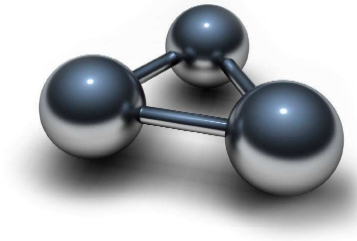


Compensation & the Model



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The Model™
Balancing Purpose and Profit...

1

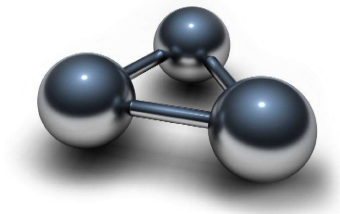
What are You?

The Model™
Balancing Purpose and Profit...

2

You are a

Feeling...



We are essentially "sensations"
and "consciousness."
This is really all we know...



3

The **3** Questions to Start IDT

1) What are You?

2) What do you see yourself as?

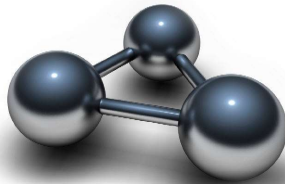
3) What day is it?



4

**All Life is
Compensation...**

**The World is a System of
Incentives....**

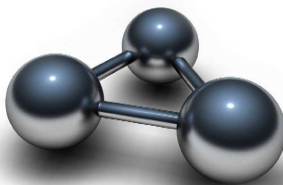


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5

Compensation...

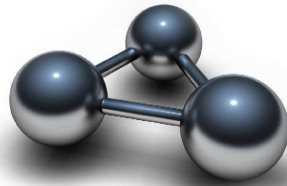
**Is a DEEP and
PROFOUND topic...**



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6

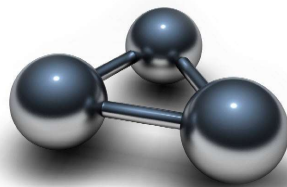
**All human beings and
forms of Life seek a
payoff in all situations.**



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7

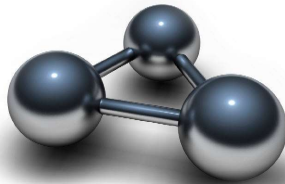
**We need to learn to use and not
be afraid of using BOTH the
Positive and Negative aspects
of incentives to motive people
and NOT be one-sided.**



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8

**Nature is the Truth
about Life and how it
works on this planet.
It is a meritocracy...**



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9

**If this is the way of
Nature, as a natural
system of motivations,
why demonize or fight
against it?**

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10

Forms of Payoffs:

- A Good Feeling – Joy, Happiness
- Inner Satisfaction
- Providing for Others
- Recognition by Others
- Spiritual Merit
- Karma
- Financial
- Even the desire to make others feel sorry for us...or to cause others pain is a type of payoff



11

**Organizational work should be
based on
the realities of human behavior
...and aligning with such to the
extent possible...**

**It is better to flow “with” it than struggle “against” it!
We are humans serving other humans through
human organizations. We must “get” human...**



12

Who are You? Who am I?

The important question is
"what" are you?



13

Evolution or De-Evolution?



14



Receiving the State *Malcolm Baldrige* Quality Award

15

The Model has “**transformed**” slow, bureaucratic and **low-trust** cultures into award-winning, **high-trust**, “Best Places to Work” with single digit turn-over!



16

National Gallup Exceptional Workplace Award

Cedar Valley Hospice wins 2nd National **Gallup** Exceptional Workplace **Award**. For the second year in a row, we have been **awarded** the **Gallup** Exceptional Workplace **Award**. This **award** is **Gallup's** premier recognition for engaged workplace cultures, presented only to organizations that meet rigorous standards of excellence.

<https://www.cvhospice.org> › Gallup

Cedar Valley Hospice wins 2nd National Gallup Exceptional ...



HOME NEWS CORONAVIRUS WEATHER SPORTS WATCH

Home Instead
Elder Care

OPEN

Cedar Valley Hospice wins national Gallup award second year in a row



17



18



19



20



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21

LISTEN ON

Spotify

billboard Powered By **nielsen BDS** Issue Date: 5/30/2020

ADULT CONTEMPORARY INDICATOR CHART ©

| TW | LW | WEEKS ON | ARTIST TITLE IMPRINT / PROMOTIONAL LABEL |
|----|----|----------|---|
| | | | *** NO. 1 *** |
| 1 | 1 | 34 | MAROON 5 Memories 222/INTERSCOPE 13 week(s) at number 1 |
| 2 | 2 | 31 | POST MALONE Circles REPUBLIC |
| 15 | 16 | 3 | ANDREW REED Strangers ARTISTS INTERNATIONAL |
| 16 | 20 | 10 | LADY GAGA Stupid Love INTERSCOPE |
| 17 | 15 | 17 | JONAS BROTHERS What A Man Gotta Do REPUBLIC |
| 18 | 19 | 12 | TAYLOR SWIFT The Man REPUBLIC |

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billboard Powered By nielsen BDS Issue Date: 7/7/2018

MAINSTREAM TOP 40 INDICATOR CHART

| WEEKS ON CHART | WEEKS ON CHART | ARTIST TITLE IMPRINT / PROMOTIONAL LABEL | PLAYS | | AUDIENCE | |
|----------------|----------------|---|-------|------|----------|------|
| | | | TW | +/- | MILLIONS | RANK |
| 1 | 17 | BAZZI Mine IAMCOSMIC/ATLANTIC <small>*** NO. 1 ***</small> <small>3 week(s) at number 1</small> | 4282 | -43 | 4.463 | 1 |
| 2 | 16 | POST MALONE FEAT. TY DOLLA \$IGN Psycho REPUBLIC | 4061 | -1 | 4.339 | 2 |
| 3 | 10 | ARIANA GRANDE No Tears Left To Cry REPUBLIC | 3862 | +87 | 4.009 | 6 |
| 4 | 18 | MARSHMELLO & ANNE-MARIE Friends JOYTIME COLLECTIVE/ASYLUM/WARNER BROS. | 3664 | +131 | 4.198 | 4 |
| 5 | 26 | CAMILA CABELLO Never Be The Same SYCO/EPIC | 3512 | -317 | 4.216 | 3 |
| 6 | 21 | ZEDD, MAREN MORRIS & GREY The Middle COLUMBIA NASHVILLE-INTERSCOPE | 3490 | -157 | 4.078 | 5 |
| 7 | 13 | SHAWN MENDES In My Blood ISLAND/REPUBLIC | 3407 | -99 | 3.723 | 7 |
| 8 | 15 | TAYLOR SWIFT Delicate BIG MACHINE | 3176 | +41 | 3.417 | 8 |
| 29 | 14 | LOGIC & MARSHMELLO Everyday VISIONARY/DEF JAM | | | | |
| 30 | 3 | BTS Fake Love BIGHIT ENTERTAINMENT/COLUMBIA | | | | |
| 31 | 6 | ANDREW REED If All The World Were Right ARTISTS INTERNATIONAL | | | | |
| 32 | 1 | JENNIFER LOPEZ FEAT. CARDI B & DJ KHALED Dinero NEW | | | | |

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23

CASHBOX

02 *Thursday* Dec 2021 **TOP 50 ROCK AIRPLAY CHART 11-27-2021**


POSTED BY DAVID BOWLING IN CASHBOX ROCK CHART [# LEAVE A COMMENT](#)


| # | ARTIST | SONG TITLE | LABEL |
|----|------------------------------|---------------------|---------------------------|
| 1 | BAD WOLVES | LIFELINE | ELEVEN SEVEN |
| 2 | PAPA ROACH | KILL THE NOISE | ELEVEN SEVEN |
| 3 | ANDREW REED & THE LIBERATION | TWISTED WORLD | ARTISTS INTL/WORLDSOUND |
| 4 | BRING ME THE HORIZON | DIE4U | RCA |
| 5 | VOLBEAT | SHOTGUN BLUES | VERTIGO BERLIN/UNIVERSAL |
| 6 | AYRON JONES | SUPERCHARGED | JOHN VARVATOS/BIG MACHINE |
| 7 | BADFLOWER | DON'T HATE ME | BIG MACHINE |
| 8 | ASKING ALEXANDRIA | ALONE AGAIN | SUMERIAN |
| 9 | SLUKA | HAPPY IN YOUR WORLD | STEEL FLOWER |
| 10 | GRETA VAN FLEET | BUILT BY NATIONS | LAVA/REPUBLIC |
| 11 | FOO FIGHTERS | MAKING A FIRE | RCA |


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24


LISTEN ON **Professional Perspective**

 **Spotify**

 **NEW MUSIC WEEKLY**

 **HOT 100**

| LWP | TWP | Artist - Song Title (Label) |
|-----|-----|--|
| 1 | 1 | Weeknd - Blinding Lights (Republic/UMG) |
| 3 | 2 | Harry Styles - Adore You (Erskine/Columbia) |
| 2 | 3 | Justin Bieber w/ Quavo - Intentions (RBMG/Def Jam/UMG) |
| 5 | 4 | Andrew Reed - Strangers (Artists International)  |
| 4 | 5 | Doja Cat - Say So (Kemosabe/RCA) |
| 6 | 6 | Dua Lipa - Don't Start Now (Warner Music) |
| 11 | 7 | Lady Gaga & Ariana Grande - Rain On Me (Interscope) |
| 9 | 8 | Ariana Grande & Justin Bieber - Stuck With You (Def Jam/UMG) |
| 7 | 9 | Lady Gaga - Stupid Love (Interscope) |
| 10 | 10 | Dua Lipa - Break My Heart (Warner Music) |
| 8 | 11 | Camila Cabello w/DaBaby - My Oh My (Syco/Epic) |
| 12 | 12 | Megan Thee Stallion - Savage (300 Entertainment) |
| 17 | 13 | JP Saxe w/Julia Michaels - If The World Was Ending (Arista/Sony) |

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INDIE MUSIC

SINGLES CHART

Compiled by STS, the radio industry's leading radio airplay chart data system, of independently released singles of the week, based on

| LWP | TWP | Artist - Song Title (Label) |
|-----|-----|--|
| 1 | 1 | Andrew Reed - Strangers (Artists International)  10 Weeks |
| 2 | 2 | Megan Thee Stallion - Savage (300 Entertainment) |
| 3 | 3 | December Rose - When We Were Young (Indie)  |
| 5 | 4 | Rami 411 - Dream (Indie) |
| 4 | 5 | Black Pontiac - November State Of Mind (Appreciated Music)  |
| 6 | 6 | Jerry Cherry - Miracle (Sweeter) |
| 8 | 7 | Trevor Daniel - Falling (Alamo) |
| 9 | 8 | Linards Zarins - I Miss You (Spinnup)  |
| 11 | 9 | Garrett Young - Do You Hear My Cries (West Coast Collective) |
| 14 | 10 | Emmanuelle Sasson - Away From Me (Indie) |
| 13 | 11 | Rachel Earle - Light Me Up (Indie) |

LISTEN ON

 **Spotify**

If you are inclined, Follow and Listen on **Spotify**...
Good Karma!

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Professional Perspective

DRT GLOBAL TOP 50 ADULT CONTEMPORARY AIRPLAY CHART
04-07-2018

| # | ARTIST | SONG TITLE | LABEL |
|----|----------------------------|---------------------------------------|-------------------------|
| 1 | ED SHEERAN | PERFECT | ATLANTIC UK |
| 2 | PINK | BEAUTIFUL TRAUMA | RCA |
| 3 | IMAGINE DRAGONS | WHATEVER IT TAKES | KIDINAKORNER/INTERSCOPE |
| 4 | PORTUGAL. THE MAN | FEEL IT STILL | ATLANTIC |
| 5 | PINK | WHAT ABOUT US | RCA |
| 6 | ED SHEERAN | SHAPE OF YOU | ATLANTIC UK |
| 7 | CHARLIE PUTH | HOW LONG | ARTIST PARTNER/ATLANTIC |
| 8 | IMAGINE DRAGONS | THUNDER | KIDINAKORNER/INTERSCOPE |
| 9 | DUA LIPA | NEW RULES | WARNER BROTHERS |
| 10 | MAX | LIGHTS DOWN LOW | RED/SONY |
| 11 | ALICE MERTON | NO ROOTS | MOM & POP/RED |
| 12 | MAROON 5 | WAIT | 222/INTERSCOPE |
| 13 | JUSTIN TIMBERLAKE | SAY SOMETHING (FEAT. CHRIS STAPLETON) | RCA |
| 14 | CAMILA CABELLO | NEVER BE THE SAME | SYCO/EPIC |
| 15 | ANDREW REED | IF ALL THE WORLD WERE RIGHT | ARTISTS INTERNATIONAL |
| 16 | SHAWN MENDES | IN MY BLOOD | ISLAND/REPUBLIC |
| 17 | CAMILA CABELLO | HAVANA (FEAT. YOUNG THUG) | SYCO/EPIC |
| 18 | CHARLIE PUTH | ATTENTION | ARTIST PARTNER/ATLANTIC |
| 19 | ZEDD & MAREN MORRIS & GREY | THE MIDDLE | INTERSCOPE |

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27

com·pen·sa·tion

/ ˌkæmpənˈsāSH(ə)n/

noun

noun: **compensation**

something, typically money, awarded to someone as a recompense for loss, injury, or suffering.
"seeking compensation for injuries suffered at work"

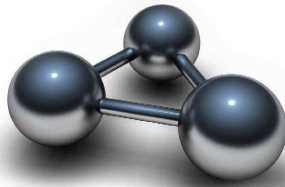
synonyms: **recompense, repayment, reimbursement, remuneration**, requital, indemnification, indemnity, redress; **More**

- the action or process of awarding someone money as a recompense for loss, injury, or suffering.
"the compensation of victims"
- **NORTH AMERICAN**
the money received by an employee from an employer as a salary or wages.
plural noun: **compensations**
- something that counterbalances or makes up for an undesirable or unwelcome state of affairs.
"the gray streets of London were small compensation for the loss of her beloved Africa"
- **PSYCHOLOGY**
the process of concealing or offsetting a psychological difficulty by developing in another direction.

