

# BKD/SHP Benchmark Leaders: Analyzing Cost Trends

**BKD**<sub>LLP</sub>



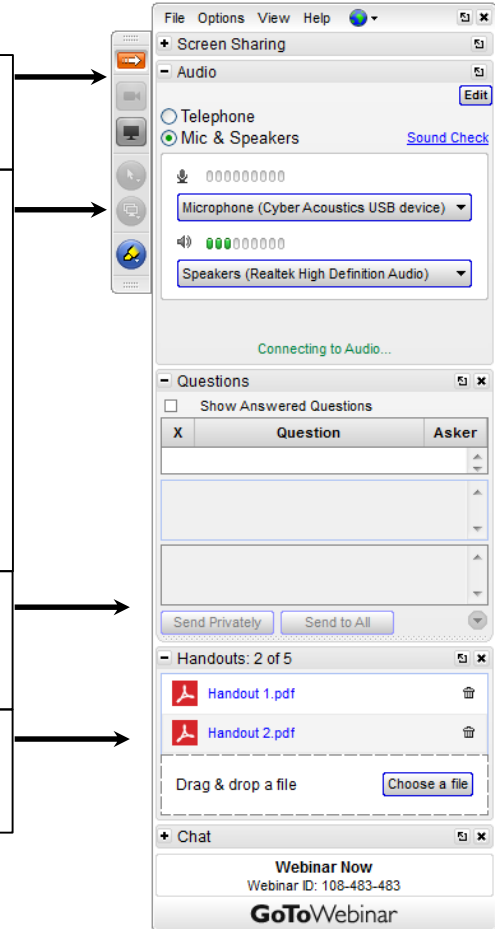
CPAs & ADVISORS

Mark P. Sharp, CPA // Partner



# Enhancing Your Webinar Experience

- Click the red arrow on the upper left to hide the GoToWebinar control panel
- To access the audio portion of the webinar, use your computer speakers or call the number shown in the “Audio” section of the GoToWebinar control panel
- Make sure the volume on your speakers or phone is turned up as high as necessary
- If you call in to the webinar and experience poor audio quality, please try hanging up and calling in again
- Use the “Questions” section of the GoToWebinar Control Panel to submit any questions you have during the webinar
- Expand the “Handouts” section to download any relevant webinar materials

