



Benchmarking: Drive Change through Financial and Operational Metrics

Presented By:
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November 13, 2017

Advising with Vision[®]







Objectives

- Add tools to your benchmarking toolkit, with a particular focus on healthcare
- Consider a fresh approach to your dashboard, and what drivers are most effective for you to review
- Learn the value of benchmarking and identify a variety of benchmark data sources

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Agenda

- Introduction
- The Mindset
- Benchmarking
- Benchmarking Data
- Questions & Answers


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Introduction

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Why Benchmark? CREDIT – CONTEXT - COMMUNICATION

Access Credit

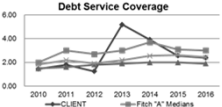


Create Context



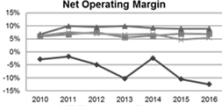
Communicate to Stakeholders

Debt Service Coverage




| Year | CLIENT | Fitch 'A' Medians |
|------|--------|-------------------|
| 2010 | 2.0 | 2.5 |
| 2011 | 2.0 | 2.5 |
| 2012 | 2.0 | 2.5 |
| 2013 | 2.0 | 2.5 |
| 2014 | 2.0 | 2.5 |
| 2015 | 2.0 | 2.5 |
| 2016 | 2.0 | 2.5 |

Net Operating Margin



| Year | CLIENT | Fitch 'A' Medians |
|------|--------|-------------------|
| 2010 | 5% | 10% |
| 2011 | 5% | 10% |
| 2012 | 5% | 10% |
| 2013 | 5% | 10% |
| 2014 | 5% | 10% |
| 2015 | 5% | 10% |
| 2016 | 5% | 10% |


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The Mindset

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The Mindset

FROM

TO

The Pursuit!

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The Mindset

FROM

- Healthcare silos
- Flat or declining revenue
- Population being served within brick and mortar healthcare services
- Inconsistent, unpredictable cash flow
- Unmanaged receivables and payables
- Weak or unproven internal controls
- Extensive training time
- High employee turnover
- High dependence on a few individuals
- Limitations on the availability of meaningful, timely financial information
- Keeping the status quo and staying stagnant

TO

- New pressures in a changing healthcare system
- Planned revenue growth
- Population being served wanting to stay at home and maintain an active lifestyle
- Predictable and improved cash flow
- Managed working capital
- Strong, tested internal controls
- Consistent service quality
- Streamlined and documented processes and procedures
- Happy, diversified, and skilled workforce
- Meaningful and timely information available to manage the organization
- Increased organizational value
- Using research, benchmarking, and vision to guide the organization.

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Common Questions

- In what areas could my organization improve?
- Is my organization prepared to manage a skilling nursing population under Medicaid Managed Care?
- In what ways could my organization become more efficient?
- How is my organization controlling an aging?
- How vulnerable is my organization to fraud and employee theft?
- How does my organization compare to others within my industry?
- Is my organization meeting the needs of the future of healthcare and senior services delivery?
- How can I delegate more responsibility to my team without giving up control of key decisions?
- What areas should I focus on to receive the largest return on my investment of time, energy and money?
- Am I missing out on any "best practices" within my industry?
- Am I appropriately balancing the day-to-day operations with strategic planning for the future?
- Are my employees appropriately trained?
- Is my organization staying relevant in the changing market?

THE ANSWERS ALL RELATE TO OPPORTUNITIES!


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 **How Do I Unlock Opportunities?**

- Benchmarking
- Comparing expected performance to actual (& understanding gaps)
- Reviewing key processes
- Assessing business and operational risks (impact vs. likelihood)
- Collaborating with management team members
- Planning strategically and tactically
- Fostering relationships with key advisors (CPA, attorney, banker, insurance, financial planner)
- Exploring partnerships
- Strategic planning

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Benchmarking


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 **What is Benchmarking?**

- The process of identifying and capturing data and evaluating this data against oneself or an outside party (internal or external).
- Types of benchmarking
 - Performance (e.g. financial)
 - Process (e.g. best practices)
 - Strategic (e.g. comparison to competitors)


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 **Why is Benchmarking Important?**

- Identify opportunities to reduce costs
- Identify competitive advantage
- Identify opportunities to increase quality of service
- Gain insight into relative strengths and weaknesses compared to other organizations
- Combat organizational complacency and the perception that current performance is acceptable


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 **Why is Benchmarking Important?
(Continued)**

- Change the way it views its performance by providing both qualitative and quantitative measures of effectiveness
- Move beyond an assessment that is based solely on opinion
- Avoid reimbursement penalties
- Revenue and reimbursement optimization
- Prepare for new payment models
- Support the need for a transformation of processes or even an entire organization


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 **Common Financial Metrics and
Performance Indicators**

- Financial ratios
- Comparative analysis
- Healthcare specific metrics


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 **Common Financial Ratios**

- Current ratio
- Quick ratio
- Days working capital
- Accounts receivable days
- Debt-to-equity
- Interest coverage
- Revenue growth
- Operating income percentage
- EBITDA percentage


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 **Comparative Analysis**

- Current month to prior month
- Current month to same month in prior year
- YTD revenue and expense
- Current YTD to prior YTD
- Trailing twelve month (TTM) revenue and expense
- Budget-to-actual
- Variance reporting (monthly and budget-to-actual)
- Common-sized financials
- Footnotes explaining fluctuations in revenue and expense
- Fixed vs. variable costs
- Direct vs. indirect costs


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 **Healthcare Specific Metrics**

- Census
- Occupancy
- Patient / resident days
- Payer mix
- Reimbursement rates / published rates
- Medicare RUG optimization
- Labor turnover
- Overtime
- Admissions, transfers and discharges
- Hospital readmissions
- Source of admissions
- Length of stay


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 **Healthcare Specific Metrics Continued**

- Bed holds
- Wages
- Food costs
- Supplies
- Purchased services
- Pharmacy
- Five Star Quality Rating criteria
- Nursing hours per patient day
- Managed care contract rates


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Benchmarking Data


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 **Sources of Benchmarking Data**

