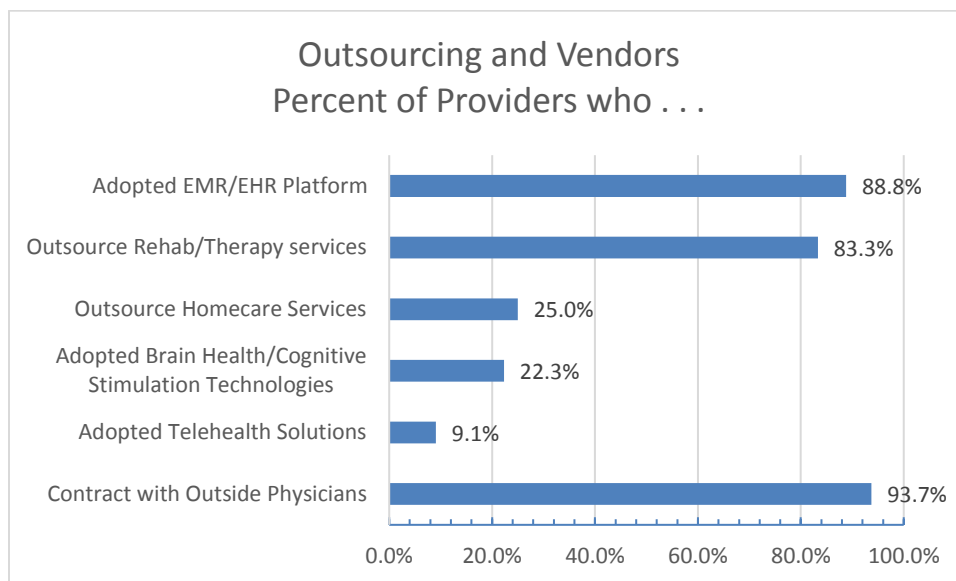


# OUTSOURCING & VENDOR RELATIONSHIPS

June 2017

The focus of the June *Ziegler CFO Hotline*<sup>SM</sup> poll was Outsourcing and Vendor Relationships. Providers were invited to complete the survey and a total of 143 Chief Financial Officers (CFOs) and financial professionals from throughout the country responded. Nearly 67% respondents were single-site organizations while 33% were multi-sites. Questions focused on technology and services that may be outsourced, as well as the vendors that may be used.

The table below shows the percentage of providers who use outsourcing and technologies to provide services to their residents. Analysis of individual questions follows.



The survey asked if providers have adopted an EMR/EHR platform within their communities. Nearly 90% of providers have adopted an EMR/EHR platform, with some providers listing more than one system in use. However, of the 19 different vendors listed, more than 80% of the mentions were for just three vendors: MatrixCare®/AOD (35.4%), PointClickCare (30%), and NetSmart/HealthMEDX® (16%). The companies mentioned most often were:

EMR/EHR Vendor	Mentions	Percentage
MatrixCare®/AOD / SigmaCare®	45	35.4%
PointClickCare	38	29.9%
Netsmart/HealthMEDX®	20	15.7%
Optimus EMR®	4	3.1%
American Data ECS	3	2.4%
American HealthTech®	3	2.4%

*Note: Percentages do not add up to 100% as only top mentions are included*

Providers were asked about outsourcing Rehab/Therapy services. These also are outsourced at a high rate: 84% of providers said they use vendors for service. There is more vendor diversity in this area, however, with 41 different companies garnering a mention. The companies mentioned most often were:

Rehab/Therapy Vendor	Mentions	Percentage
RehabCare	20	17.2%
Select Rehab	9	7.8%
SYMBRIA	8	6.9%
Genesis	7	6.0%
HealthPRO/Heritage	7	6.0%

*Note: Percentages do not add up to 100% as only top mentions are included*

When asking about outsourcing of Homecare services, 25% of the respondents said this is outsourced within their organization. Of these, 17% use a preferred provider, sister company, or are in a joint venture, while another 9% let the resident choose the Homecare company. Nearly half of the providers listed vendor names, but there was significant spread in the diversity of the company names that were reported. No clear patterns emerged.