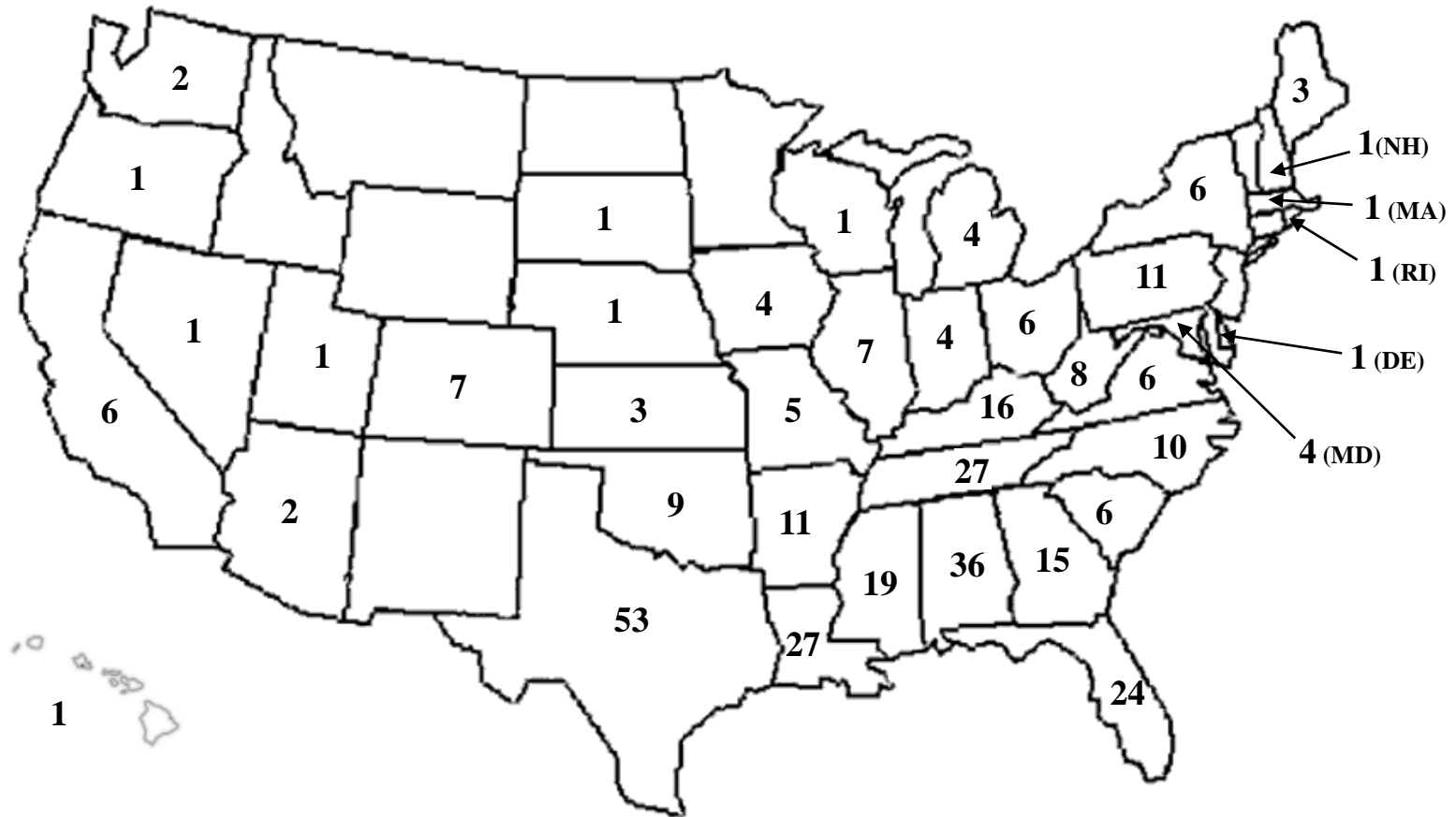


All presentations are recorded, so if you have technical problems, all is not lost!

# BKD Home Health Benchmarks

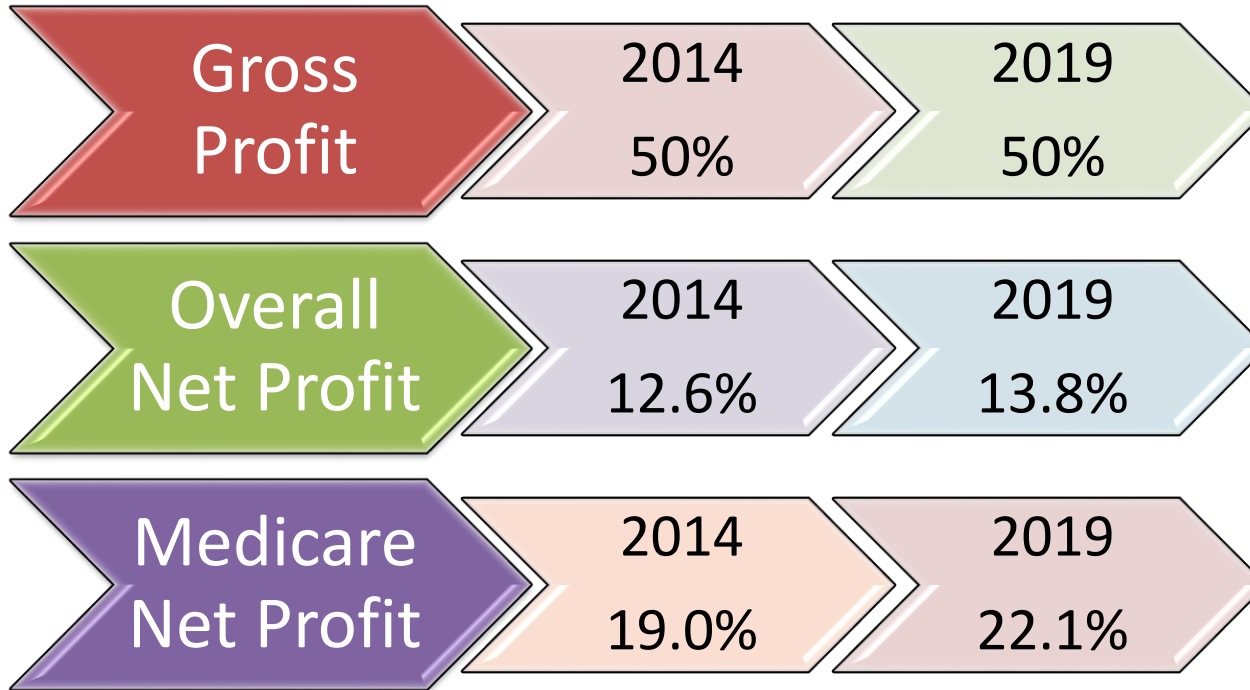
	Total Database		BKD/SHP Leaders	
	2014	2019	2014	2019
Total Agencies	9,823	8,215	215	352
Freestanding	89%	91%	90%	95%
Provider-Based	11%	9%	10%	5%
Urban	80%	80%	62%	64%
Rural	20%	20%	38%	36%
Median Revenue Size	\$1.4M	\$1.9M	\$3.5M	\$4.7M
Median Medicare Mix	80%	73%	72%	69%

