.77
Medical director	1.90	8.89	3.03	1.20	2.94	3.68	4.42	n/a	5.11	2.04	2.61	3.31	2.89	3.06
Hospice Contributions (Dollars)	3.38	5.48	4.63	1.93	3.47	6.58	3.56	n/a	2.85	6.16	5.40	3.96	3.07	4.89
Average Cost Per Routine Day	\$ 109.64	\$ 246.03	\$ 156.48	\$ 119.75	\$ 139.54	\$ 174.10	\$ 133.29	n/a	\$ 161.84	\$ 178.17	\$ 146.40	\$ 155.98	\$ 125.01	\$ 164.04
Average Daily Census	16	19	47	80	29	62	28	n/a	25	19	34	74	31	56
Average Length of Stay - All	71	42	47	49	54	46	52	n/a	46	56	52	46	56	46

Most and least profitable are based on profitability of the hospice program, not organizational wide profitability

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Financial Ratios

		-----State Averages-----					-----Comparable Size Averages (Revenue)-----				
		New England VNA Average	ME	NH	MA	VT	CT	RI	Under \$5,500,000	Between \$5,500,000 & \$11,000,000	Over \$11,000,000
Most Profitable	Least Profitable										
460	201	202	255	158	264	221	141	79	234	196	155
0.02	0.00	0.05	0.00	0.11	0.02	0.04	0.06	n/a	0.04	0.01	0.13
0.10									0.04		
2.50%	4.20%	2.11%	1.64%	2.92%	1.43%	3.49%	2.32%	1.84%	4.19%	2.33%	1.01%
1.23%									3.89%		
68%	54%	65%	72%	73%	64%	56%	n/a	65%	67%	63%	63%
12%	25%	10%	6%	8%	7%	28%	n/a	2%	12%	11%	12%
20%	21%	24%	22%	18%	29%	16%	n/a	33%	21%	26%	24%
26%									17%		
100%	100%	100%	100%	100%	100%	100%	n/a	100%	100%	100%	100%
Excess (deficit) of revenue over expenses as a percentage of operating revenue (excluding investment activity)	-3.92%	2.29%	4.68%	3.87%	1.54%	1.44%	2.66%	0.40%	3.29%	2.61%	1.52%
1.57%									4.46%		
Days revenue in accounts receivable net of deferred revenue	35	42	39	38	45	33	46	34	41	41	50
49									37		
Bad debts as a percentage of net patient service revenue	1.27%	0.55%	0.73%	0.53%	0.69%	1.22%	0.09%	0.29%	0.28%	0.39%	0.43%
0.36%									0.90%		