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28

Outliers



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29

Why do people often have a hard time implementing Model Practices?

These are not uncommon to virtually all Best Known Practices from use of penicillin to the idea that the earth is not flat or that washing hands decreases infections... All revolutionary ideas...

- 1. Unfamiliarity** – Humans gravitate to the familiar and comfortable. We are habit-creatures...and new habits or thinking takes effort, and often courage.
- 2. Lack of Confidence/Belief in the Practices** – Implementers lack the experience of seeing the practice work and the results. MVI is not theory-based or academic...but pragmatic – “what has worked”... We have direct or observed experience which gives us incredible confidence in the practices espoused. Adopters often must trust until they gain the first-hand experience and see the results in CAHPS scores, in turnover %s, and the financials.
- 3. For CEOs, Fear of Public Humiliation** – This is one of the greatest fears of humans. Being an Outlier takes guts... People are not usually treated well when they deviate from the Herd...even if they do well.



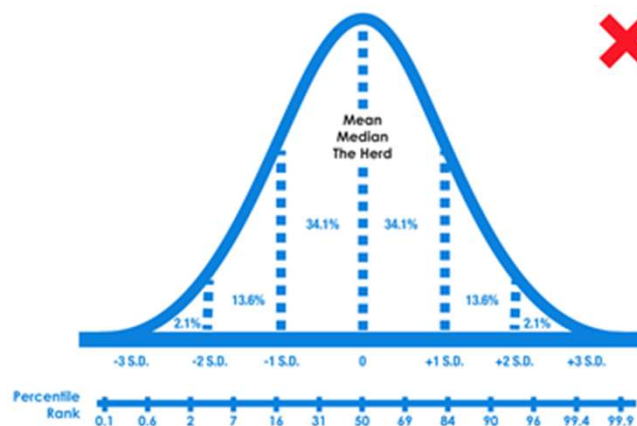
30

**Troubled times are
usually **ideal** times to
change a
compensation
system.**



31

Normally Distributed Bell Curve



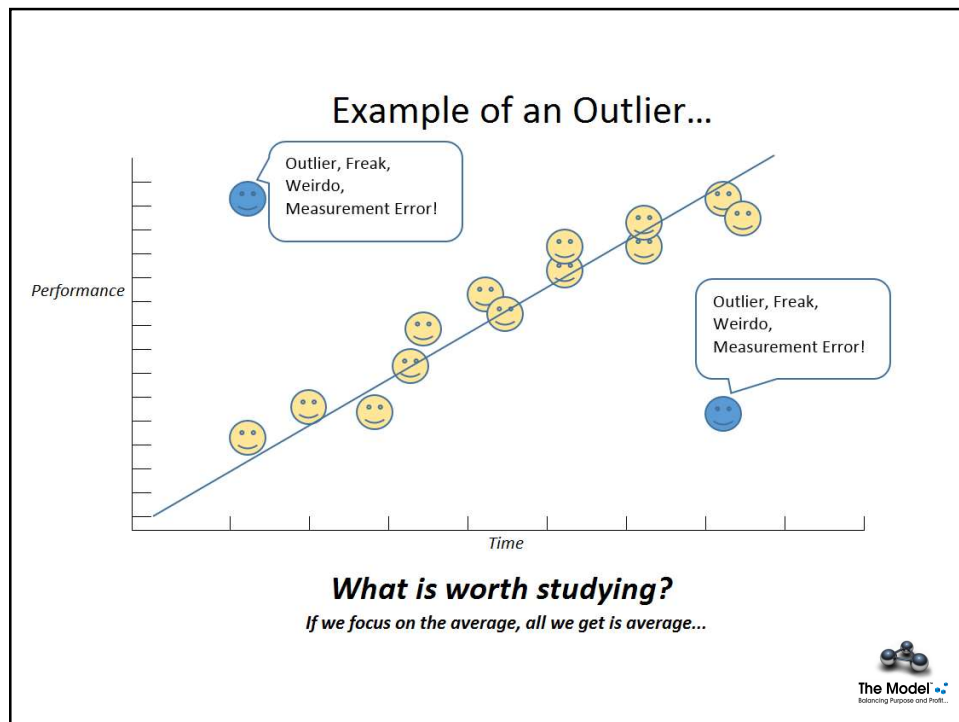
Elevated
Consciousness
of Integrity

100% of the
organizations in
the 90th
percentile
long-term:

- 1) Use unique/powerful methods of People Development.
- 2) Are highly "spiritual" organizations.
- 3) Have unique and different compensation practices.



32



33

The 90th Percentile

We are **NOT** very interested in what the majority (the huddled masses) are doing. **You can call up the Hospice next door and find this type of practice information.** To become highly profitable based on extraordinary quality, you will have to become an “outlier” and do things that typical Hospices are ignorant of or are afraid of doing. It is a lonely but highly satisfying road.

NEVER focus on the mediocre majority!

34



Receiving the State *Malcolm Baldrige* Quality Award



35

The Bell-Curve... is always with us...

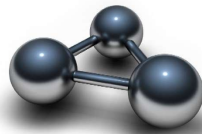
You can choose where you
land on the Bell-Curve!
The Herd is SLOW...



36

You have to see it...

Before you can Build it!



If you can't see it,
you can't build it...

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37

What are Your Options if You Don't Use Creative Compensation Practices?

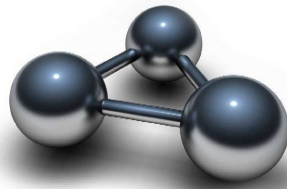
1. The use of the same traditional methods will produce the same traditional results. This is mediocrity.
2. The use of the "Hard Ass" method of driving people and old school thinking that the Manager must lord over people and "make sure people are doing their jobs." This takes a lot of energy and most people find it unattractive work. Of course, there is a need to review people's work, but it can be much less if Self-Regulation/Self-Control is cultural.
3. You can become a highly, highly spiritually evolved organization where people naturally do all work according to Standard. They would never think of not doing so. In fact, they hardly need to be paid monetarily as the spiritual rewards are so immense by just having the privilege of soaking in the atmosphere. This is not the easiest thing to pull off for most Managers. Most human beings are not there.
4. Use creative compensation practices and get fantastic or at least better results than the average organization.


The Model
Revising Purpose and Profit...

38

Why

Accountability/ Empowerment Pay?



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39

Because it WORKS!



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40

People **behave** the way
they are **paid**.

And we **ALL** get paid... in
every situation...



Even the Volunteer gets paid...



41

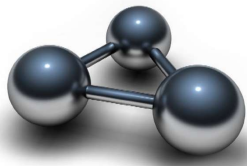
An organization's
BIGGEST gains will
come from the **Attraction,**
Retention and Compensation
of **Talent**.



42

Compensation

is your **#1 Tool** to
shape behavior.



What is the Payoff?



43

Most of the work... of
implementing an Accountability –
Empowerment compensation system
is not working out the methods, as
they have already been done and
merely need to be copied. Rather, it
is **EMOTIONAL** work, especially in
the implementation stage.



It is effective BECAUSE it is Emotional!



44

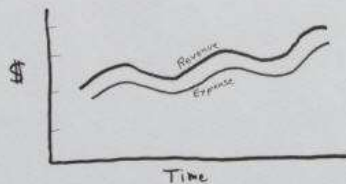
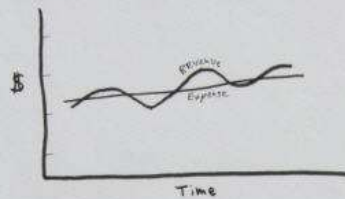
Resource Allocation

1. Hospice management is People Management. We are only successful to the degree we can manage people.
2. Hospice profits must be based on efficiencies. In our Movement, we can't increase our prices.
3. Most Hospices grow and impale themselves on Indirect Costs when census falls.
4. Hospices should have been building training centers instead of IPU's.
5. Learn to **cut or stop the bleeding**. This applies to people too!



45

Revenue/Expense Relationship for the Modern Organization



46

Use Creative Compensation Approaches

Labor Costs are 60-65%
Patient-Related are 18%
These combined equate to over 80% of a
Hospice's costs...

Costs are **STRUCTURAL**! They are
“designed.” They can be designed to
work with very little effort.



47

Does Performance-Based Compensation Work?

- 1994 – ABC 100% increase in productivity for all disciplines except Spiritual Care, only a 50% increase there.
- Hospices using performance pay systems have higher productivity
- Hospices using performance tend to be more Spiritually oriented
- Performance compensation is one of the quickest ways to alter behavior or an organizational culture
- Care should be given to “what” is incentivized as unintended consequences can result...
- 100% of the Hospices that operate in the 90th percentile use creative compensation approaches



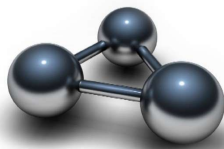
48

Original Compensation CD



49

**You Want to Create a
Natural
Self-Regulating System of
Mutual
Reliance**



50

Payoffs of Paying Well!

Feelings...ultimately

**Self-Worth, Happiness, Material, Money, Ego,
Consciousness Advancement, Pleasure, Peace, etc.**

We act in our own self-interest...and this is OK!



51

Payoffs from a Well-Designed Compensation System

- Why Not Pay Your People Well? When it is completely possible?
- If Your Company is Winning, Why not Share?
- People Want a Piece of a Winning Organization.
- Most People Want to Make More than They Currently Make.
- Frugality: It is very easy to spend other people's money. *If congress members had to personally pay for their laws, I suspect that they'd spend less.*



52

Confidence

Unconfident people provide unconfident care.

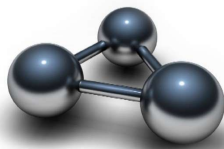
**It is IMPOSSIBLE for an unconfident person to
render a confident experience.**

Confidence is an end-product of our People Development efforts.



53

**Use Compensation to
“Smoke Out” people that lack
Confidence in themselves
and/or the organization. You
want people that are willing to
“bet” on themselves and the
organization.**

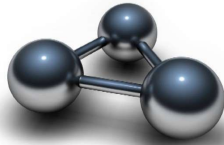


54

People want a

Fair

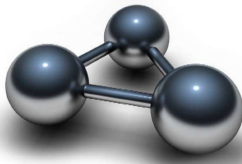
Compensation System.



55

**It is better to have LESS people that
are Talented than MORE people
that are mediocre!**

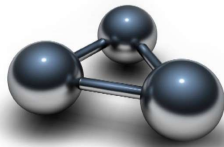
**It is just EASIER to manage LESS
people than more... and these
Talented people tend to need less
management!**



The Model 
Balancing Purpose and Profit...

56

The formula: **Less People** **Paid Well**



57

Making Management EASIER!

The Compensation System is the ONLY known means to remove the need for Managers to:

- 1. Monitor Documentation**
- 2. Monitor Productivity**
- 3. Do Annual Reviews**
- 4. Need to Fire People**

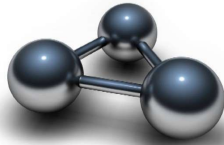
These are REMOVED from the Clinical Manager's job description to free up time to do the *1st Duty...* to Teach and Coach as all employee's learn to self-regulate to the organizational Standards.



58

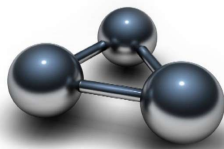
**Bring your People as close to
Revenue as possible!**

It is **Bad Business NOT to have
skin in the game and to roll
the dice with other people's
chips.**



59

**The Compensation System is a
key in
People Attraction¹
and
People Retention²**



60

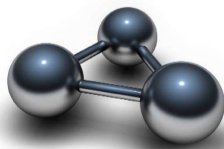
The Opportunity all Organizations have...
To Become a Culture of Self-Actualization

- To Grow, you must Grow your People...
- Growth results in increased Confidence
- Growth results in better Attitudes
- Growth results in Happiness
- Growth increases Belief in Self & the Organization
- **Compensation** does this POWERFULLY...
as it is tangible and so engrained in society



61

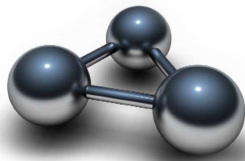
**No matter how well you pay
people, they will leave if they
don't feel their work is
important. People deeply want
to believe their work has
meaning and is significant.**



62

**“People would rather have a
crappy job working for a
Great Manager than a great
job for a crappy Manager...”**

This is truly something to think about...