# Location of BKD/SHP Benchmark Leaders



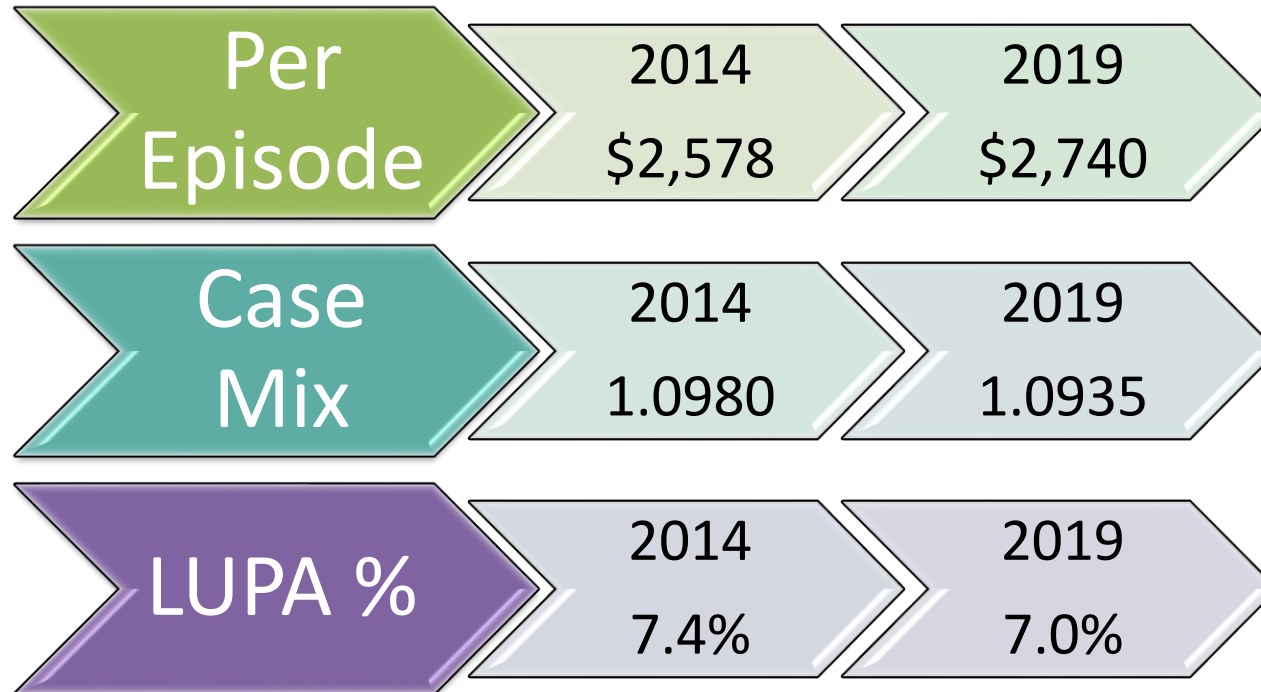


# Profit Margins



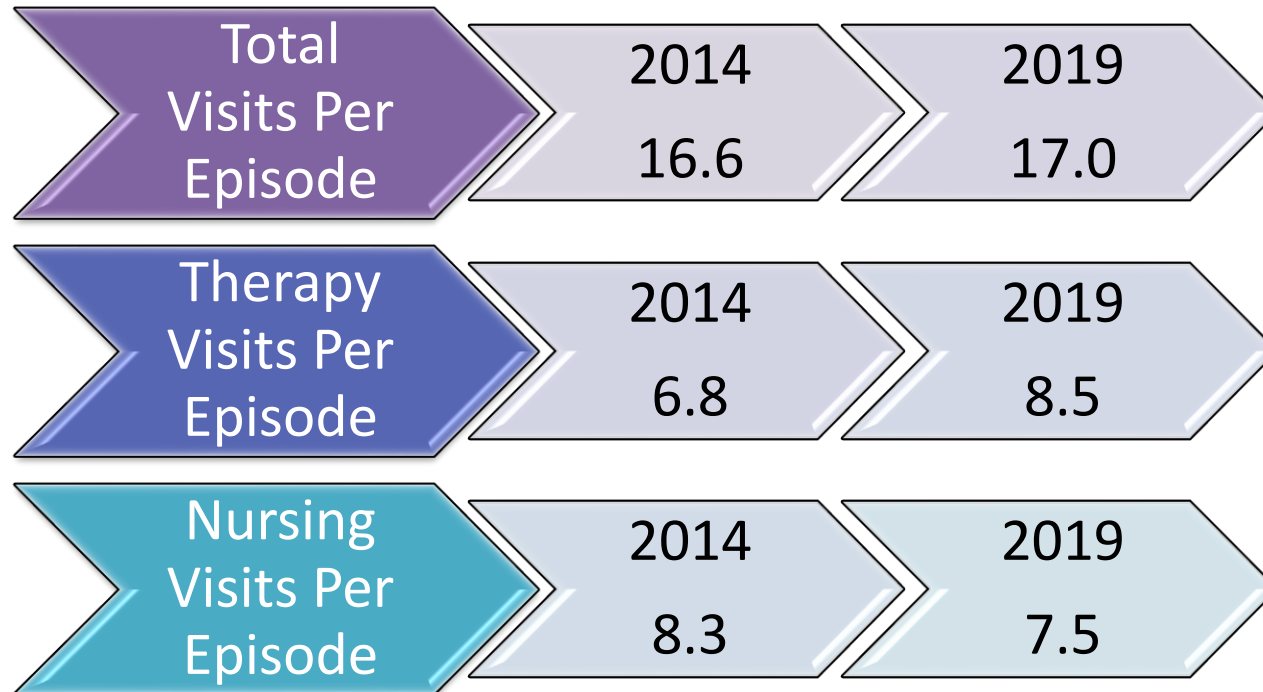