- Internal
 - Historical financial data
 - Budgets and forecasts
 - Tax returns
 - As filed cost reports
- External
 - Bizminer
 - ProfitCents
 - D&B First Research
 - CMS Medicare cost reporting data
 - CMS Public Use File (PUF)
 - Certification And Survey Provider Enhanced Reports (CASPER)
 - Medicare: Medicare.gov
 - OSHPD:
 - <https://siera.oshpd.ca.gov/FinancialDisclosure.aspx>
 - <https://oshpd.ca.gov/HID/>

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Sources of Benchmarking Data (Continued)

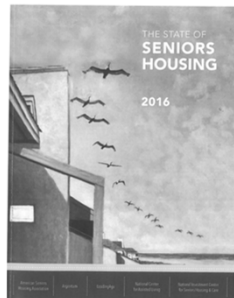
- External continued
 - Five Star Quality Rating
 - eHealth Solutions/PointRight
 - Data.Medicare.gov
 - Strategic Healthcare Programs (SHP) Data
 - CARF International
 - AHCA, LTC Trend Tracker
 - CMS Enterprise Portal
 - National Investment Center (NIC)

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Tools and Resources – IL/AL/Memory/LPC



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Bizminer



Industry Financial Report

release date: June 2017 State of California
 [623110] Nursing Care Facilities Sector:
 Health Care-Social Assistance Sales Class:
 \$10m - \$24.99m

| Firms Analyzed | |
|----------------|-----|
| 2012 | 176 |
| 2013 | 202 |
| 2014 | 190 |
| 2015 | 208 |
| 2016 | 162 |

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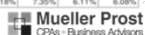




Bizminer Income and Expense- Profit and Loss %

| Income and Expense- Profit and Loss % | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Business Revenue | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cost of Sales | 11.15% | 10.24% | 11.59% | 10.55% | 10.51% |
| Cost of Sales - Labor Portion | 4.53% | 4.10% | 5.00% | 4.45% | 4.87% |
| Gross Margin | 88.85% | 89.76% | 88.41% | 89.45% | 89.49% |
| Officers Comp. | 1.36% | 1.37% | 0.83% | 1.08% | 1.08% |
| Salary/Wages | 37.07% | 37.74% | 37.13% | 37.84% | 37.81% |
| Rent | 4.84% | 3.92% | 4.76% | 5.48% | 5.44% |
| Taxes Paid | 6.47% | 4.95% | 5.78% | 6.33% | 6.29% |
| Advertising | 0.88% | 1.23% | 0.23% | 0.42% | 0.42% |
| Benefits-Pensions | 5.98% | 5.56% | 4.72% | 5.75% | 5.75% |
| Repairs | 0.74% | 1.09% | 0.84% | 0.93% | 0.92% |
| Bad Debt | 0.46% | 0.57% | 0.13% | 0.17% | 0.17% |
| Sales, General, Admin & Misc. | 25.58% | 25.45% | 26.23% | 26.86% | 27.22% |
| EBITDA | 5.61% | 7.88% | 7.76% | 4.79% | 4.59% |
| Amortization-Depreciation-Depletion | 0.89% | 1.84% | 0.99% | 1.20% | 1.20% |
| Operating Expenses | 84.13% | 83.52% | 81.84% | 85.86% | 86.10% |
| Operating Income | 4.72% | 6.24% | 6.77% | 3.59% | 3.39% |
| Interest Income | 0.03% | 0.04% | 0.03% | 0.02% | 0.02% |
| Interest Expense | 0.59% | 0.81% | 0.45% | 0.80% | 0.82% |
| Other Income | 2.44% | 2.36% | 2.03% | 2.99% | 3.17% |
| Pre-Tax Net Profit | 6.60% | 7.83% | 8.38% | 5.80% | 5.78% |
| Income Tax | 2.24% | 2.66% | 2.85% | 1.97% | 1.98% |
| After Tax Net Profit | 4.36% | 5.17% | 5.53% | 3.83% | 3.80% |
| Discretionary Owner Earnings | 6.61% | 8.18% | 7.35% | 6.11% | 6.08% |

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Bizminer Balance Sheet

| Balance Sheet - percentage-based | | | | | |
|---|---------|---------|---------|---------|---------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Assets | | | | | |
| Cash | 11.86% | 12.24% | 12.31% | 11.68% | 11.70% |
| Receivables | 20.03% | 19.59% | 20.11% | 21.00% | 21.37% |
| Inventory | 0.34% | 0.30% | 0.20% | 0.22% | 0.22% |
| Other Current Assets | 6.65% | 5.72% | 6.15% | 6.90% | 6.96% |
| Total Current Assets | 38.88% | 37.82% | 38.77% | 39.85% | 40.25% |
| Gross Fixed Assets | 66.35% | 63.92% | 62.74% | 60.98% | 60.21% |
| Accum. Depreciation-Amortization-Depletn. | 27.23% | 26.23% | 25.75% | 25.02% | 24.71% |
| Net Fixed Assets | 39.12% | 37.69% | 37.00% | 35.95% | 35.50% |
| Other Non-Current Assets | 22.00% | 24.49% | 24.23% | 24.20% | 24.25% |
| Total Assets | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Liabilities | | | | | |
| Accounts Payable | 8.33% | 9.14% | 9.70% | 8.91% | 8.89% |
| Loans/Notes Payable | 5.78% | 3.82% | 4.23% | 5.10% | 5.06% |
| Other Current Liabilities | 19.41% | 20.17% | 21.03% | 21.61% | 21.38% |
| Total Current Liabilities | 33.52% | 33.13% | 34.96% | 35.62% | 35.33% |
| Total Long Term Liabilities | 43.23% | 43.16% | 43.56% | 43.68% | 43.95% |
| Total Liabilities | 76.75% | 76.29% | 78.52% | 79.30% | 79.28% |
| Net Worth | 23.25% | 23.71% | 21.48% | 20.70% | 20.72% |
| Total Liabilities & Net Worth | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

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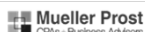