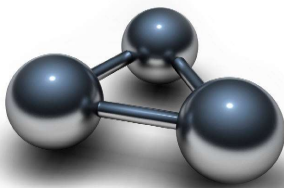


Work environment and atmosphere
are HUGE!!! But still, people would
prefer to be paid what they believe
they are worth ultimately...



63

Create a Life-Style for your People!



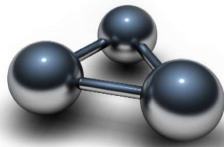
- No 8-5 Work Hours for Clinical staff
- Set Your Own Pay
- Spiritually Rich Work Atmosphere
- Incredible Opportunities for Personal Growth
- Becoming a Master Teacher
- Total Positivity!



64

**The loss of talented people is
the
#1 Devastator of Value
in an organization.**

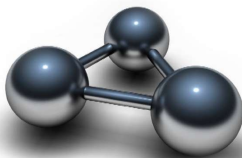
Take care of your people!



65

**Your Compensation System
Must Teach!!!**

**It is one of your primary
Teaching Methods, linking
cause and effect.**



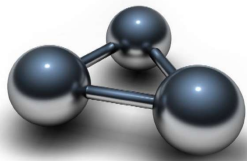
The Model 
Balancing Purpose and Profit...

66

We are not paying you to do the care! We are paying you to

Teach

caregivers how to provide the care!



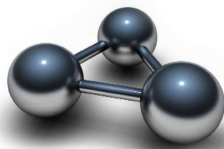
67

No matter how much you pay a poor worker, it will NOT make a poor worker a good worker.

Great pay will not make a great worker. The “greatness” must already be inside the person.

When you pay people too much or over-compensate, most often they will not even really appreciate it.

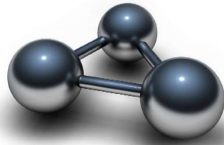
Undeserved compensation destroys a company in many ways, from wasted resources to de-motivation of the motivated.



68

Integrous Management

**You have an obligation to
Manage Well so you can
Pay Well.**



69

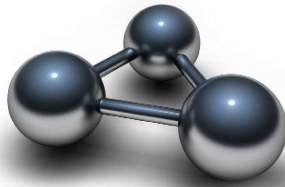
Where Should CFOs Spend Their Time?

1. People Development
2. Compensation Systems
3. Best Practice, Analysis and Contemplative Work
4. Reporting (This should not be complicated.)



70

Overview



MVI Multi-View
Incorporated

71

Key Points to Keep In Mind

- **Self-Regulation** - You want a system that continually “teaches” employees how to “Self-Regulate” so they need very little supervision to do 100% of the Standards of the organization on a day-to-day basis - i.e. Perfect Visits with Perfect Documentation, with virtually zero complaints or service failures. This makes complete sense in Hospice and Homecare as our work is largely done autonomously, so people must learn to self-regulate.
- **Ownership Rather than Renter Attitude** – You want employees that take positive action when they notice issues, problems or opportunities. This is an “owner” mentality and attitude. This ties to Accountability on a deep level.
- **Accountability** - You want a system that “does” Accountability and Rewards for you automatically, with little or no Manager Involvement. The reality is that Managers don’t like to hold people Accountable.
- **FOCUS on Clinical Managers** - You want a system that makes the Clinical Manager position one of the most desirable positions in the company as 70% of the development, retention and morale of the employee will come from this relationship. This is the linchpin of all Hospices and Homecare organizations.
- **Creating OWNERS and not RENTERS** – An “Owner Mind” translates into smoother operations, fewer complaints, clean offices, mature Attitudes... The “Renter Mind” does not notice trash in the parking lot, will not clean a bathroom, says to themselves, “*It’s not my job...*” and leaves it at that... We want to cultivate the Attitude of an Owner!



72

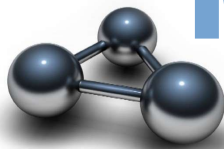
Steps of Development & Implementation

1. Establish the Standards of the organization. We recommend starting with only 5 Standards, with primary FOCUS on Perfect Visits with Perfect Documentation. Default to MVI's suggested Standards when in doubt and move quickly WITHOUT committees.
2. Copy and imitate the compensation methodologies that have already worked with other Hospices and Homecare entities.
3. Introduce SuperPay or your "branded" system to management and solicit comments. You want buy-in, but often it is best to simply go with what is already known to work incredibly well. Be very careful not to remove the Standards Bonus or set Standards low. Avoid anything that WEAKENS Accountability or pain from non-Standard behavior or performance.
4. Work with Key Influencers to get buy-In with respected clinicians and Managers. Show key staff what they are currently making and what they would be making in the new system, making it easy to contrast the positive difference. Work to remove fears that Key Influencers might have.
5. Introduce the SuperPay system to all staff and solicit comments.
6. Immediately and without delay pilot the Compensation System with a WINNER! Pilot the system with a clinical team that would already be WINNING if SuperPay were in place.
7. Start training staff in the Standards using System7. Train all Clinical Managers first and then clinical staff starting with your best clinicians and working your way through your less talented.
8. All employees sign Accountability Contracts.
9. Work with individual staff as needed to increase confidence. Show comparison of current pay with SuperPay.
10. Modify as needed. Cultivate the cultural acceptance that pay can and will be changed time to time based on the needs of the organization.



73

The Most Important Position to FOCUS your Compensation System on is the **Clinical Manager**



74

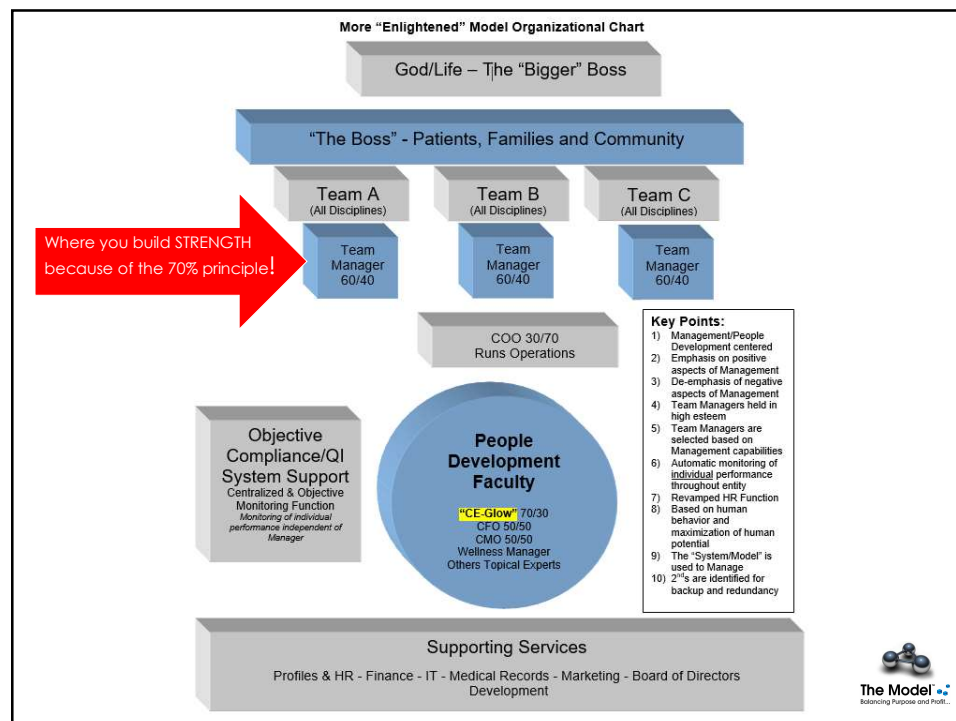
70%

of an employee's development,
morale & retention will come from
the immediate Manager!

Whoa!!!

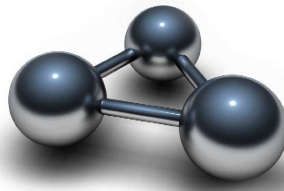


75



76

Getting Past the **Fear Barrier** & the Importance of the Rollout

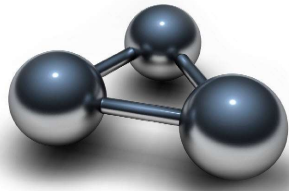


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77

The CEO...

Needs some backbone!!!



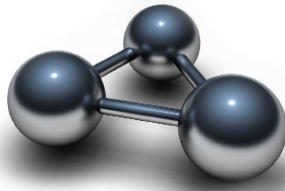
Implementation of a
Compensation System needs to
FULL support of the CEO

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78

The Phantom

“Everyone will quit!”



MVI Multi-View
Incorporated

No they won't... This is a “phantom fear.” We have NEVER EVER seen a large or even small scale exodus of people...even poor employees don't quit as you'd like them to!

79

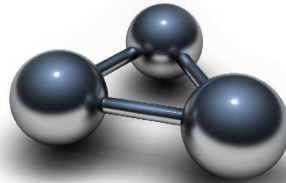
Phantom Fears...

- Everyone will quit... If it's done even half-way intelligently, they won't. And if some people do quit, are they really the players you want on your team anyway? If they don't have the confidence to bet on their own performance, do you really want them?
- We will lose good people...
- Staff will dislike me...
- It will change the organization's values into a corrupt and un-noble business.
- People will be motivated by money and not by the mission anymore.
- Once we change the Compensation System, we can't go back.

The Model
Balancing Purpose and Profit...

80

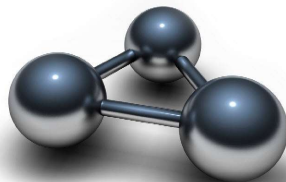
Getting Past the Business Prevention Units



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Incorporated

81

The Rollout

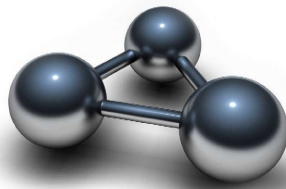


You will spend more
time on the “Rollout”
than actually creating
the system.

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Incorporated

82

Trust

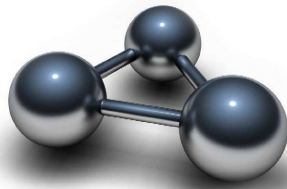


Trust is the main factor in the Rollout. People need to know you have their welfare in mind and that if you make a mistake, you will fix it immediately. Knowing the Perfect Visit with Perfect Documentation creates Trust.



83

Pilot with a Winner!



Pilot the Compensation System with a Clinical Team that would already be receiving significant bonus if the system were in place.