# Medicare Payments



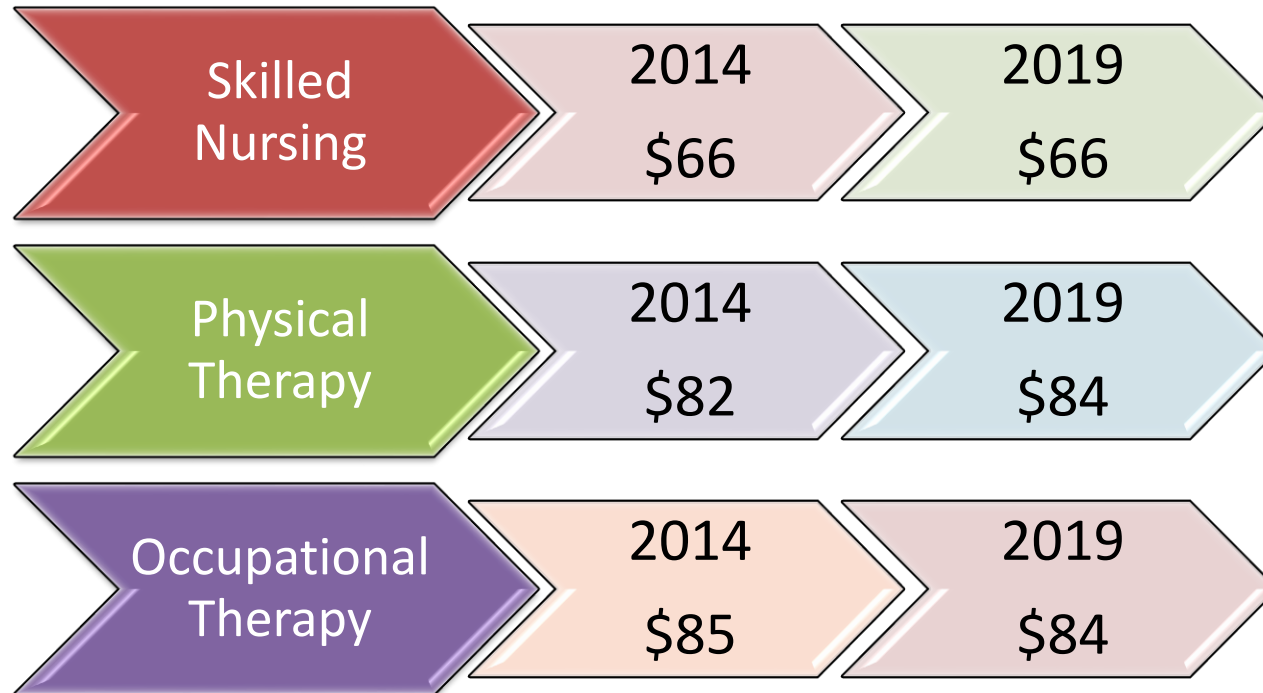


# Utilization





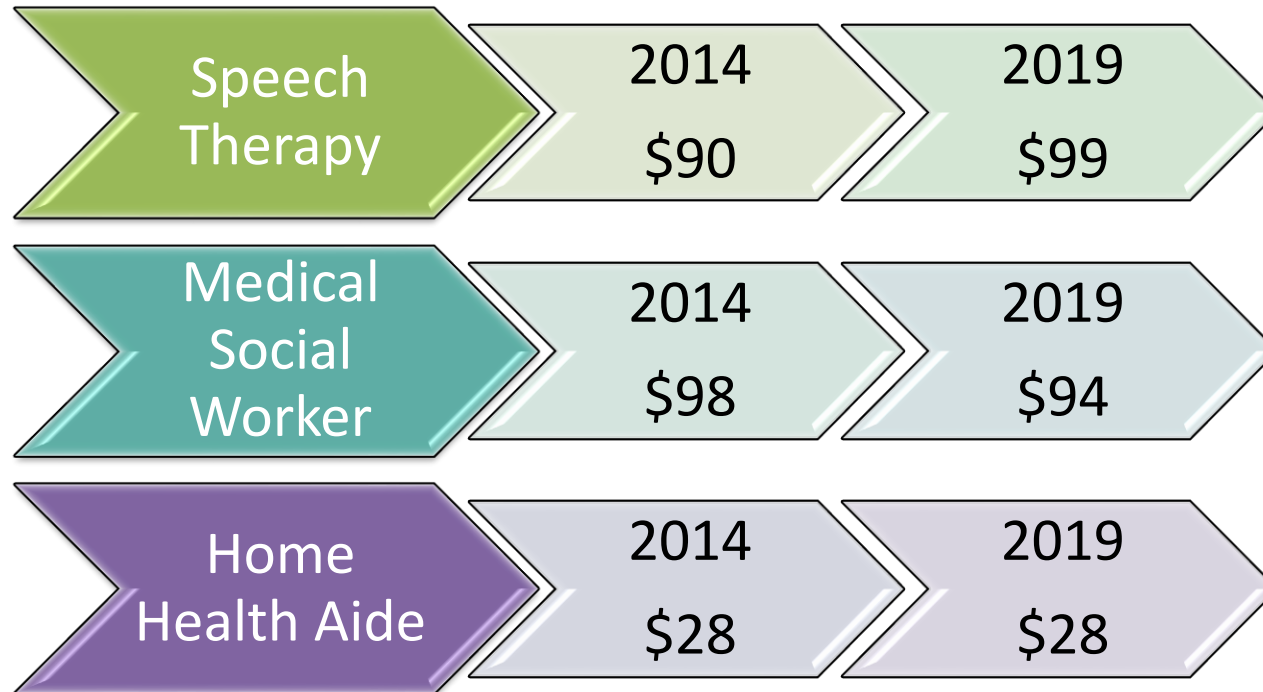
# Direct Cost Per Visit







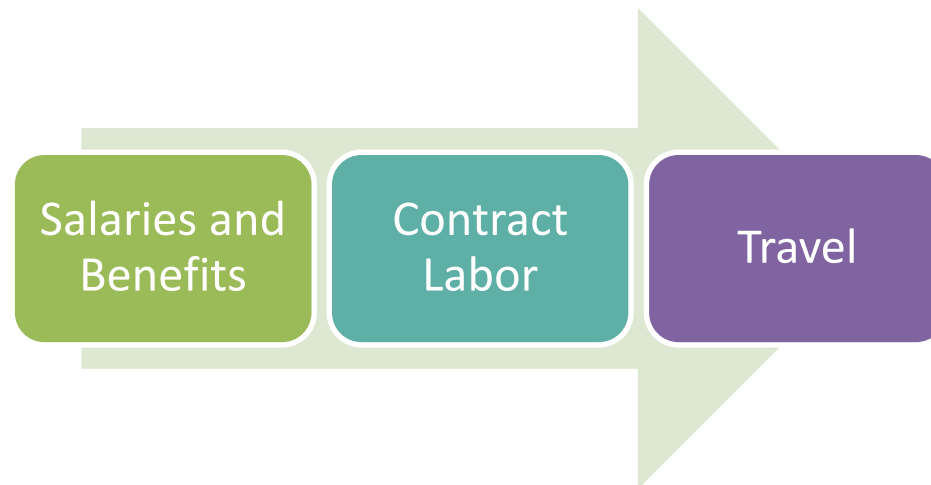