Bizminer Financial Ratios: Cash Flow-Solvency

| Financial Ratios: Cash Flow-Solvency | | | | | |
|--|--------|--------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Accounts Payable: Business Revenue (%) | 3.96 | 3.68 | 3.38 | 3.98 | 3.52 |
| Current Liabilities: Inventory | 98.59 | 110.43 | 174.81 | 161.90 | 160.58 |
| Current Liabilities: Net Worth | 1.44 | 1.40 | 1.63 | 1.72 | 1.71 |
| Current Ratio | 1.16 | 1.14 | 1.11 | 1.12 | 1.14 |
| Days Payable | 129.72 | 131.05 | 106.34 | 137.87 | 122.18 |
| Quick Ratio | 0.95 | 0.96 | 0.93 | 0.92 | 0.94 |
| Total Liabilities: Net Worth | 3.30 | 3.22 | 3.66 | 3.83 | 3.83 |

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Bizminer Financial Ratios: Efficiency-Debt-Risk

| Financial Ratios: Efficiency-Debt-Risk | | | | | |
|--|-------|-------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Assets: Business Revenue | 0.48 | 0.40 | 0.35 | 0.45 | 0.40 |
| Cost of Sales: Accounts Payable | 2.81 | 2.79 | 3.43 | 2.65 | 2.99 |
| Cost of Sales: Inventory | 68.94 | 84.86 | 166.48 | 107.22 | 120.72 |
| Days Inventory | 5.29 | 4.30 | 2.19 | 3.40 | 3.02 |
| Days Receivables | 34.78 | 28.72 | 25.55 | 34.36 | 30.87 |
| Days Working Capital | 9.05 | 6.62 | 4.59 | 6.48 | 6.64 |
| EBITDA: Interest Expense | 9.51 | 9.73 | 17.24 | 5.99 | 5.80 |
| Fixed Assets: Net Worth | 1.68 | 1.59 | 1.72 | 1.74 | 1.71 |
| Gross Margin: Business Revenue | 88.85 | 89.76 | 88.41 | 89.45 | 89.49 |
| Net Working Capital: Business Revenue | 0.02 | 0.02 | 0.01 | 0.02 | 0.02 |
| Loans/Notes Payable: Net Worth | 0.25 | 0.16 | 0.20 | 0.25 | 0.24 |
| Long-Term Liabilities: Net Worth | 1.86 | 1.82 | 2.03 | 2.11 | 2.12 |

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Bizminer Financial Ratios: Turnover

| Financial Ratios: Turnover | | | | | |
|------------------------------|--------|--------|---------|---------|---------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Cash Turnover (X) | 17.72 | 20.31 | 23.34 | 19.14 | 21.60 |
| Current Asset Turnover | 5.41 | 6.57 | 7.41 | 5.61 | 6.28 |
| Fixed Asset Turnover | 5.37 | 6.60 | 7.76 | 6.22 | 7.12 |
| Inventory Turnover (X) | 618.30 | 828.66 | 1436.37 | 1016.29 | 1148.58 |
| Receivables Turnover (X) | 10.50 | 12.71 | 14.28 | 10.62 | 11.82 |
| Total Asset Turnover (X) | 2.10 | 2.49 | 2.87 | 2.24 | 2.53 |
| Working Capital Turnover (X) | 39.22 | 53.01 | 75.40 | 52.86 | 51.36 |

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Sageworks Industry Data

Average by Year (Number of Financial Statements)

| | Last 12 Months | 2014 | 2015 | Last 3 Years | All Years |
|--|----------------|----------|----------|--------------|-----------|
| Financial Metric | 1,011 | 1,011 | 1,011 | 1,011 | 1,011 |
| Current Ratio | 2.18 | 1.93 | 1.45 | 1.80 | 1.89 |
| Quick Ratio | 1.14 | 1.12 | 1.29 | 1.12 | 1.14 |
| Gross Profit Margin | 56.23% | 54.13% | 46.95% | 50.00% | 51.64% |
| Net Profit Margin | 2.20% | 3.40% | 4.43% | 3.62% | 3.73% |
| Inventory Days | 6.30 | 6.76 | 6.82 | 6.88 | 6.91 |
| Accounts Receivable Days | 48.33 | 52.68 | 53.00 | 51.36 | 47.81 |
| Accounts Payable Days | 25.39 | 33.11 | 39.94 | 35.65 | 30.65 |
| Interest Coverage Ratio | 8.46 | 7.32 | 11.28 | 10.34 | 9.25 |
| Debt to Equity Ratio | 3.32 | 3.18 | 3.91 | 3.46 | 3.32 |
| Debt Service Coverage Ratio | 4.27 | 3.88 | 4.27 | 4.46 | 4.53 |
| Return on Equity | 17.90% | 14.91% | 40.20% | 28.11% | 33.40% |
| Return on Assets | 4.90% | 7.00% | 3.60% | 6.30% | 5.00% |
| Gross Fixed Asset Turnover | 6.09 | 10.84 | 11.30 | 6.87 | 6.80 |
| Profit per Employee | \$1,747 | \$3,369 | \$1,503 | \$1,127 | \$2,103 |
| Growth Metric | Last 12 Months | 2014 | 2015 | Last 3 Years | All Years |
| Growth | (71) | (11) | (49) | (1,043) | (1,043) |
| Subs Growth | 2.37% | 2.79% | 6.14% | 4.60% | 5.07% |
| Profit Growth | 1.10% | 0.30% | 2.50% | 2.40% | 8.53% |
| Industry Specific Metric | Last 12 Months | 2014 | 2015 | Last 3 Years | All Years |
| Direct Labor Ratio | (1) | (2) | (2) | 30.20% | 38.00% |
| Medical Expenses Express to Sales | (2) | (2) | (2) | 19.20% | 18.00% |
| Professional Liability Expenses to Sales | (1) | (1) | (1) | 0.50% | 1.10% |
| Operating Occupancy | (2) | (2) | (2) | (27) | (27) |
| Revenue per Employee | \$63,331 | \$63,181 | \$79,081 | \$76,662 | \$75,296 |