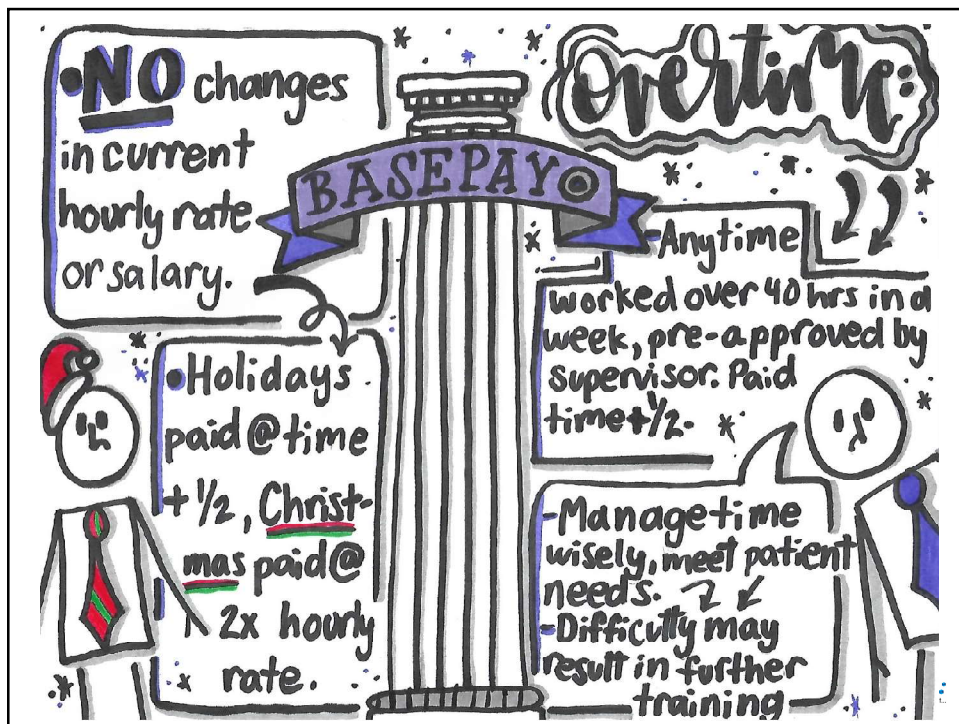
84



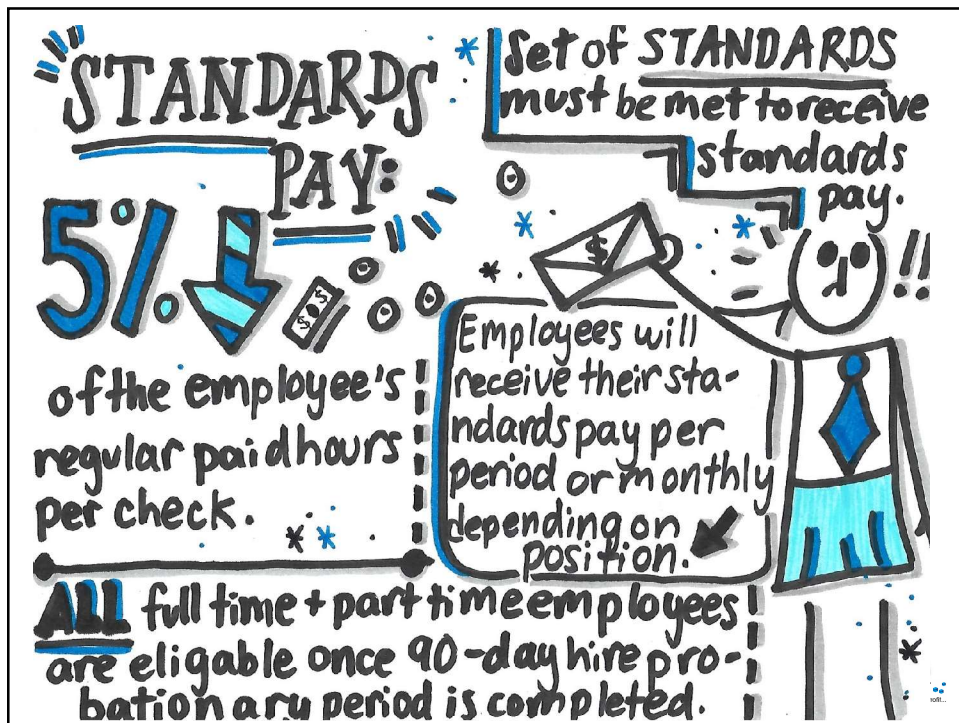
85



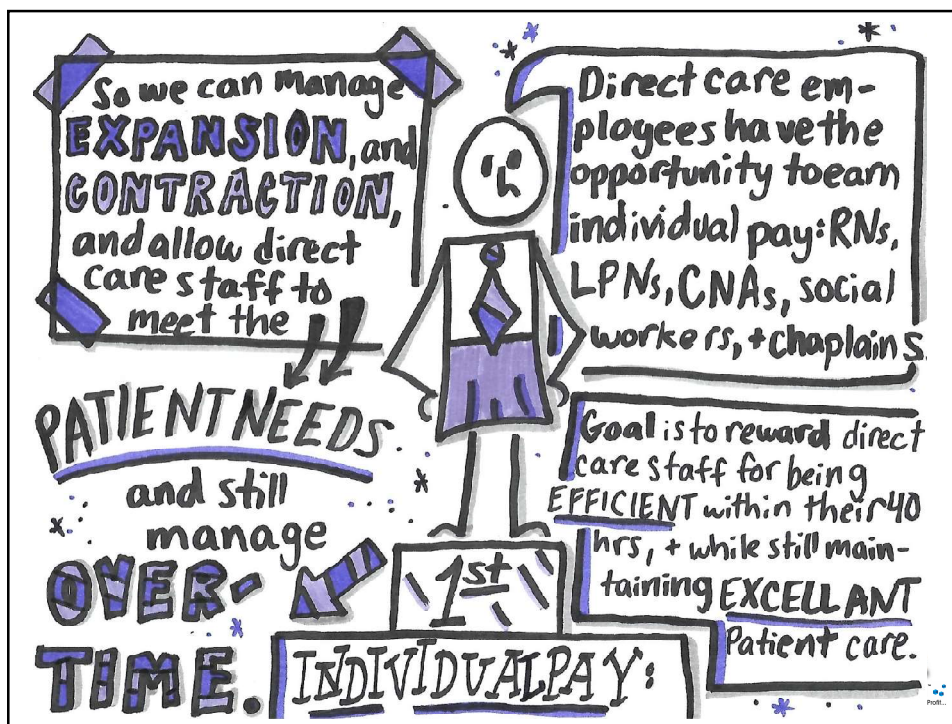
86



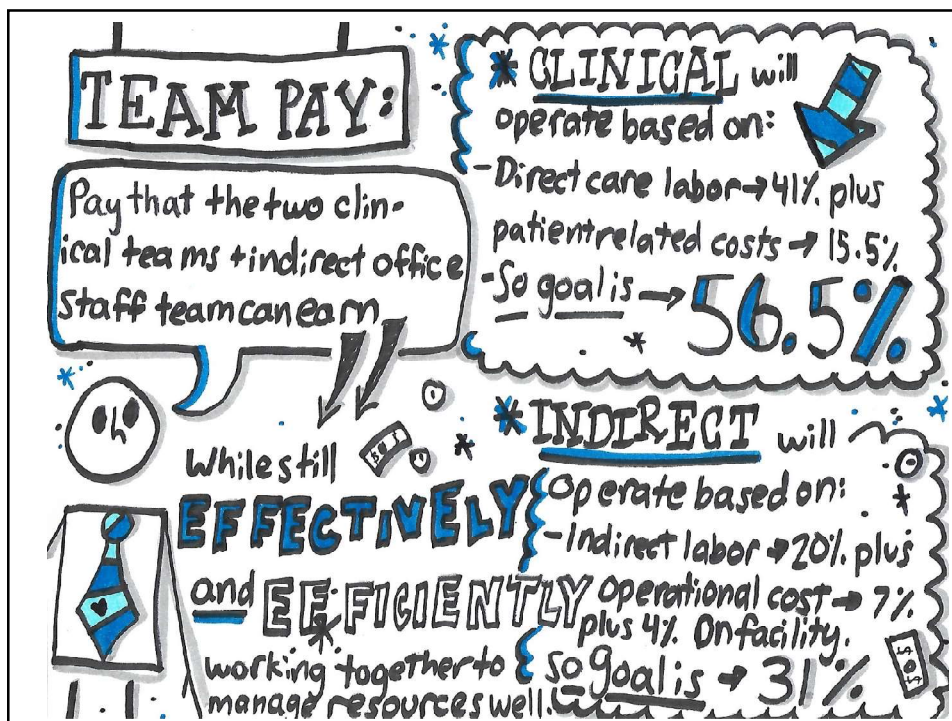
87



88



89



90

All about the Pilot

TEAM HEART led by **AMANDA WELLS**, will test Visions Pay for a month to identify improvement opportunities.

- Pilot will begin on **APRIL 16th**

- All staff will be taking part in Visions Pay, starting **MAY 16th**

If the dead line becomes difficult to meet, the new goal will be set for **JUNE 1st**

91

GETTING READY: over the next 10 days, all Team Heart staff need to prepare.

3 main components:

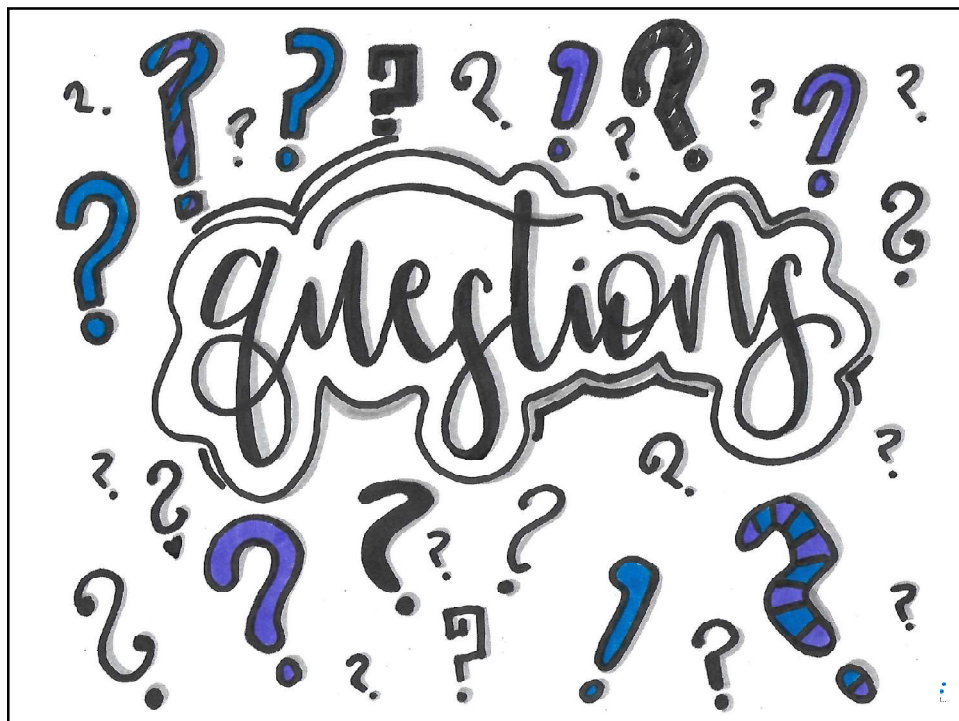
- * INDIVIDUAL Ed.
- * INDIVIDUAL MEETINGS
- * ACCOUNTABILITY CONTRACT

TEAM SOUL, and the **INDIRECT TEAM** will complete these 3 components between April 16 and May 16.

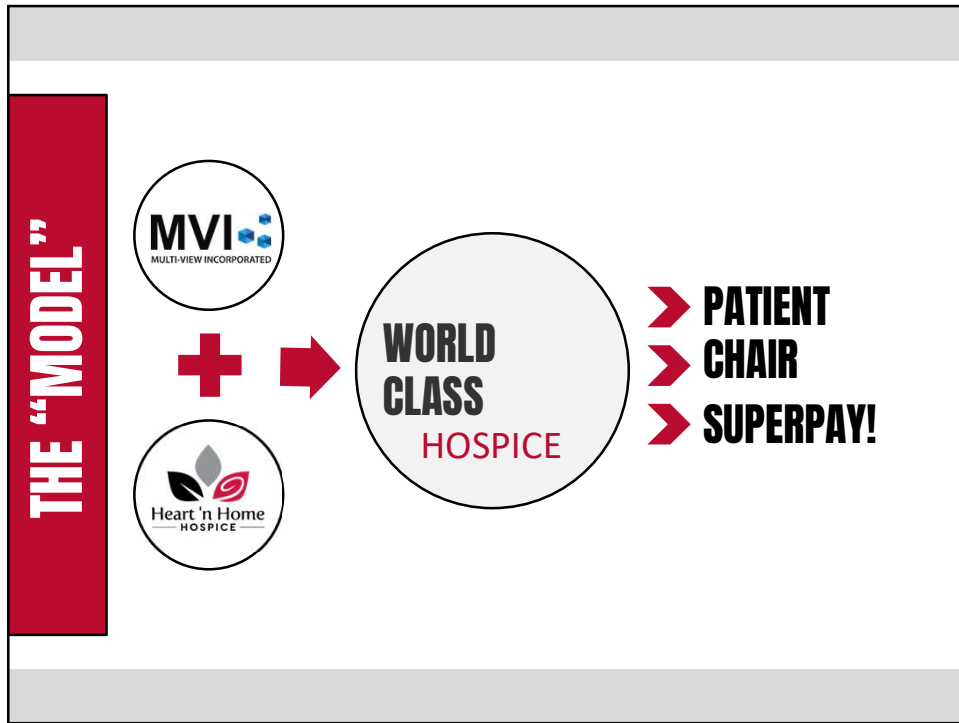
92



93



94




95



96

PATIENT CHAIR

The **ONLY** thing caregivers will **REMEMBER** is how you made them **FEEL.**



| 1 PREVIEWS <small>Time 0:30 - 0:40 min</small> | 2 LIGHTS <small>Time 0:40 - 0:50 min</small> | 3 CAMERA <small>Time 0:50 - 1:00 min</small> | 4 ACTION <small>Time 1:00 - 2:00 min</small> | 5 CUT <small>Time 2:00 - 2:10 min</small> | 6 CREDITS <small>Time 2:10 - 2:20 min</small> |
|---|---|---|---|--|--|
| 1.1 Be Heart to Home (Standard) | 2.1 Warm Intro | 3.1 Be the BEST YOU (Assess/Act) | 4.1 Save the Date (Visit Frequency) | 5.1 Affirm the Hero | 6.1 Facility Standards |
| 1.2 Find Peace (See Continued) | 2.2 Perceive (take in the room) | 3.2 Shopping List (Inventory/Call Support/CM/Share) | 4.2 Don't Dory Document (POC charting) | 5.2 "You have everything you need" | 6.2 Task the Team |
| 1.3 Purpose of Visit | 2.3 Settle & Sanitize | 3.3 Speed dial | 4.3 Review, Revise, Record (summary) | 5.3 Contact Health 1* | 6.3 Review & Submit |
| 1.4 Sneak Peek (One Detail) | 2.4 One Detail | 3.4 TEACH, then let Hero shine | 4.4 Chart 2 Ms "Dee Kline" | 5.4 Sweep the Set (Change offer and "to have nothing, else can do for you, have time") | 6.4 Let it Go (Ella) |
| 1.5 Vibrate on | 2.5 Eye Level Lean in | 3.5 Crystal ball (participate needs) | 4.5 Tip the Team (One detail for next visit) | 5.5 Thank you! Best Hospice Care Possible (CAHPS "This survey means a lot to me") | |
| 1.6 Breathe | 2.6 Biggest Concern | | | 5.6 BOOM! Drop the Mic (Google Review) | |
| 1.7 BE CONFIDENT! I am an Educator | 2.7 Zen Listening | | | | |
| 1.8 Gather & GO | 2.8 Validate & Match | | | | |
| | 2.9 Manage Expectations | | | | |
| | 2.10 Introduce "Ms. Dee" (device) | | | | |

RED INDICATES HIGH-EMOTIONAL / TOUCH-POINTS VISIT STEPS

YOU HAVE MADE A DIFFERENCE IN THE WORLD!