# Direct Cost Per Visit



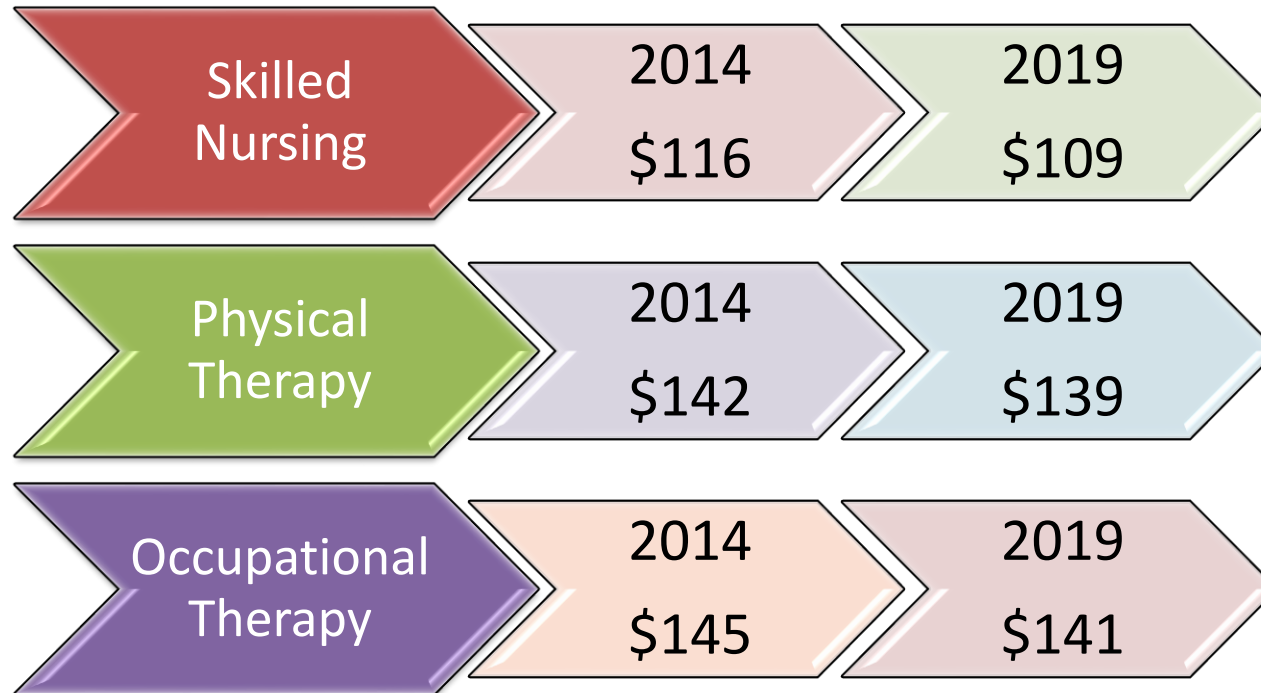


# Direct Cost per Visit

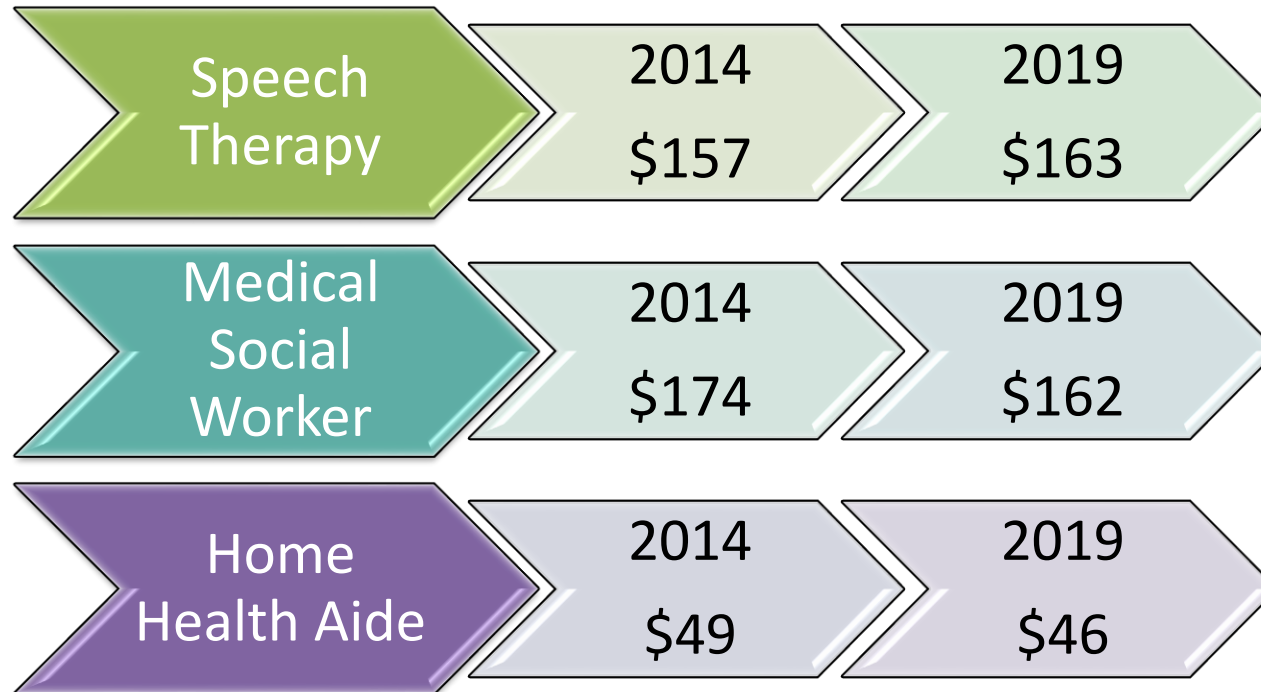
	<u>Benchmark Leaders</u>		<u>All Others</u>	
	<u>Median</u>	<u>Best 25%</u>	<u>Median</u>	<u>Best 25%</u>
Nursing	\$66	\$56	\$72	\$52
PT	84	78	86	73
OT	84	78	83	67