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Sageworks Industry Data

Industry Data Common Size

Average by Year (Number of Financial Statements)

| Income Statement | Last 12 Months (87) | 2016 (156) | 2015 (246) | Last 5 Years (989) | All Years (1,366) |
|----------------------------------|---------------------|------------|------------|--------------------|-------------------|
| Sales (Income) | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Cost of Sales (COGS) | 1.77% | 5.87% | 13.05% | 6.92% | 8.16% |
| Gross Profit | 98.23% | 94.13% | 86.95% | 93.08% | 91.84% |
| Depreciation | 1.98% | 1.89% | 1.89% | 2.02% | 2.02% |
| Overhead or S,G,& A Expenses | 69.41% | 65.88% | 64.30% | 67.66% | 69.02% |
| Other Operating Income | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Other Operating Expenses | 23.30% | 21.77% | 14.98% | 18.50% | 15.59% |
| Operating Profit | 3.53% | 4.58% | 5.77% | 4.69% | 5.20% |
| Interest Expense | 1.28% | 1.17% | 1.36% | 1.32% | 1.52% |
| Other Income | 0.07% | 0.07% | 0.07% | 0.09% | 0.09% |
| Other Expenses | 0.03% | 0.02% | 0.04% | 0.03% | 0.04% |
| Net Profit Before Taxes | 2.28% | 3.46% | 4.43% | 3.62% | 3.74% |
| Adjusted Net Profit Before Taxes | 2.28% | 3.46% | 4.43% | 3.62% | 3.74% |
| EBITDA | 5.54% | 6.52% | 7.69% | 6.96% | 7.27% |
| Taxes Paid | 0.39% | 0.43% | 0.40% | 0.48% | 1.40% |
| Net Income | 1.90% | 3.03% | 4.04% | 3.13% | 2.34% |

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Sageworks Industry Data

Industry Data Common Size

Average by Year (Number of Financial Statements)

| Balance Sheet | Last 12 Months (87) | 2016 (156) | 2015 (246) | Last 5 Years (989) | All Years (1,366) |
|--|---------------------|------------|------------|--------------------|-------------------|
| Cash (Bank Funds) | 0.00% | 9.27% | 9.67% | 9.34% | 9.22% |
| Accounts Receivable | 31.74% | 34.04% | 36.48% | 32.74% | 31.39% |
| Inventory | 0.07% | 8.10% | 0.11% | 0.12% | 0.09% |
| Other Current Assets | 3.41% | 3.62% | 3.00% | 3.34% | 3.54% |
| Total Current Assets | 51.98% | 52.46% | 51.71% | 50.71% | 49.43% |
| Gross Fixed Assets | 60.24% | 55.15% | 54.49% | 63.31% | 72.40% |
| Accumulated Depreciation | 26.69% | 18.79% | 20.83% | 24.79% | 31.33% |
| Net Fixed Assets | 30.55% | 36.43% | 34.42% | 38.52% | 41.07% |
| Other Assets | 8.47% | 11.12% | 13.87% | 10.77% | 9.50% |
| Total Assets | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Accounts Payable / Current Portion of Long Term Debt | 1.24% | 1.71% | 1.50% | 1.64% | 1.57% |
| Other Current Liabilities | 12.01% | 13.95% | 13.79% | 13.74% | 13.95% |
| Total Current Liabilities | 36.92% | 40.15% | 43.07% | 38.80% | 37.00% |
| Total Long Term Liabilities | 42.21% | 40.20% | 37.75% | 38.91% | 42.82% |
| Total Liabilities | 79.13% | 80.35% | 80.83% | 77.70% | 79.82% |
| Preferred Stock | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Common Stock | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Additional Paid-in Capital | 1.77% | 2.28% | 2.36% | 2.03% | 2.44% |
| Other Stock / Equity | 2.13% | 2.27% | 1.13% | 2.00% | 2.55% |
| Ending Retained Earnings | 17.46% | 16.54% | 14.62% | 17.86% | 16.30% |
| Total Equity | 20.88% | 19.61% | 19.17% | 22.30% | 20.13% |
| Total Liabilities + Equity | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

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Sageworks Industry Data

Industry Data Common Size

INDUSTRY DATA COMMON SIZE SUB ACCOUNTS

Average by Year (Number of Financial Statements)

| Income Statement | Last 12 Months | 2016 | 2015 | Last 5 Years | All Years |
|--------------------------------|----------------|--------|--------|--------------|-----------|
| Medical Supplies Expense | — | 12.50% | 12.80% | 9.30% | 6.60% |
| Food and Beverage Expense | — | (5) | (6) | (22) | (51) |
| Payroll | 52.13% | 53.81% | 50.22% | 50.46% | 48.83% |
| Rent | 7.94% | 8.03% | 7.60% | 6.92% | 6.29% |
| Advertising | 0.30% | 0.35% | 0.40% | 0.36% | 0.33% |
| Professional Liability Expense | (6) | (7) | (4) | (6) | (18) |
| Uncollectable Revenue | — | — | — | 0.70% | 0.70% |

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D&B First Research

COMPANY BENCHMARK INFORMATION
 NAICS: 62331
 Data Period: 2015
 Table Data Format: Mean
 Last Update February 2017

| Company Size | All | Large | Medium | Small |
|------------------------|------|------------|--------------|------------|
| Size by Revenue | | Over \$50M | \$5M - \$50M | Under \$5M |
| Company Count | 6628 | 7 | 209 | 6412 |

Income Statement

| | | | | |
|--------------------------|--------|--------|--------|--------|
| Net Sales | 100% | 100% | 100% | 100% |
| Gross Margin | 100.0% | 100.0% | 100.0% | 100.0% |
| Officer Compensation | 4.6% | 4.5% | 4.9% | 4.8% |
| Advertising & Sales | 0.4% | 0.4% | 0.4% | 0.4% |
| Other Operating Expenses | 87.6% | 89.1% | 89.5% | 89.5% |
| Operating Expenses | 92.6% | 94.4% | 93.7% | 92.5% |
| Operating Income | 7.2% | 5.6% | 6.3% | 9.5% |
| Net Income | 2.6% | 2.3% | 2.6% | 3.3% |

Financial industry data provided by Mosaic® Corporation collected from 32 different data sources and represents financial performance of over 4.5 million privately held businesses and selected industry financial benchmarks of companies in over 200 industries (SIC and NAICS). More data available at www.mosaic.com.