WINDSHIELD TIME ENJOY THE SCENERY!











THE 4 R'S
RELAX
REFUEL
REBEL
REHEM

97

STANDARDS

- ✓ PERFECT PHONE ENCOUNTER
- ✓ LOOK
- ✓ PERFECT VISIT / PERFECT DOCUMENTATION
- ✓ SERVICE FAILURES / GIFTS
- ✓ MEETINGS



98

SYSTEM 7

teaching well

Issue - Self-Learning Module
Tell - The Why & How
Show - Visual
Test - Evaluate Learning
Practice - Demonstrate
Evaluate Practice - Test
Certify - Annual Recertification

TRAINING COMMITMENT

You will be trained in the habits of performing your job to **100%** of the Standards, **100%** of the time on a day to day basis, and at a **100%** census volume. We will **NEVER** put you in a situation where you cannot succeed. You will always know if the standards of your job have been met. **YOU** have the power to correct any process or activity that deviates from the Standards.

99

SUPERPAY!

Is our Accountability System.




The Model
Balancing Purpose and Profit...

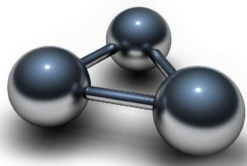
100

**Everything we do is meticulously centered on
how we help people **FEEL** better...**



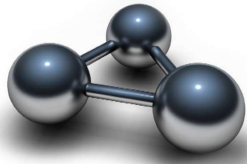
101

**We want to attract and
retain the most **talented**,
caring and **productive**
people in our area.**



102

We want to be the **Best** paying system around!



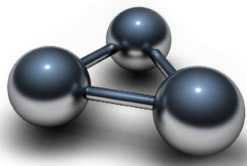
We want to attract and retain the most talented, caring and productive people in our area.



103

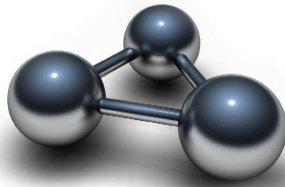
We want a **fair** system!

That **rewards** the hardworking and productive...



104

Why?



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Incorporated

105

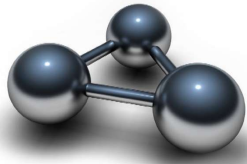
Why? Because the mission
is **only** accomplished through
people! We want help to **GROW** our
people!

We are **proving** that “people really are
our most important asset” rather than
putting out some non-integrous platitude.

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Incorporated

106

We want
Confident People....
People that are willing to bet
on themselves and the
company...



Confident people provide Confident Care...

We want methods of Compensation that help
create incredible Self-Confidence and
Organizational Confidence!



107

Why? If **teaching** is the
primary thing our Hospice does,
our pay system should teach as
well. Does a pay system teach?



108

**We want to create a new type of
enlightened organization focused
on Personal Growth and Self-
Regulation with little need for
Managers to make sure people
are doing their jobs, a culture of
Trust. We want to create the
Sunny Day Lifestyle!**



109

The Sunny Day Life-Style

- No 8-5 work hours for clinicians, where visits are made based on when it is BEST for patients and families. Indirects work normal 8-5 hours for accessibility certainty.
- Set Your Own Pay.
- Spiritually Rich Work Atmosphere designed for Personal/Spiritual Growth.
- Becoming a Master Teacher.
- Where we Trust and Respect your Professional Judgment.
- Where you gain Personal Power through Self-Regulation.

**All one has to do for this “Life-Style” is to do
your work to the Standards of the organization.**



110

SuperPay! (Brand your Comp System!)

1. Low Base Pay – Salary, Hourly or Per Visit

- 30-60% is STRONGEST, but it can be 100% or 90-95% of current pay UNLESS comp is excessive

2. Individual Pay with Standards Portion - Based

on "Productivity Unit" – Result - "Just Doing Your Job" A includes
"Standards" Portion of "Productivity Unit" or %

The most important element!

3. Attitude/Team Accountability Pay- 20%

4. Clinical Leader/Manager Pay (Based on Savings/Beat the Cost Percentages) Monthly

Every paycheck essentially becomes a "report card" telling the person how well they are doing with little effort, especially from the Manager. This creates a culture of "self-regulation."



111

Clinical Position Example

1. You will make the same as at present.
2. You will receive 5% Standards Bonus for doing the Standards.
3. If you exceed the Excellent Standard, you will receive additional, determined by you each pay period.
4. If the Organization beats the Model amount, you receive a percentage of the savings quarterly.

Example:

Sue is making \$40,000 now (or \$40,000 divided by 24 = \$1,667 per pay period).

Standards Bonus is received for doing all Visits and Documentation to Standard. 5% = \$83

The Number of Patients visited by Sue exceeds the Excellent Standard by 4 in both pay periods. Sue receives \$75 for each additional visit. 4 x \$75 = \$300 for each pay period.

$\$1,666 + \$1,666 + \$83 + \$83 + \$300 + \$300 = \$4,100$

$\$4,100 \text{ for the month} - 12 \times \$4,100 = \$49,200 \text{ (a 23\% increase)}$

No 8-5 work hours. All work must be to Standard.



112

**The key to this entire system
is a deep understanding of
Accountability & Standards,
key to Personal Liberation.**

**To help teach Accountability, you will
receive a Standards Bonus of 5% in
addition to your current pay. However, if
you do not do the Standards, this bonus
will not be given.**



113

We want your input!
**We will change the system as
quickly as possible when
improvements can be made!**



114

**We will make
mistakes!**

**But we will always
make it right
immediately!**



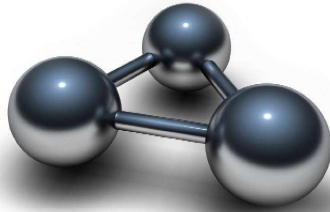
115

**You will receive the
reports to be used for payroll
so you can compare your
performance and recommend
improvements before we ever
flip the switch!**



116

When will we do **this?**



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Incorporated

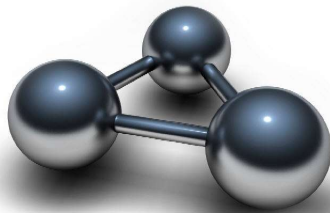
117

**We will pilot this with the
Blue Team and then cutover
immediately after
experience is gained and
enhancements are
implemented. We expect to
cutover on 6/16/2019.**

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Incorporated

118

Accountability & Standards

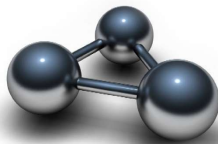


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Incorporated

119

**When an organization DOES NOT get the
results it wants to the Model, it can
usually be traced to one thing,**

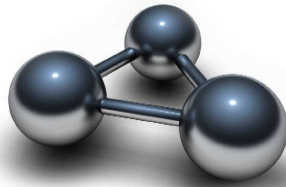
**Lack of
Accountability!**



The Model
Balancing Purpose and Profit...

120

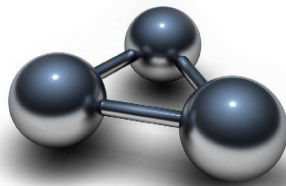
Creating a Culture of **Accountability**



MVI Multi-View
Incorporated

121

Accountability **must be Taught!**

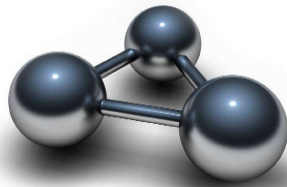


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Incorporated

122

Accountability

is Spiritual!



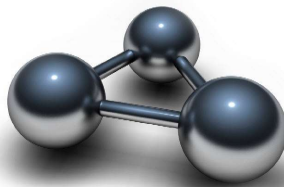
In fact, it is Accountability
and being Accountable
that gives **MEANING** to our
work and lives...

MVI Multi-View
Incorporated

123

Accountability

**is taking “complete ownership of
your Life” and EVERY RESULT in it
rather than blaming anyone else or
circumstances...**



MVI Multi-View
Incorporated

124

Developing Professional Managers

All Managers on Video Teach (1-7) :

1. Memorize **The Training Commitment**
2. Memorize **System7**
3. Learn to use **Master Teaching Methods**
4. Teach the **Standards**
 - What is a Standard! Why 100%? Two Categories, 3 Attributes, 3 Things to Implement
 - Why Pain? Accountability & Responsibility, Spirituality
5. Teach the **Visit**
6. Teach **Phone Skills**
7. Demonstrate command of the *norms of quality & cost* via **Benchmarking**
8. Provide a **Written Plan to the CEO** how the area will remain at or below the Model NPR% with 10% fluctuations of census.
9. Sign an **Accountability Contract**



125

Accountability

Starts with a deep commitment to quality and valuing what you do. It is about “caring enough” that no person is more important than the common purpose.



126

Accountability

**If you are unwilling to fire a person,
you have no business in a
Management position as the ability to
fire a person is a prerequisite to
Management.**

**People have to know you “mean what you say” and that you
“stand for something.”**



127

Accountability

**You have to care less about being liked
and care more about being quality and
effective.**



128

The 3 Characteristics You Want in Managers

Intelligence

Energy

Integrity



Self-Control

MVI Multi-View
Incorporated



129

Our Training Commitment: You will be trained in the habits of performing your job to 100% of the Standards, 100% on a day-to-day basis and at 100% census volume. We will never put you in situation where you can't succeed. You will always know if the Standards of your job have been met. You have the power to correct any process or activity that deviates from the Standards.

The Model
Improving Processes and Profits

130

Our Training Commitment: You will be trained in the habits of performing your job to 100% of the **Standards**, 100% on a day-to-day basis and at 100% census volume. We will never put you in situation where you can't succeed. You will always know if the **Standards** of your job have been met. You have the power to correct any process or activity that deviates from the **Standards**.



131

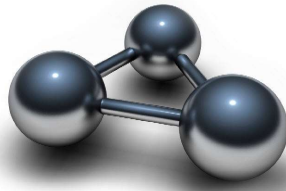
A Culture of
Accountability
starts with
Standards!



132

Standards

**are the basis of all
People Development & Accountability
Systems.**

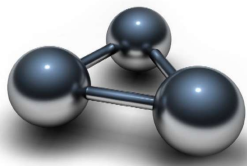


In fact, Standards are
the ONLY thing you
will teach...

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Incorporated

133

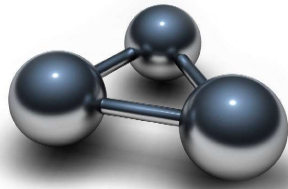
**There can be NO
meaningful discussion
of Accountability w/o
clear Standards!**



The Model
Balancing Purpose and Profit...

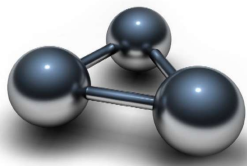
134

What is a Standard?



135

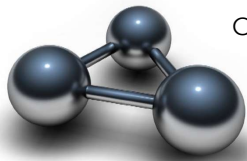
**A Standard is NOT
a goal! It is a norm. It
is an everyday
activity or result.**



136

100% is the only acceptable Standard! Why?

If Standards are not Standards, call them suggestions...



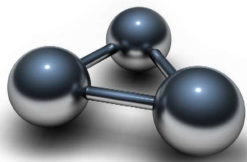
Compound a 10% knowledge deficit by 100 employees
and your screw-up factor is exponentially multiplied.



The Model
Balancing Purpose and Profit...

137

Standards are NOT optional!



All testing is done to Pass/Fail...
Anything less will create
knowledge deficits...



The Model
Balancing Purpose and Profit...

138

BAD IDEA: When you train people, you should expect them to make mistakes. In fact, new staff need to make mistakes in order to learn...

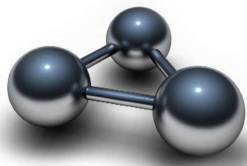
If this is the case, your Standards are not high enough...



139

The Two Categories of Standards

- Behavioral
 - Less or non-measurable
- Performance
 - Includes the numeric denomination



The most important things in Life are BEYOND measurement...



140

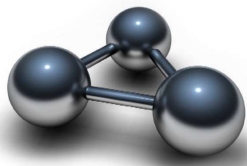
Only **5** Behavioral Standards !

1. Perfect Phone Interactions.
2. Dress in SD apparel.
3. Perfect Visits with Perfect Documentation.
4. Time to Meet, Ass in the Seat! – Eight58, Eleven17, Transformation Four29
5. Report all service failures (gifts) to the CEO/Chief Teaching Officer. Remedy before the Sun sets.