# Total Cost Per Visit

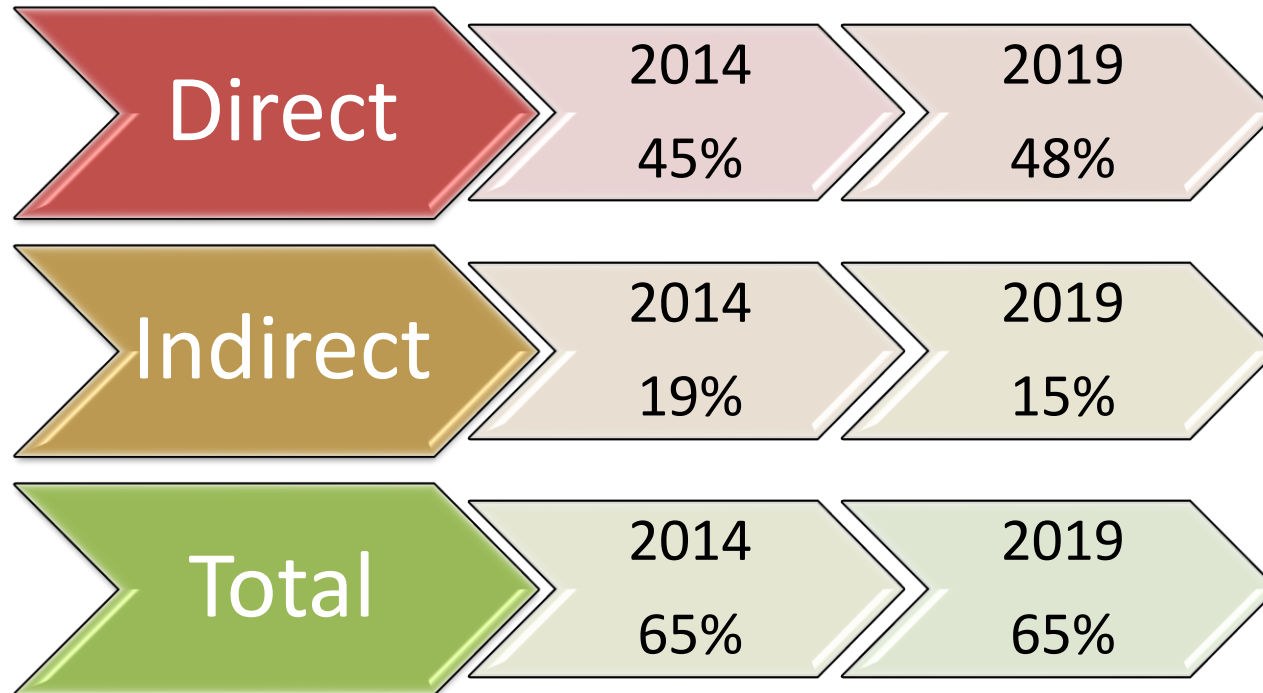


# Total Cost Per Visit





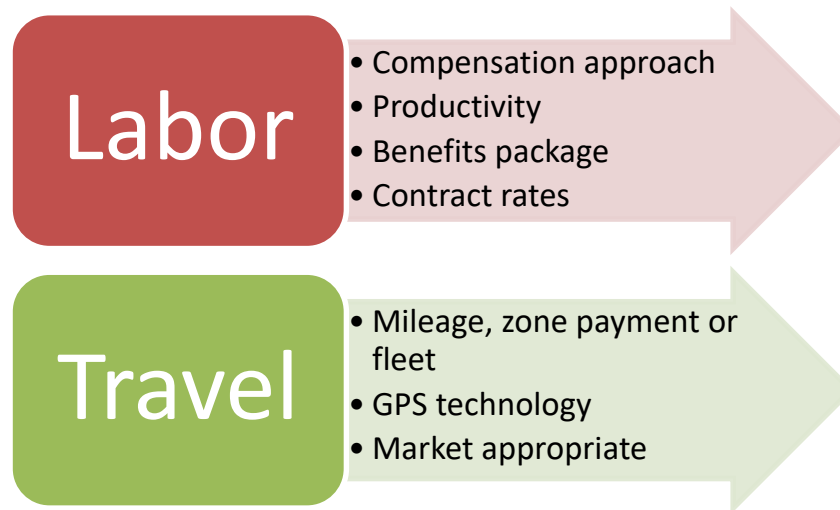
# Labor Costs as a % of Revenue





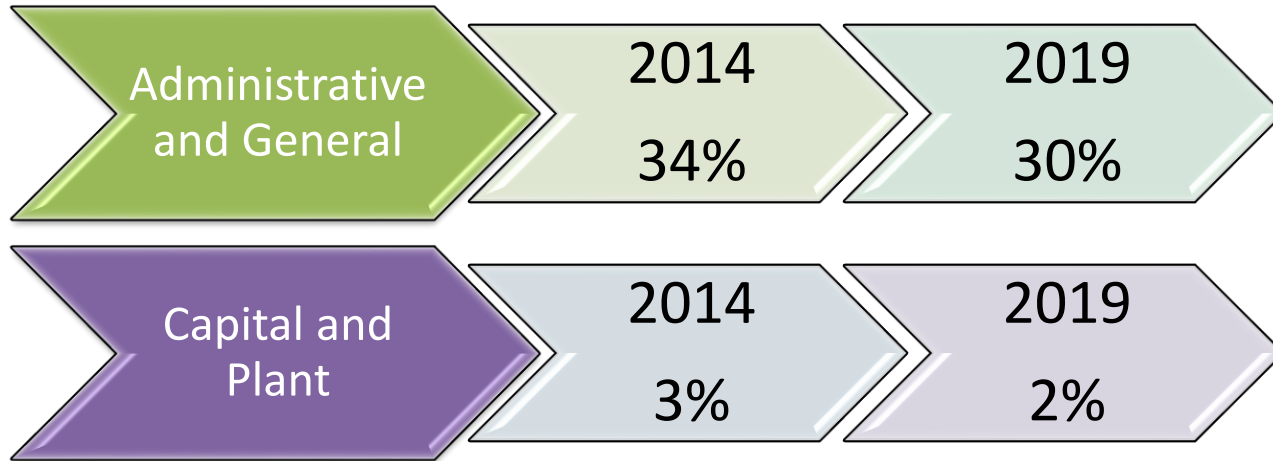
# Direct Costs as a % of Revenue

	<u>Benchmark Leaders</u>		<u>All Others</u>	
	<u>Median</u>	<u>Best 25%</u>	<u>Median</u>	<u>Best 25%</u>
Direct labor	48%	43%	48%	37%
Transportation	2.6%	1.8%	2.9%	1.3%