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D&B First Research

| Company Size | All | Large | Medium | Small |
|------------------------|------|------------|--------------|------------|
| Size by Revenue | | Over \$50M | \$5M - \$50M | Under \$5M |
| Company Count | 6628 | 7 | 209 | 6412 |

Balance Sheet

| | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|
| Cash | 14.0% | 13.1% | 14.6% | 14.1% |
| Accounts Receivable | 5.0% | 5.8% | 7.5% | 3.9% |
| Inventory | 0.1% | 0.1% | 0.2% | 0.1% |
| Total Current Assets | 22.5% | 23.0% | 25.7% | 21.2% |
| | | | | |
| Property, Plant & Equipment | 62.6% | 58.6% | 57.6% | 65.7% |
| Other Non-Current Assets | 15.0% | 18.5% | 16.5% | 13.1% |
| Total Assets | 100.0% | 100.0% | 100.0% | 100.0% |
| Accounts Payable | 2.5% | 1.9% | 2.6% | 2.6% |
| Total Current Liabilities | 14.1% | 12.3% | 14.7% | 14.6% |
| Total Long Term Liabilities | 41.5% | 43.1% | 40.6% | 41.2% |
| Net Worth | 44.5% | 44.7% | 44.6% | 44.3% |

Financial industry data provided by Mosaic® Corporation collected from 32 different data sources and represents financial performance of over 4.5 million privately held businesses and selected industry financial benchmarks of companies in over 200 industries (SIC and NAICS). More data available at www.mosaic.com.

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D&B First Research

| Company Size | All | Large | Medium | Small |
|------------------------|------|------------|--------------|------------|
| Size by Revenue | | Over \$50M | \$5M - \$50M | Under \$5M |
| Company Count | 6628 | 7 | 209 | 6412 |

Financial Ratios
 (Click on any ratio for comprehensive definitions)

| | | | | |
|----------------------------------|---------|---------|--------|---------|
| Quick Ratio | 1.36 | 1.56 | 1.53 | 1.24 |
| Current Ratio | 1.50 | 1.87 | 1.75 | 1.45 |
| Current Liabilities to Net Worth | 31.7% | 27.5% | 32.8% | 32.9% |
| Current Liabilities to Inventory | x128.18 | x153.62 | x81.63 | x145.76 |
| Total Debt to Net Worth | x1.25 | x1.24 | x1.23 | x1.26 |
| Fixed Assets to Net Worth | x1.41 | x1.31 | x1.29 | x1.40 |
| Days Accounts Receivable | 21 | 12 | 34 | 25 |
| Inventory Turnover | x0.00 | x0.00 | x0.00 | x0.00 |
| Total Assets to Sales | 117.0% | 58.3% | 127.2% | 180.0% |
| Working Capital to Sales | 9.8% | 6.2% | 14.0% | 11.8% |
| Accounts Payable to Sales | 2.9% | 1.1% | 3.5% | 4.6% |
| Pre-Tax Return on Sales | 4.4% | 3.6% | 4.1% | 5.4% |
| Pre-Tax Return on Assets | 3.6% | 6.5% | 3.3% | 3.0% |
| Pre-Tax Return on Net Worth | 8.6% | 14.5% | 7.3% | 6.7% |
| Interest Coverage | x2.60 | x2.89 | x2.90 | x2.35 |
| EBITDA to Sales | 9.0% | 7.5% | 8.0% | 11.1% |
| Capital Expenditures to Sales | 4.7% | 2.7% | 4.9% | 6.9% |

Financial industry data provided by Mosaic® Corporation collected from 32 different data sources and represents financial performance of over 4.5 million privately held businesses and selected industry financial benchmarks of companies in over 200 industries (SIC and NAICS). More data available at www.mosaic.com.

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OSHPD Data

Office of Statewide Health Planning & Development
SIERA System for Integrated Electronic Reporting and Auditing
 Welcome to the OSHPD financial disclosure reports page. To search for a financial report, select a report type, select a report year (or year/quarter) range, enter search values, and click Go. Another option is to select a single report year (or year/quarter) and click Go. If you have any questions, please click on [How to Use this Site](#) or contact OSHPD at (916) 225-3902.

Financial Disclosure Reports

Select Report Type: Hospital Annual Long Term Care Hospital Quarterly
 From Year: To Year: Search: 3 reports found. Select all reports for: (2017) (2016) (2015)

| Facility Name | OSHPD ID | Period End | County | Submitted | Audited |
|---|-----------|------------|--------------|-----------|---------|
| ANTIOCH CONVALESCENT HOSPITAL 2124 S STREET, ANTIOSCH, CA, 95009 | 206076993 | 10/31/2016 | CONTRA COSTA | | |
| LONG TREE CONVALESCENT HOSPITAL 4001 LONG TREE BLVD, ANTIOSCH, CA, 95009 | 206073641 | 04/30/2016 | CONTRA COSTA | | |
| LONG TREE CONVALESCENT HOSPITAL 4001 LONG TREE BLVD, ANTIOSCH, CA, 95009 | 206073641 | 04/30/2017 | CONTRA COSTA | | Pending |

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OSHPD Data

Find Data and Reports

Facility Listings

Annual Utilization Reports

Annual Financial Disclosure Reports
 On an annual basis (Individual Facility Report and), Hospital and long-term care (LTC) facilities report detailed facility-level data on services capacity, inpatient/outpatient utilization, patients, revenues and expenses by type and payer. Select a report and click on the statement.

- 32. Hospital Annual Financial Disclosure Report - Individual Facility Report Search (SIERA)
- 33. Hospital Annual Financial Disclosure Report - Complete Data Set
- 34. Hospital Annual Financial Disclosure Report - Prol Profile
- 35. Hospital Annual Financial Disclosure Report - Selected Data - Calendar & Fiscal Year
- 36. Hospital Annual Financial Disclosure Report - Trends

37. Long-Term Care Facility Annual Financial Disclosure Report - Individual Facility Report Search (SIERA)

- 38. Long-Term Care Facility Annual Financial Disclosure Report - Complete Data Set (available by order only)
- 39. Long-Term Care Facility Annual Financial Disclosure Report - Selected Data - Calendar & Fiscal Year
- 40. Long-Term Care Facility Annual Financial Disclosure Report - Prol Profile
- 41. Long-Term Care Facility Annual Financial Disclosure Report - Prol Trends

42. Hospital Quarterly Financial and Utilization Reports

- 43. Patient Data - Hospital Inpatient Discharge Reports
- 44. Patient Data - Emergency Department Encounters