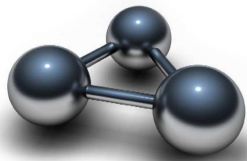
141

**If there is no “pain”
attached to non-standard
behavior or performance,
your system is weak...**



142

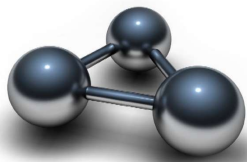
**If your Accountability system
is based on the
“personal inspection of work,”
your system is weak...**



143

**An organization uses the same
Accountability methods for Quality
as well as Financials!**

**It is delusional to think otherwise.
Therefore, how well you manage
financials is indicative of how well
you manage quality.**



144

Standards Standards Standards

The 3 Attributes of Great Standards

- ☐ **Clear** – Everybody understands our Standards.
- ☐ **Impressive** – They are motivational. We take pride in our Standards.
- ☐ **Sustainable** – Our Standards do not burn people out. They are doable within our system of care. Our Standards rarely change. All routine work is done in an 8-hour day. Overtime is EVIL!



145

Standards Standards Standards

- “I can do that!” is what you want.
- “I want to do that!” is what you want.
- “I can win in this System!”
- “I know at any time, whether I am “in” or “out” of our Standards.” – Self-Control
- “I know at any time, whether anyone else is “in” or “out” of our Standards.” – Self-Control
- We want an world of “non-exception.”



146

“I Can Win!!!” That is what you want!

| Hospice HomeCare | Caseloads | | Visit Duration Average** | Weekly Visits | |
|------------------|-----------|-----------|--------------------------|---------------|-----------|
| Category | Minimum | Excellent | | Minimum | Excellent |
| Nursing | | | | | |
| Aides | | | | | |
| SW | | | | | |
| Spiritual Care | | | | | |
| Physicians | | | | | |
| Admissions | | | | | |

Gap must be perceived as "achievable" with modestly increased effort

| Hospice Nursing Home/ALF | Caseloads | | Visit Duration Average** | Weekly Visits | |
|--------------------------|-----------|-----------|--------------------------|---------------|-----------|
| Category | Minimum | Excellent | | Minimum | Excellent |
| Nursing | | | | | |
| Aides | | | | | |
| SW | | | | | |
| Spiritual Care | | | | | |
| Physicians | | | | | |
| Admissions | | | | | |



147

High Standards
attract and help
retain Top Talent!
The Talented don't want to
work with the Mediocre.

828-698-5885



148

Standards tied to Accountability
enable you to create a
“World of Non-Exception,”
which saves time, stress & money.
There simply is not a great need for
many meetings as things aren’t
breaking and new issues are minimal.



149

This
World of Non-Exception
makes Managing
so, so, so much
Easier!



150

The importance of Professional Judgment...



151

**Only 30% of the Visit is
prescriptive! The remaining**
70%
**is up to the clinician's
professional judgment!**



152

Managers have to have great

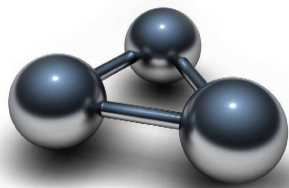
Judgment!

Your Judgment must be better than those you lead.



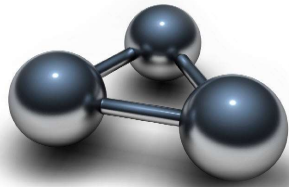
153

**Managers
must have great
Professional Judgment**



154

When your Professional Judgment is bad.



Avoid making decisions, especially BIG decisions when you are tired or in a bad state of mind.



155

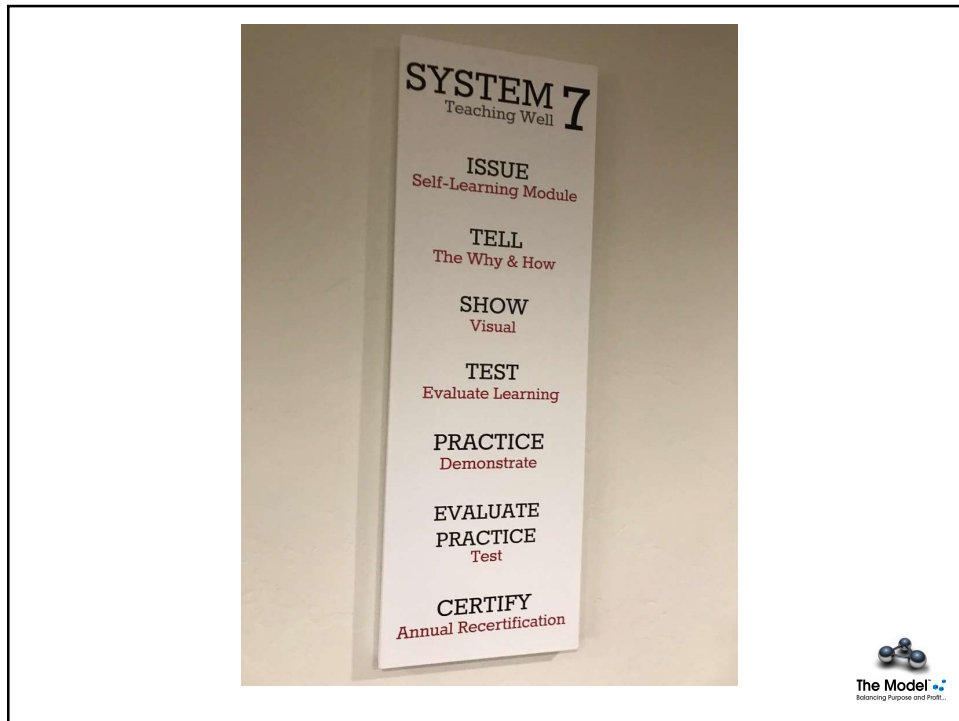
The 3 Things You Need to DO with Standards to Fuse them with Accountability

1. Clearly Define each Standard.
2. Teach each Standard by *System7*.
3. Attach Uniform Accountability to each Standard.

**Your Accountability must be uniform.
“Billy Bob can’t have his own system!”**



156



157

Seven Step Training Method

System 7 - Teaching Well

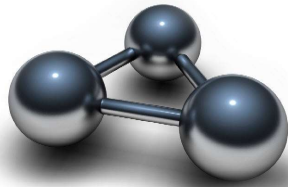
1. Issue Self-Study Module
2. Tell – The Why & How
3. Show - Visual
4. Test - Evaluate Learning
5. Practice - Demonstrate
6. Evaluate Practice - Test
7. Certify/Annual Recertification



158

By using System7 you

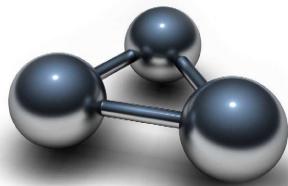
**remove the excuse,
“I didn’t know that...”**



159

In System 7,

**“Where does the emotion
come into the teaching?”**



160

Accountability Tools/Methods

- Self-Control (where anyone has the power to correct anything that deviates from our Standards)
- Compensation
- Videos of all Employees and Candidates
- The Personal Inspection of Work - Lead from the Front
- No committees (It is hard to "fire" a committee)
- All Disciplines Report to a Single Team Manager
- Peer Reviews
- Focus Board at Meetings
- The "Jar" – Cash in the Can!
- Lock the Door
- Accountability Contracts
- Weekly Update from Managers
- Incident Reports/Essay
- Public Posting of Scores/Results
- Reports with Individual's Names Denoted for All Areas

NOTE: Counseling is not an effective method of Accountability.
However, it is often necessary in conjunction with other Accountability Methods.



161

| Sunny Day Hospice - Comprehensive Model Report (An F9 Report) | | | | | | | | | |
|---|----------------|--------------|--------------|-----------------|--------------|---------------------|--------------|--------------------|--------------|
| Period: | | March YTD | | | | | | | |
| Area | Leader | Direct Labor | Model | Patient Related | Model | Contribution Margin | Model | Traceable Indirect | Model |
| Team 1 | Sue Brown | 30.2% | 30.0% | 23.5% | 22.0% | 46.3% | 48.0% | 4.6% | 3.0% |
| Team 2 | Jill Lental | 33.9% | 30.0% | 28.3% | 22.0% | 37.8% | 48.0% | 2.4% | 3.0% |
| Team 3 | Sam Jones | 28.7% | 30.0% | 19.6% | 22.0% | 51.7% | 48.0% | 2.8% | 3.2% |
| Average | | 30.9% | 30.0% | 23.8% | 22.0% | 45.3% | 48.0% | 3.3% | 3.1% |
| Centralized Direct | | Labor | Model | | | Other | Model | Total | Model |
| Admissions | Chris Davis | 4.2% | 2.5% | | | 2.5% | 0.3% | 6.7% | 2.8% |
| On-Call | Jane Swift | 2.2% | 2.5% | | | 2.5% | 0.3% | 4.7% | 2.8% |
| Bereavement | Kim Black | 0.7% | 1.0% | | | 1.0% | 0.1% | 1.7% | 1.1% |
| Volunteer | Val Tiff | 1.0% | 1.0% | | | 1.0% | 0.1% | 2.0% | 1.1% |
| Total | | 8.1% | 7.0% | | | 7.0% | 0.7% | 15.1% | 7.7% |
| Indirect Areas | | Labor | Model | | | Other | Model | Total | Model |
| Administration | Linda White | 4.6% | 3.0% | | | 0.1% | 0.3% | 4.7% | 3.3% |
| Medical Admin | Cracker Jack | 8.1% | 5.0% | | | 0.2% | 0.5% | 8.3% | 5.5% |
| Medical Director | Larry Reid | 2.0% | 1.5% | | | 0.4% | 0.2% | 2.4% | 1.7% |
| Finance | Captain Crunch | 2.3% | 2.5% | | | 0.1% | 0.3% | 2.4% | 2.8% |
| HR | Nancy Harpo | 0.8% | 1.0% | | | 0.1% | 0.1% | 0.9% | 1.1% |
| IT | Sid Vicous | 1.3% | 1.0% | | | 0.2% | 0.1% | 1.5% | 1.1% |
| Medical Records | Cheryl Green | 0.9% | 1.2% | | | 0.1% | 0.1% | 1.0% | 1.3% |
| GUQA | Lin Marko | 1.0% | 1.0% | | | 0.2% | 0.1% | 1.2% | 1.1% |
| Education | Alto Sand | 1.1% | 1.0% | | | 0.2% | 0.1% | 1.3% | 1.1% |
| Total | | 22.1% | 17.2% | | | 1.6% | 1.7% | 23.7% | 18.9% |
| Other Operational | Linda White | 4.1% | 4.0% | | | | | 4.1% | 4.0% |
| Facility-Related | Linda White | 4.3% | 4.5% | | | | | 4.3% | 4.5% |
| Total | | 8.4% | 8.5% | | | | | 8.4% | 8.5% |
| Total Indirect | | 30.5% | 25.7% | | | | | 32.1% | 27.4% |
| Total Expenses | | | | | | | | Total | Model |
| | | | | | | | | 95.7% | 86.2% |
| Profit | | | | | | | | 4.3% | 13.8% |



162

| Locations | | 4 | 5 | 6 | 7 | 8 |
|----------------------------------|----------|---------------------|--------|-------------|-------------|----------|
| Team/Location Report | | Team Leaders | | | | |
| Sunny Day Hospice | | Terry | John | Ann | | |
| For Periods Ending July 31, 2008 | | North | South | East County | West County | County 5 |
| | | County | County | | | County 6 |
| Revenue | | | | | | |
| Medicare | 126.98% | 125.92% | - | - | - | - |
| Medicaid | 6.11% | 8.09% | - | - | - | - |
| Commercial Benefit | 7.02% | 5.06% | - | - | - | - |
| Commercial FFS | - | - | - | - | - | - |
| Medicaid RB (own unit) | 2.77% | - | - | - | - | - |
| Other RB (own unit) | - | - | - | - | - | - |
| Physician Billing | 1.08% | - | - | - | - | - |
| Self Pay | 0.94% | - | - | - | - | - |
| Other Charity Rev | - | - | - | - | - | - |
| Adjustments | (44.91%) | (39.06%) | - | - | - | - |
| Total | 100.00% | 100.00% | - | - | - | - |
| Direct Labor | | | | | | |
| Nurses | 7.15% | 62.59% | - | - | - | - |
| CNA | 1.77% | 47.92% | - | - | - | - |
| SW | 2.06% | 4.21% | - | - | - | - |
| PC | 0.72% | - | - | - | - | - |
| Physician | 2.96% | - | - | - | - | - |
| On-Call | - | - | - | - | - | - |

| Locations | | 4 | 5 | 6 | 7 |
|---|--|---------------------|--------|-------------|-------------|
| Team/Location Report | | Team Leaders | | | |
| Sunny Day Hospice | | Terry | John | Ann | |
| For Periods Ending July 31, 2008 | | North | South | East County | West County |
| | | County | County | | |
| Census | | 94 | 24 | 0 | 0 |
| Census Goals | | 125 | 55 | 75 | 50 |
| Computed Caseloads | | | | | |
| Nurses | | 9.0 | 6.4 | - | - |
| CNA | | 36.2 | 8.3 | - | - |
| SW | | 31.1 | 94.6 | - | - |
| PC | | 88.8 | - | - | - |
| Physician | | 21.7 | - | - | - |
| On-Call | | 23.8 | - | - | - |
| Admissions | | 45.4 | - | - | - |
| Bereavement | | - | - | - | - |
| Volunteer | | - | - | - | - |
| Enter Total Number of Visits per Location and per Discipline | | | | | |
| Nurses | | 3,750 | | | |
| CNA | | 5,000 | | | |
| SW | | 1,500 | | | |
| PC | | 750 | | | |
| Physician | | - | | | |
| On-Call | | 1,000 | | | |



163

Documentation Example

1. Documentation Standards are defined.
2. Self-Learning Modules with a short test are created.
3. Documentation is taught strictly to *System7*.
4. QI/Compliance audits charts to a 90-95% statistical confidence interval. The job of making sure documentation is to Standard is REMOVED from Clinical Manager duties.
5. If any material defect in a chart is identified (variance from Standards), QI/Compliance sends an email with a Self-Learning Module link to the person and notifies the Clinical Manager as well.
6. The clinician fixes the issue, if possible, and completes the Self-Learning Module within 1 day.
7. In addition, any performance pay as well as Standards Bonus is not received. Normally this is 5% for 2 weeks.