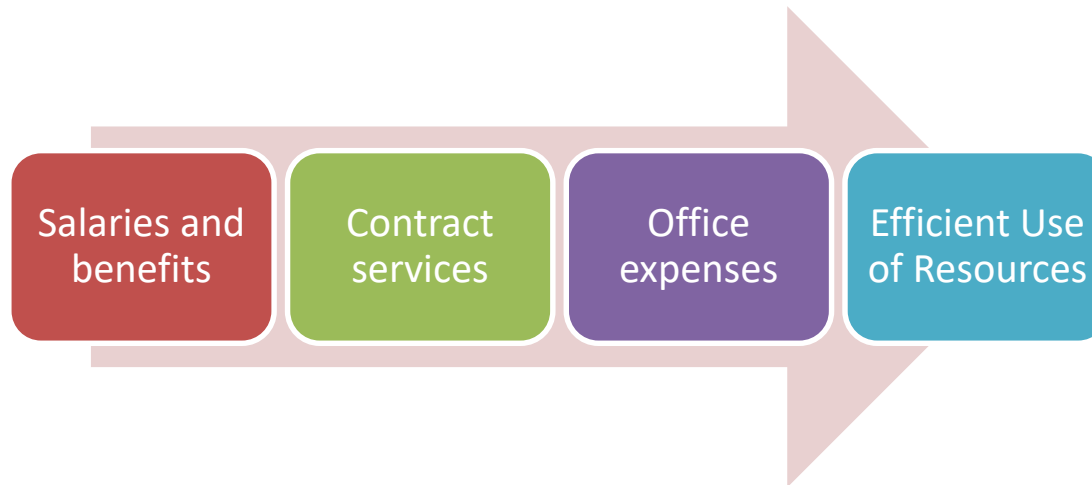


# Indirect Costs as a % of Revenue



# Administrative Costs as a % of Revenue

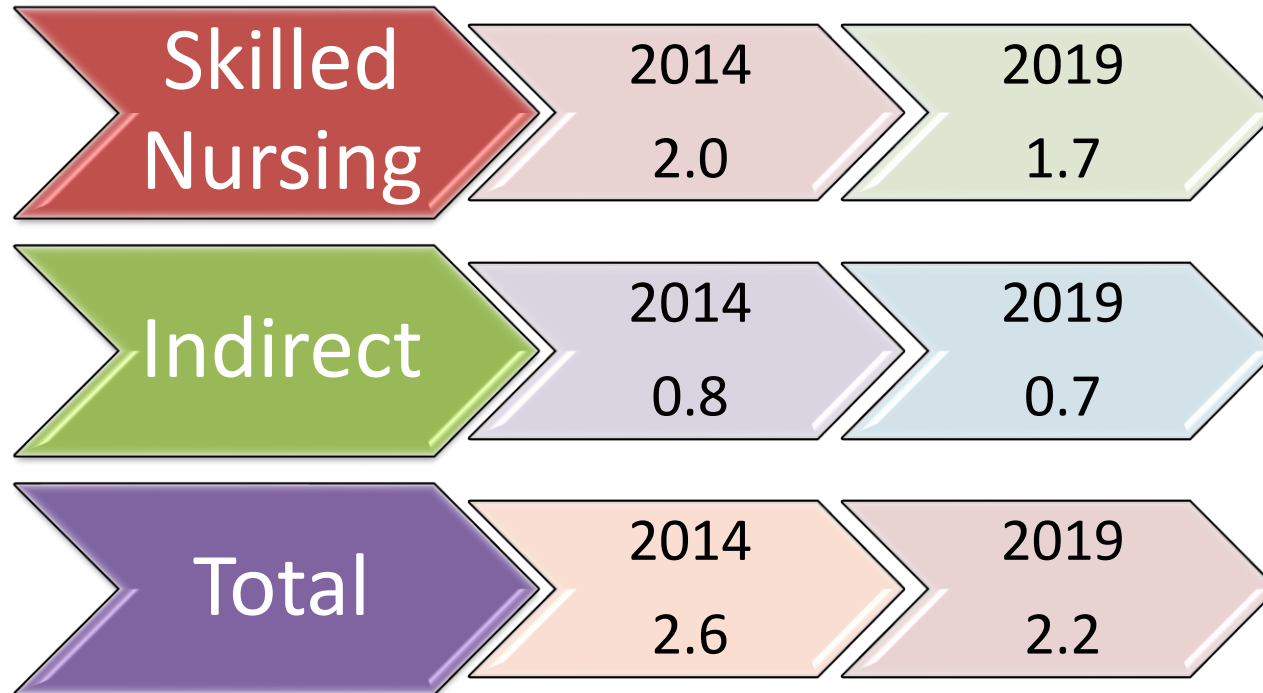
	<u>Benchmark Leaders</u>		<u>All Others</u>	
	<u>Median</u>	<u>Best 25%</u>	<u>Median</u>	<u>Best 25%</u>
Admin labor costs	15%	11%	25%	16%
Total admin costs	30%	21%	39%	30%







# Hours Per Visit





## Summary

- // Trends of top performers are both expected and surprising
  - // Margins improving significantly
  - // Payment per episode increased
  - // Visits per episode increased slightly, but reflecting a slightly changing service mix
  - // Direct cost per visit has stayed relatively flat
  - // Total cost per visit is decreasing
  - // Indirect costs decreasing
  - // Productivity improving





**Mark P. Sharp, CPA // Partner**  
msharp@bkd.com // 417.865.8701