Submit Data

Data Products By Facility Type

- Hospital
- Long-Term Care Facility
- Primary Care Clinic
- Specialty Care Clinic
- Home Health Agency & Hospice
- Emergency Department
- Ambulatory Surgery Clinic

Data Products By Data Type

- Individual Facility Reports
- Quality of Care & Outcomes
- Special Reports & Studies
- Hospital Discharge Payment Profiles (For Pricing Purposes)
- Hospital Community Benefit Plans
- Hospital Discharges & Charges for 25 Common Equipment Procedures

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CMS Cost Reporting Data

| | Client Data (PPD) | CA State Compare Data (PPD) | Difference | National Compare Data (PPD) | Difference |
|----------------------------------|-------------------|-----------------------------|------------|-----------------------------|------------|
| Cap-Rtld Costs-Bldgs. & Fixtures | \$13.49 | \$24.44 | \$10.95 | \$26.80 | \$13.31 |
| Cap-Rtld Costs-Movable Equip | \$1.74 | \$2.28 | \$0.54 | \$3.37 | \$1.63 |
| Employee Benefits | \$36.85 | \$32.88 | -\$3.97 | \$29.86 | -\$6.99 |
| Administrative & General | \$68.12 | \$65.41 | -\$2.71 | \$48.48 | -\$19.64 |
| Plant Operation, Maint & Rep | \$22.61 | \$12.26 | -\$10.35 | \$13.93 | -\$8.68 |
| Laundry & Linen | \$4.94 | \$3.83 | -\$1.11 | \$3.52 | -\$1.42 |
| Housekeeping | \$5.93 | \$7.76 | \$1.83 | \$7.77 | \$1.84 |
| Dietary | \$23.46 | \$20.33 | -\$3.13 | \$21.08 | -\$2.38 |
| Nurs Admin | \$3.46 | \$6.77 | \$3.37 | \$10.42 | \$7.02 |
| Med Records & Library | \$1.24 | \$2.54 | \$1.30 | \$1.63 | \$0.39 |
| Social Service | \$5.66 | \$5.27 | -\$0.39 | \$4.15 | -\$1.51 |
| SNF - Participating | \$108.47 | \$82.13 | -\$26.34 | \$73.47 | -\$35.00 |

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AHCA LTC Trend Tracker

| AHCA Discharge to Community Rates for 2016Q1 | | | | | PointRight® Pro Long Stay™ Hospitalization Rates for 2016Q1 | | | | |
|--|------------------|-------------|---------------|--------------------|---|------------------|-------------|---------------|--------------------|
| CMS Certification Number | Total Admissions | Actual Rate | Expected Rate | Risk-Adjusted Rate | CMS Certification Number | Total Admissions | Actual Rate | Expected Rate | Risk-Adjusted Rate |
| 015009 | 72 | 73.8% | 66.2% | 71.8% | 015009 | 155 | 9.5% | 13.6% | 10.0% |
| 015010 | 242 | 70.7% | 68.6% | 66.5% | 015010 | 208 | 19.1% | 15.0% | 16.0% |
| 015012 | 103 | 65.0% | 68.1% | 61.6% | 015012 | 130 | 19.2% | 11.2% | 24.3% |
| 015014 | 25 | 49.0% | 49.3% | | 015014 | 283 | 20.1% | 15.6% | 18.3% |
| 015015 | 66 | 50.0% | 57.0% | 55.8% | 015015 | 304 | 15.1% | 12.7% | 16.8% |
| 015016 | 212 | 70.5% | 67.5% | 67.2% | 015016 | 462 | 10.1% | 11.2% | 12.8% |
| 015019 | 49 | 65.3% | 49.2% | 85.7% | 015019 | 350 | 11.7% | 13.1% | 12.8% |
| 015022 | 83 | 73.3% | 60.1% | 84.4% | 015022 | 500 | 14.8% | 14.5% | 14.5% |
| 015024 | 203 | 71.5% | 69.1% | 67.2% | 015024 | 472 | 8.9% | 13.5% | 9.4% |
| 015027 | 167 | 79.0% | 62.0% | 82.3% | 015027 | 322 | 8.7% | 10.4% | 11.8% |
| 015028 | 30 | 43.3% | 51.1% | 54.8% | 015028 | 244 | 22.2% | 15.8% | 18.0% |
| 015031 | 351 | 77.8% | 63.4% | 79.2% | 015031 | 601 | 6.5% | 10.1% | 5.1% |
| 015032 | 258 | 63.2% | 64.3% | 63.4% | 015032 | 365 | 8.2% | 11.7% | 9.5% |
| 015034 | 91 | 53.8% | 51.7% | 67.2% | 015034 | 212 | 19.2% | 16.0% | 17.2% |
| 015035 | 160 | 70.9% | 65.0% | 70.1% | 015035 | 351 | 8.6% | 12.7% | 6.9% |
| 015037 | 51 | 47.1% | 50.0% | 60.7% | 015037 | 274 | 13.1% | 14.7% | 12.7% |
| 015040 | 69 | 63.8% | 49.9% | 82.0% | 015040 | 370 | 9.2% | 12.2% | 10.7% |
| 015042 | 86 | 63.3% | 57.6% | 69.6% | 015042 | 321 | 13.4% | 12.7% | 15.0% |
| 015043 | 109 | 73.4% | 55.3% | 85.6% | 015043 | 251 | 15.9% | 14.2% | 15.9% |
| 015044 | 33 | 33.3% | 48.2% | | 015044 | 190 | 27.2% | 17.7% | 21.7% |
| 015045 | 45 | 51.1% | 57.0% | 57.0% | 015045 | 340 | 9.8% | 12.7% | 10.3% |
| 015047 | 56 | 32.1% | 49.6% | 41.9% | 015047 | 341 | 10.3% | 12.3% | 11.5% |