164

Incident Reports with Essays

This is a relatively easy method of accountability to implement and it is effective. Using documentation as an example, an RN fails to document a visit to the Hospice's Standards. Upon detection (by Compliance or other), the RN must come into the office, that day, and fill out an Incident Report, sign it and complete an essay explaining how his or her lack of documentation impacted the team. You will get pushback on this initially. You will also get REAL insight into the behaviors of your team members. Some essays will be filled with excuses as to why they didn't document to standard. These are the weenies. I think you have to question whether they are fit to represent your Hospice. Other clinicians will take responsibility, which is exactly what you want! "I did it, I fess up. It won't happen again." You want people to take responsibility for their actions and to be grownups. This method of accountability can be applied to many, many things.



165

**To get results in the real-
world, most of it will come
down to the CEO's and
Manager's ability to teach
Accountability
without losing talented
people.**



166

**Unless a CEO is willing to
“Do Accountability” – applying directives,
even getting rid of those that aren’t
achieving the RESULTS you want, there is
really little hope for an organization...**

**Most Hospices die today, not due to any
other factor except
Weenie-ish Leadership...”**

Accountability



167

Taking Ownership of Your Life

Accountability

**The Topic of Personal Transformation
and Empowerment**



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168

accountability noun

ac-count-abil-i-ty | \ ə-ˌkaʊn-tə-ˈbi-lə-tē \

Definition of *accountability*

: the quality or state of being *accountable*

especially: an obligation or willingness to accept responsibility or to account for one's actions

// public officials lacking *accountability*

**Accountability is *owning* one's life
without blaming others or
circumstances.**

Because of the importance of this topic, a
simple definition, known verbatim, is needed by
the organization.



169

**The Skill of the Manager
is that of
“*Doing Accountability*”
without losing Talent.**

This involves having a compelling Vision,
gaining respect, creating trust and having a
supportive/transformational relationship where
you can Teach Self-Ownership effectively.

This will cure so many problems.



170

Really, one might say, that the
ability to

Teach Self-Ownership Effectively

WILL be the determinate of
success or failure or mediocrity.

This means having a **DEEP** understanding
of Accountability beyond a pedestrian level.



171

Victimhood and blame are not very empowering...

You want to get yourself¹ and your
people² beyond victimhood, blame
& excuse...

Simply taking responsibility for one's attitude is a
CHOICE and is the beginning of positive change!

The teaching of Self-Ownership is the
beginning of creating a culture of
Self-Regulation/Self-Control/FOCUS.



172

A **DEEP** Understanding of Owning One's Life... Self-Ownership

- If a "victim" world-view exists, a person will blame and point fingers at others and circumstances. Little progress will be accomplished. It is a weak energy state.
- When **acceptance** is learned "This is where I am...and I have a great deal to do with it – and only God and I can really change my life." Then one can say, "What can I do?" This is the beginning of personal power and advancement.
- As one matures and learns not to fight the idea of Accountability or "Owning One's Life." One begins to see it as helpful and that it actually gives one's life meaning. Meaning is created... A sense of fulfillment comes and a sense of healthy organizational pride from being part of a group or group effort. You lose the feeling of Separateness.
- Complaints and bad attitudes become less and less... People Self-Regulate with little need for supervision...



173

Who are you **Accountable** to?

- Yourself
- Your Family
- Your Co-Workers
- God... "All that is..."
 - That little black beetle that is on his back...
 - That tree in the back yard...
 - That house you live it...
 - That uniform you wear...
 - That car you drive...
 - That air you breathe...
 - That body you have...
 - That bird singing to you from the high branch...



174

Payoffs from a Deep Understanding of Self-Ownership/Accountability

- If everyone would “own” their performance and do it to the Standards of the organization, most complaints from employees would go away. This frees up time and Energy!
- Ownership of one’s Life causes employees to grow-up and be mature professionals. Excuses become rare.
- An employee that Own’s their Life needs little supervision or management. Personal Ownership translates to Self-Control or Self-Regulation.
- An employee that Own’s their Life has confidence in themselves and their work.
- An employee that Own’s their Life finds him or herself in a promotable position, thus filling the pipeline of Managers needed to grow.
- Retention of Talent – Mature, productive and trustworthy employees tend to stay with companies that are mature, productive and are trustworthy a long time as the alternative employment options do not cultivate such qualities.



175

Teaching Self-Ownership Effectively

1. Create a Standardized Definition of Accountability.
2. Accountability needs to be Hired For in a Hiring Profile as well as Cultivated Culturally.
 - We want people that **want** to grow Spiritually.
3. The Ongoing Cultivation of Self-Ownership:
 - ☐ *The 3 Questions with a Call-Out on “What day is it?”*
 - ☐ *System7!!!*



176

The Steps

1. For Accountability to be possible, **Standards must be created**. I use Benchmarking and normally set the Standards a bit higher than the median or 50th percentile. This knowledge of the *norms of quality & cost*, through benchmarking, gives me professional perspective with which to make sound professional judgments.
2. I dig into MVI practices (Best Known Patterns at that time), into EACH major data-point topic where the benchmarked result is not what I want. Then I prioritize in light of:
 - a) How much result can we get?
 - b) Will it be difficult or easy to implement the practice?
3. I look, *with my most pragmatic eyes*, at my Managers... Can they create an electric work atmosphere and achieve the Standards? I give people only a month or 2 to impress me. I expect them to find the practices.
4. I "Ride the P&L" and the Key Metrics until I get what I want... 100% of the Standards done on a day-to-day basis. No other outcome is acceptable. The numbers lead my month-to-month management. REPEAT, REPEAT, REPEAT, REPEAT...



177

Money is obviously important...and needed to fulfill the **MISSION of Hospice...**

We need to be GREAT at it! The financials are perhaps the best way to manage...Quality & Economics....They will lead one throughout an organization and TELL you where to go to work...

Money is a fantastic teaching tool... The Nazarene used money in approximately 1/3 of the parables...



178

Productivity is OVERRATED...

It is more important to establish

“Sustainable High Standards.”

**Standards that give at least
double digit profits & quality at either
1 or 2 in your market.**



179

Key Points in Creating Standards

- Set most of your Standards based on Benchmarking with most all of your Model NPR%s “slightly” better than the median.
 - This will result in a cumulative 12-14% profit without a great deal of work at any single person’s part.
- One of the **BIGGEST** mistakes a Hospice can make is setting LOW profit Standards whether FP or NFP. One is setting themselves up for heartache and failure long-term. The point is, why waste money needlessly when a superior product & service can be provide for less?
- All work done within an 8-hour day without overtime.
- For clinical Standards, I take my highest performing clinicians and back the performance down approximately 20%.



180

Only **5** Behavioral Standards !

1. Perfect Phone Interactions.
2. Dress in SD apparel.
3. Perfect Visits with Perfect Documentation.
4. Time to Meet, Ass in the Seat! – Eight58, Eleven17, Transformation Four29
5. Report all service failures (gifts) to the CEO/Chief Teaching Officer. Remedy before the Sun sets.



181

Making Management **EASIER!**

The Compensation System is the **ONLY** known means to remove the need for Managers to:

- 1. Monitor Documentation**
- 2. Monitor Productivity**
- 3. Do Annual Reviews**
- 4. Need to Fire People**

These are REMOVED from the Clinical Manager's job description to free up time to do the *1st Duty...* to Teach and Coach as all employee's learn to self-regulate to the organizational Standards.



182

Compliance – Audit Sheet

Audit to an 90% Confidence Interval over a 3, 6, 9 or 12 Month Period (depending upon # of Employees)

| | NAME | Email Date/ Error Type | Email Date/ Error Type | Email Date/ Error Type | Email Date/ Error Type | Email Date/ Error Type | Email Date/ Error Type | Email Date/ Error Type | Email Date/ Error Type | Email Date/ Error Type | Email Date/ Error Type | Email Date/ Error Type | Email Date/ Error Type |
|---|---------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Pay Period | Period | Period | Period | Period | Period | Period | Period | Period | Period | Period | Period | Period |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1 | Doe, Jane | 3/19 A | | | | | | | | | | | |
| 2 | Smith, Sally | | | | | | | | | | | | |
| 3 | Brown, Robert | | | 4/16 B | | | | | | | | | |
| 4 | Daily, Dilley | | | | | | | | | | | | |
| 5 | Nice, Jill | | | | | | | | | | | | |
| 7 | Bob, Billy | | | | | | 5/21 C | 6/2 C | 6/18 A | | | | |

A = Use of non-organizational language
 B = Signatures not timely/not signed
 C = HHA Supervision 14 days
 D=Visit not adhering to the POC
 E= Other



183

**How does an organization
 take the
 “Punitive Feel”
 out of Accountability?**

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184

**By attaching
Spiritual
Principles/Values
to each Standard and then
teaching them well.**

But this is not so easy...as Spirituality comes from the
CEO's and each Manager's personal enlightenment...

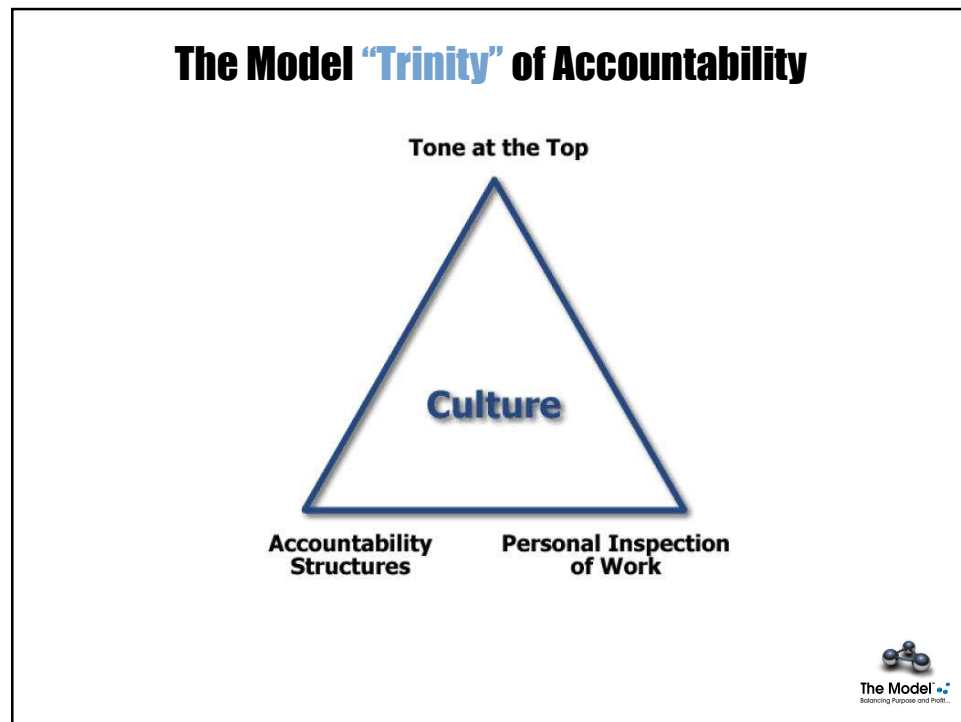


185

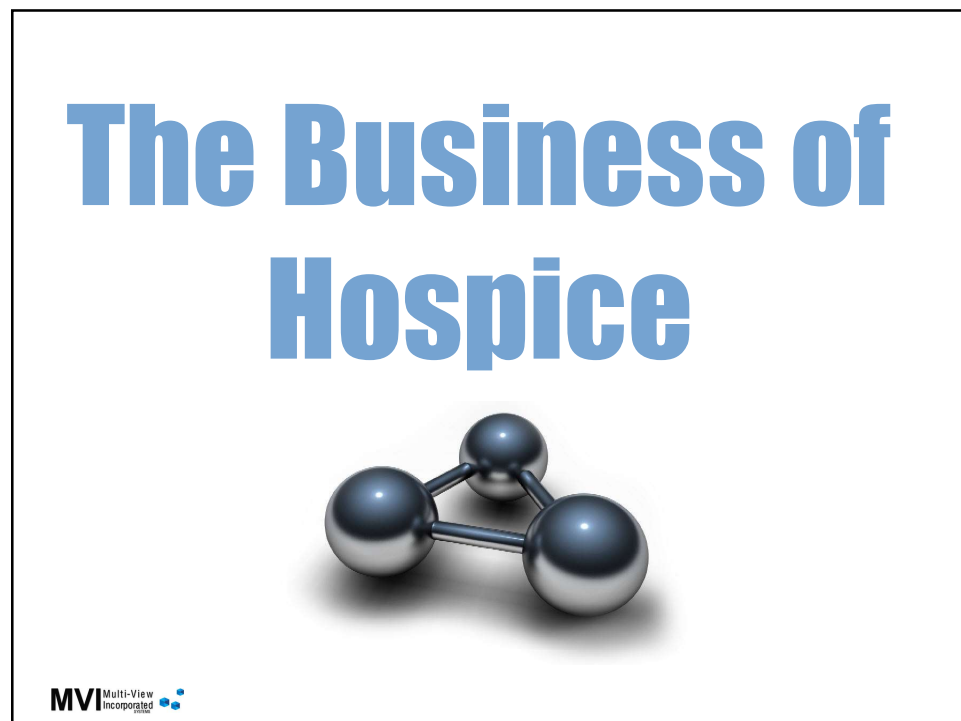
**The CEO is
the
Gatekeeper
of the Standards**



186



187



188

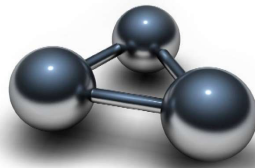
Reserves Levels **Directly Impact the Quality of the Care Experience**

- Hospices without reserves will have less ability to keep long LOS patients
- ADRs, Focused Reviews, with emphasis on long LOS will delay payments for this class of patients 6-9 months
- Even if a Hospice wins 98% of its appeals, it still will go out of business if it doesn't have the reserves to operate until they get paid



189

Destroying Silly Outdated NFP Mindsets



190

How can a NFP Hospice **NOT** make Money?