Similarly, when polled about the adoption of Brain Health/Cognitive Stimulation technologies, just under a quarter of the respondents said they have adopted Brain Health/Cognitive Stimulation technologies. Of the 31 affirmative responses, more than half said they use It's Never 2 Late® (iN2L).

Brain Health/Cognitive Therapy	Mentions	Percentage
It's Never 2 Late®	15	53.6%
Dakim® BrainFitness™	6	21.4%
Posit Science BrainHQ	3	10.7%

*Note: Percentages do not add up to 100% as only top mentions are included*

Telehealth is the least adopted of the technologies and services on the survey. Less than 10% of providers have adopted any Telehealth solutions, such as remote physician visits or video consults. Of those, three are partnering with a local hospital or health system. Other vendors mentioned include: Cigna MDLIVE®, e-SNF, Forefront TeleCare, Honeywell Life Care Solutions, Teladoc, and TripleCare.

Remote monitoring technologies garnered a stronger response. Nearly 25% of providers said they have adopted technologies such as wearables, passive and biometric sensors. Eleven companies were mentioned by name; the three receiving the most mentions are:

Remote Monitoring Technologies	Mentions	Percentage
SARA	4	15.4%
Phillips	3	11.5%
WanderGuard®	3	11.5%

*Note: Percentages do not add up to 100% as only top mentions are included*

Finally, providers were asked if they employ physicians or have outside physicians come onsite. Nearly 85% of respondents said they use outside physicians, with another 6% who indicated that they have a combination of employed and contracted physicians.

Physician Outsourcing	Percentage
No, we do not employ; we utilize outside physicians	84.6%
We have a combination of employed and contracted physicians	9.09%
Yes, we employ our own physicians	6.29%

Respondents were asked to provide any additional comments regarding outsourcing and vendor relationships. Nearly one third of the respondents provided additional insight into the services that are outsourced at their communities. The following table provides the top five areas mentioned voluntarily by providers.

Other Vendor Outsourcing	Mentions	Percentage
Dining/Culinary/Food Service	20	35.7%
Facilities (plant management, security, grounds)	9	16.1%
Medical (doctors, nurses, clinicians)	8	14.3%
Office (marketing, payroll, finance, IT)	8	14.3%
Laundry/Housekeeping	7	12.5%

Note: Percentages do not add up to 100% as only top mentions are included

Other comments regarding outsourcing and vendor relationships:

*Agency staffing--but the vendor relationships need work in this tight hiring environment*

*On the independent living side, we outsource non medical home help. We use Home Helpers.*

*Pharmacy - local pharmacy company. They have all HC and AL business direct (bill us for Part A). In exchange, they provide a pharmacist for free and all retail profit margin goes to us.*

*We have a geriatric practice on our campus. 3 Board certified Drs and an APRN*

*We have an on-site clinic staffed with outside physicians*

*We lease our clinic to a gerontologist who is onsite 4 days/week*

*We outsource high-end finance/CFO services. We outsource strategic marketing services. We outsource strategic clinical services for projects. We are considering building a shared services organization with other facilities.*

*We outsource management & backup of our IT servers (Oxen Technologies). We outsource payroll processing (ADP).*

*We outsource management of dining services and environmental services - both to Sodexo*

*Security and Housekeeping are also outsourced*

*We outsourced our IT services to Prelude Services. We are only implementing EMR/EHR in 2 of our 17 communities so far.*

*We are apparently a slow adopter of newer technologies.*

*We employ Geriatric Nurse Practitioners and outsource MD services*

*We pay outside consultant \$180,000 per year to manage our therapy services dept.*

*We offer computer applications (unspecified) as well as cognitive activities throughout the year.*

*We provide our own Homecare. We also arrange for Home Health when needed but it is not outsourced; the vendors bill directly to the residents.*

*We do not provide therapy but a therapy company provides Part B therapy in our nursing facility.*

*We are piloting (a telehealth) product with one our hospital/ health systems: Bellin Health*

*The senior living organizations' responses included in this report have been collated without verification of the accuracy of the data/comments therein. The results provided do not express an opinion of nor can they be guaranteed by Ziegler.*

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