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Medicare Compare

| Metric | California Average | National Average | |
|--|--------------------|------------------|-------|
| Percentage of short-stay residents who improved in their ability to move around on their own | 49.2% | 38.6% | 48.7% |
| Percentage of short-stay residents who were re-hospitalized after a nursing home admission | 21.4% | 21.1% | 21.1% |
| Percentage of short-stay residents who have had an individualized emergency department visit | 10.0% | 11.0% | 11.9% |
| Percentage of short-stay residents who were successfully discharged to the community | 52.7% | 56.0% | 57.0% |
| Percentage of short-stay residents who report residents to receive pain | 7.2% | 5.7% | 14.1% |
| Percentage of short-stay residents with pressure ulcers that are new or worsened | 0.6% | 0.6% | 0.9% |
| Percentage of short-stay residents who needed and got a flu shot for the current flu season | 80.1% | 84.1% | 80.6% |
| Percentage of short-stay residents who needed and got a vaccine to prevent pneumonia | 72.7% | 80.0% | 82.6% |
| Percentage of short-stay residents who got antibiotic medication for the first time | 1.0% | 1.5% | 2.0% |

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Medicare Compare

Percentage of short-stay residents who improved in their ability to move around on their own

| Category | Percentage |
|----------|------------|
| FL 17% | 17% |
| CA 49% | 49% |
| NAT 48% | 48% |

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Managed Care Contracts

| CONTRACT | Year | 2016 | 2017 | 2018 | TOTAL |
|--------------|------|----------------|----------------|----------------|------------------|
| ADULT PLAN | 2016 | 422,200 | 422,200 | 422,200 | 1,266,600 |
| ADULT PLAN | 2017 | | | | |
| ADULT PLAN | 2018 | | | | |
| TOTAL | | 422,200 | 422,200 | 422,200 | 1,266,600 |

| Category of Service | 2016 | 2017 | 2018 | TOTAL |
|------------------------|--------------|--------------|--------------|--------------|
| Administrative | 40 | 40 | 40 | 120 |
| Administrative Support | 33 | 33 | 33 | 99 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| TOTAL | 1,213 | 1,213 | 1,213 | 3,639 |

| Category | 2016 | 2017 | 2018 | TOTAL |
|------------------------|--------------|--------------|--------------|--------------|
| Administrative | 40 | 40 | 40 | 120 |
| Administrative Support | 33 | 33 | 33 | 99 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| TOTAL | 1,213 | 1,213 | 1,213 | 3,639 |

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Managed Care Contracts

| Category of Service | 2016 | 2017 | 2018 | TOTAL |
|------------------------|--------------|--------------|--------------|--------------|
| Administrative | 40 | 40 | 40 | 120 |
| Administrative Support | 33 | 33 | 33 | 99 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| TOTAL | 1,213 | 1,213 | 1,213 | 3,639 |

| Category | 2016 | 2017 | 2018 | TOTAL |
|------------------------|--------------|--------------|--------------|--------------|
| Administrative | 40 | 40 | 40 | 120 |
| Administrative Support | 33 | 33 | 33 | 99 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| Administrative Support | 400 | 400 | 400 | 1,200 |
| TOTAL | 1,213 | 1,213 | 1,213 | 3,639 |

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Managed Care Contracts

Dashboard

Contract Summary

| Contract ID | Contract Name | Start Date | End Date | Status | Contract Type |
|-------------|---------------|------------|------------|--------|---------------|
| 12345678 | Contract Name | 2016-01-01 | 2018-12-31 | Active | Health Plan |
| 87654321 | Contract Name | 2017-01-01 | 2019-12-31 | Active | Health Plan |

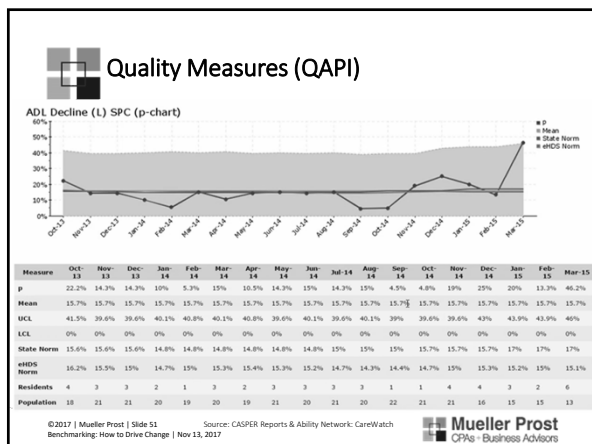
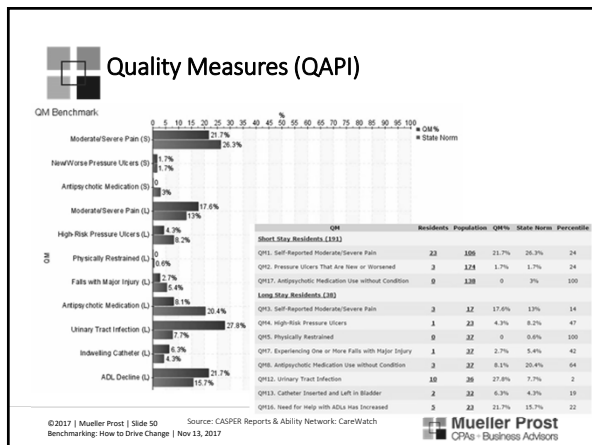
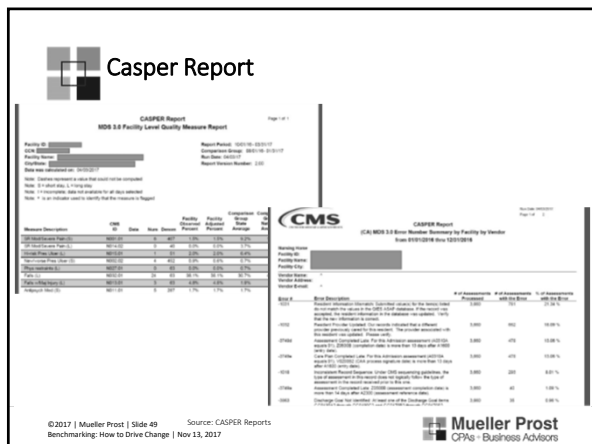
Contract Details

| Contract ID | Contract Name | Start Date | End Date | Status | Contract Type |
|-------------|---------------|------------|------------|--------|---------------|
| 12345678 | Contract Name | 2016-01-01 | 2018-12-31 | Active | Health Plan |
| 87654321 | Contract Name | 2017-01-01 | 2019-12-31 | Active | Health Plan |

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Claims Errors

Date Range: 03/11/2015 to 09/10/2015

| Dollars At Risk | | | | Exception Summary | | |
|-----------------|--------|---------------|----------------|-------------------|----------|------|
| Part A | Claims | Dollars | Claims At Risk | Dollars At Risk | Part A | 2008 |
| | 2008 | 15,362,658.87 | 109 | 485,086.79 | | 1689 |
| Part B | Claims | Dollars | Claims At Risk | Dollars At Risk | Part B | 2007 |
| | 2008 | 369,572.22 | 191 | 54,238.24 | | 251 |
| Total | Claims | Dollars | Claims At Risk | Dollars At Risk | Part A&B | 2008 |
| | 2008 | 15,732,231.09 | 300 | 539,325.03 | | 1940 |

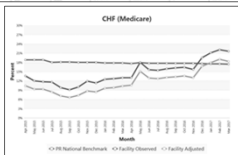
| Top 10 Admitting Diagnoses | | | Top 10 RUG Groups | | |
|----------------------------|--------------------------------|--------|-------------------|----------|------|
| ICD9/10 | Description | Claims | RUG | Patients | Days |
| 1. V57.89 | Rehabilitation princ NEC | 1828 | 1. 66 RUB | 356 | 6918 |
| 2. V57.1 | Physical therapy NEC | 78 | 2. 66 RUC | 254 | 5440 |
| 3. V15.88 | Personal history of fall | 76 | 3. 66 RVB | 314 | 4649 |
| 4. Z28.87 | Muscle weakness-general | 62 | 4. 66 RVC | 240 | 3774 |
| 5. Z71.7 | Difficulty in walking | 61 | 5. 66 RUA | 202 | 2994 |
| 6. Z32.0 | Paralysis aptans | 46 | 6. 66 RVA | 176 | 1911 |
| 7. 486 | Pneumonia organism unspecified | 29 | 7. 66 RBC | 50 | 561 |
| 8. Z24.2 | Lumbago | 28 | 8. 66 RHB | 55 | 539 |
| 9. Z97.20 | Dysphagia NOS | 26 | 9. 66 RHA | 45 | 388 |
| 10. V42.85 | Joint replacd lines | 26 | 10. 66 CCL | 8 | 249 |

| Top 10 Principal Diagnoses | | |
|----------------------------|--------------------------|--------|
| ICD9/10 | Description | Claims |
| 1. V57.89 | Rehabilitation princ NEC | 1911 |
| 2. V57.1 | Physical therapy NEC | 78 |
| 3. V15.88 | Personal history of fall | 73 |
| 4. Z71.7 | Difficulty in walking | 72 |
| 5. Z28.87 | Muscle weakness-general | 70 |
| 6. Z32.0 | Paralysis aptans | 46 |
| 7. Z24.2 | Lumbago | 28 |
| 8. Z97.20 | Dysphagia NOS | 26 |
| 9. Z97.2 | Abnormality of gait | 25 |




Rehospitalization Tracking

| Medicare Rehospitalization Rates | | | | | | | | | |
|--------------------------------------|------------------------|------------------|---------------|---------------|---|------|------|---------------|------------|
| Overall Rehospitalizations | | | | | | | | | |
| Overall | Rehospitalization Rate | Observation Rate | Expected Rate | Adjusted Rate | Percentile | Rate | Rate | Adjusted Rate | Percentile |
| Overall | 32 | 28 | 32.5% | 28.2% | 57 <td>32</td> <td>32</td> <td>28.2%</td> <td>57</td> | 32 | 32 | 28.2% | 57 |
| Rehospitalization by Clinical Cohort | | | | | | | | | |
| Clinical Cohort | Rehospitalization Rate | Observation Rate | Expected Rate | Adjusted Rate | Percentile | Rate | Rate | Adjusted Rate | Percentile |
| CHF | 22 | 21 | 23.3% | 21.3% | 42 | 22 | 22 | 21.3% | 40 |
| COPD | 23 | 23 | 28.7% | 28.2% | 38 | 23 | 23 | 28.2% | 32 |
| FUS | 2 | 28 | 5.3% | 18.5% | 6 | 2 | 28 | 18.5% | 7 |
| Excluded | 35 | 35 | 38.6% | 23.5% | 56 | 35 | 35 | 23.5% | 56 |




State Specific Medicaid Quality Payments


| Quality Improvement Measure: Payment: QIGM1 | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Quality Measure: 2017-2018 | | | | | | | | | | | |
| Measure: 2017-2018 | | | | | | | | | | | |
| Month | Jan 17 | Feb 17 | Mar 17 | Apr 17 | May 17 | Jun 17 | Jul 17 | Aug 17 | Sep 17 | Oct 17 | Nov 17 |
| Target | 90% | 90% | 90% | 90% | 90% | 90% | 90% | 90% | 90% | 90% | 90% |
| Actual | 90% | 90% | 90% | 90% | 90% | 90% | 90% | 90% | 90% | 90% | 90% |

 **Benchmarking Process Steps**

1. Analyze financial and operational benchmarking data
2. Identify potential opportunities
3. Consider financial impact of implementing opportunities identified
 - Cash flow
 - Reimbursement
4. Consider non-financial impact of implementing opportunities identified
5. Make "go" or "no-go" decision
6. Document decision
7. Implement
8. Monitor
9. Continuously improve


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 **Ways to Impact Revenue and Expenses**

- Strive for timely, accurate financial information
- Share the appropriate data with the appropriate people
- Utilize financial metrics and performance indicators (e.g. revenue and cost drivers)
- Utilize clinical metrics and performance indicators (e.g. revenue and cost drivers)
- Understand the root cause of variances identified during comparative analysis
- Maximize billing and reimbursement rates
- Reduce billing errors
- Understand current and future referral sources
- Stay current on billing and collections
- Document and analyze root cause for rejected claims


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 **Ways to Impact Revenue and Expenses (Continued)**

- Review / negotiate managed care contracts (rates, exclusions, etc.)
- Analyze contract profitability
- Utilize budgets and set goals
- Analyze fixed vs. variable costs
- Analyze direct, indirect costs and overhead
- Establish expense approval processes
- Centralize purchasing
- Pay attention to employee satisfaction and absentee trends
- Control overtime and excess capacity
- Review key processes for efficiency, waste and internal control
- Incorporate automation when appropriate


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 **Thank You!**





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