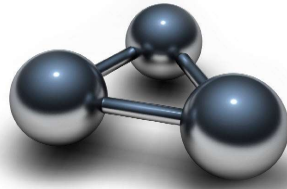
- A Hospice really doing the Model can have a **14%** operational margin from Hospice Homecare.
- Community Support - People actually write checks to NFP Hospice!
- An NFP doesn't pay out **40%** of its profits in taxes!
- Some NFPs have an easier time recruiting Volunteer labor.

For-Profit Hospices work at a huge financial disadvantage.



191

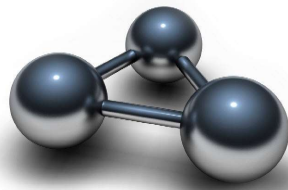
**For Profit Hospices are
inherently managed
better because there is
no other option.**



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192

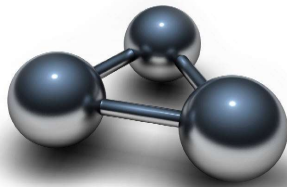
**Not-For-Profit Hospices
have most of the
financial advantages.**



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Incorporated

193

**I visit Not-For-Profit
Hospices where they look
at financial statements
with losses and they
don't even blink an eye!**



MVI Multi-View
Incorporated

194

Shedding Outdated NFP Mindsets

- Hospices need Community Support in order to operate.
- NFPs shouldn't make a lot of money.
- NFPs care more about patients and families.
- FPs have some mystic "advantage" over NFPs.
- FPs skimp on care.
- NFPs provide higher quality care.
- NFPs can't pay their staff's well.
- Volunteers prefer to give their time to NFPs.
- "If we are highly profitable, Medicare is going to cut our rates."
- "If we are highly profitable, people won't give."
- NFP Boards of Directors are more committed than FP Boards.



195

$$\text{NPR} = \frac{\text{Net Patient Revenue}}{\text{Patient Revenue}}$$



196

The Definition of Net Patient Revenue

Net Patient Revenue – Revenue earned for the provision of services to patients from sources such as Medicare, Medicaid, Commercial Insurance and Private Pay. It is less contractual allowances and bad debt. It does NOT include pass-through income such as: Nursing Home Room & Board, Contracted IP, Contracted Respite or Consulting Physician Services. It also DOES NOT include Community Support or Fundraising. It is very important that you have a clear understanding of this term because most comparison data is based on a percentage of Net Patient Revenue.



197

Calculating Percentage of Net Patient Revenue (NPR)

Example: Medication Costs for a Month

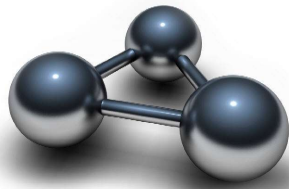
$$\$25,000 \div \$300,000 = 8.3\%$$

*All financial elements can be denominated as a
Percentage of Net Patient-Revenue.*



198

Teach Managers to Manage!



Most Hospice Managers are **NOT Professional Hospice Managers for they can't even tell you the most basic costs of our Hospice movement. **When the Compensation System goes in, they know these costs almost overnight!****



199

Why use the Percentage of Net Patient Revenue Approach rather than Patient-Days?

- Comparison - %s are comparable with other Hospice programs to help us gain perspective (Pros vs Amateurs)
- The Model - Is better suited for the creation of a "model". Percentages are "scalable", meaning they can be used by any size of Hospice.
- Easy to Understand - People "get" percentages.



200

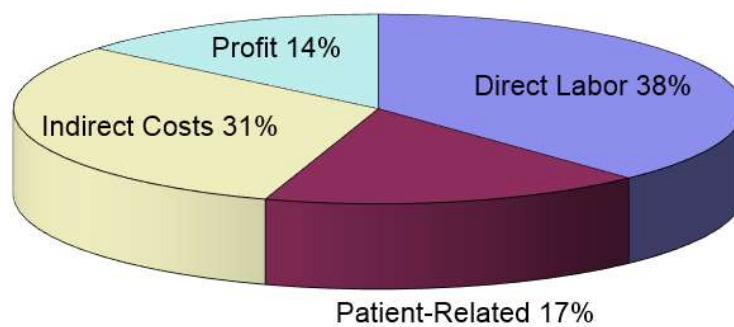
No Budgets!



MVI Multi-View
Incorporated

201

Model Based on NPR Percentages



NPR percentages help Managers conceptualize
the Allocation of Resources.

The Model
Balancing Purpose and Profit

202

A Model Example



*Each number represents a Percentage of Net Patient Revenue
for a major category of Hospice cost.*



203

Understanding Hospice Measurements, Key Concepts & Definitions

- **Net Patient Revenue** – Revenue earned for the provision of services to patients from sources such as Medicare, Medicaid, Commercial Insurance and Private Pay. It is less contractual allowances and bad debt. It does NOT include pass-through income such as: Nursing Home Room & Board, Contracted IP, Contracted Respite or Consulting Physician Services. It also DOES NOT include Community Support or Fundraising. It is very important that you have a clear understanding of this term because most comparison data is based on a percentage of Net Patient Revenue.
- **Direct Labor** - Labor expense that is directly involved with the provision of care such as RNs, LPNs, CNAs, SWs, Chaplains and visiting physicians. It does NOT include supervisors or Managers even if they perform occasional visits. Bereavement, Volunteer, Triage, Admissions and On-Call areas are also considered Direct Labor. The staff of these areas provides direct care. All other labor costs are considered Indirect Labor.
- **Patient-Related Costs** – Costs such as Medications, Medical Supplies, Therapies, DME, etc. Sometimes they are referred to as Ancillary Costs. Other Patient-Related costs are: Ambulance, Bio-Hazardous Waste, Clinical Mobile Phones, Clinical Pagers, Lab, Outpatient, Mileage, etc.



204

Understanding Hospice Measurements, Key Concepts & Definitions

- **Indirect Costs** – Are all costs other than Direct Labor and Patient-Related costs. There are also 3 sub-categories of Indirect Costs:
 - **Indirect Labor** – All labor that is NOT Direct Labor: the CEO, CFO, Clinical Managers, Medical Director, QI, Education, Medical Records, HR, Finance, IT, Housekeeping, Maintenance, etc.
 - **Facility-Related** – Costs related to your building or structure from which your organization coordinates or provides services. It includes: Rent, Utilities, Building Maintenance, Building Depreciation, Property Taxes, Building Loan Interest, etc.
 - **Operating Expense** – This category of Indirect Costs includes all costs that are not Facility-Related or Indirect Labor. These costs would include: Answering Service, Bank Service Charges, Audit Costs, Office Supplies, Printing, Postage, Telephone, Marketing Supplies, Continuing Education, Dues & Subscriptions, Computer Support, Computer Expense, etc.
- **Contribution Margin** – Contribution Margin is computed by subtracting Direct Expenses from Direct Revenue. The amount a team or business unit is “contributing” to Indirect Costs and Profit. It is the segment’s Direct Revenue less Direct or Traceable expenses. A Hospice homecare team needs to be providing a 45% Contribution.



205

Contribution Margin

The amount your area is internally “contributing” to cover Indirect Costs and provide for profit.

Example: Team C for a month

| | |
|-----------------------|----------------|
| Patient Revenue | \$100,000 |
| Less: Direct Labor | \$38,000 (38%) |
| Less: Patient-Related | \$17,000 (17%) |
| Contribution Margin = | \$45,000 (45%) |



206

Understanding Hospice Measurements, Key Concepts & Definitions

- **Patient Days** = ADC multiplied by the number of days in the period. OR the aggregate number of days patients were on Hospice services for a period of time.
- **ADC or Average Daily Census** = Total patient days in a period/number of period days.
- **FTE or Full-Time Equivalent** = Working hours in a period/the number of FTE hours. Normally, the number of annual hours used to compute an FTE is 2080. On a monthly basis, the average is 173 hours.
- **Average Length of Stay (Terminated Patients)** = Total patient-days for terminated patients/The number of terminated patients.
- **Median Length of Stay (Living Patients)** - This measurement has importance when CAP is a factor. It provides a truer picture of the overall mix of patients. It is NOT in the Standard reporting of most patient management systems. The best way to obtain this measurement is via an export of a list of your current patients on census with each patient's respective SOC (Start-of-Care) date into Excel. Subtract the current date (today) from the SOC date in a separate column. Then use Excel's =Median(cell range) formula to calculate your Median LOS.
- **Average Visits Per Patient, Per Week** = Total number of visits during a week by clinician divided by the number of patients served by the clinician.



207

Understanding Hospice Measurements, Key Concepts & Definitions

- **Number of Visits Per Week** – This is the count of the number of visits per clinician per week (see the chart for Standards).
- **Number of Admissions Per Week** – This is the count of the number of admissions per Marketing FTE per week.
- **Number of Visits by Discipline per 8-Hour Day** = Total number of visits/(Total time worked/8).
- **Visit-Hours by Discipline per 8-Hour Day** = Total number of visit-hours/(Total time worked/8).
- **Computed Caseloads** = ADC/(Salaries/Average Hourly Rate/FTE Hours)
- **Days in Accounts Receivable** = Accounts Receivable/Annual Revenue X 365 or Period Days/AR Turnover Rate which is Net Patient Revenue divided by Patient Accounts Receivable.
- **Facility Mix** = Total number of patients in nursing homes and assisted living communities/Total number of Hospice patients.
- **Patient Mix over 365 Days** = Number of patients that have been on Hospice service for more than a year/Total number of patients.
- **Death Service Percentage** = Total Program Deaths/Total Deaths in Service Area. This is the true indicator of Hospice penetration.



208

Productivity Measures

Number of Visits or Number of Visit-Hours

$$\text{Total Time Worked} \div 8$$



209

Computed Caseload

ADC

$$\frac{\text{Total Salaries for a Discipline} \div \text{Average Hourly Rate} \div \text{FTE Hours}}{\text{ADC}}$$



210

Understanding Hospice Measurements, Key Concepts & Definitions

- **Admission/Inquiry Percentage** = Total Number of Admissions/Total Number of Inquiries.
- **Same Day Visit Percentage** = Total number of admission or informational visits in a day/Total number of Inquiries in that same day.
- **Pass-Through** - A Pass-Through is where the Hospice bills on behalf of another entity that cannot bill for itself, due to government regulations. The Hospice then reimburses the contracted entity (hospital, nursing home, consulting physician) based on the contract between them. There are 4 major types of Pass-Throughs. :
 - Nursing Home Room & Board
 - General Inpatient in Contracted Hospitals
 - Consulting Physician Services.
 - Respite Care in Contracted Facilities
- **Development Return Ratio** = Total revenue from Community Support and Fundraising/Total expense for the Development Function.



211

Communicating the Need to Balance the Ideas of Purpose and Profit

- We must build reserves
- Medicare Rates will be decreased
- Increased competitive pressures
- Decreasing margins of competitors
- Increasing costs
- To weather PR disasters
- To take advantage of opportunities
- Super Duper High Cost Patients
- To fund indigent care (the classic response)



212



13%

If a CEO sets the
Profit Standard too
low... You're screwed...

213

WHY set the profit level high?

- Your Hospice MUST be building **RESERVES**
- Low expectations will yield low results
- It is easier to loosen up than to tighten up
- Homecare must carry the losses from other programs
- Reserves give a Hospice “time” to react to changes
- Provides the CEO with flexibility regarding the Gatekeeper function



214

Reserves: How much?

6-9 Months

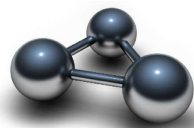
This is our recommendation for a typical Hospice. A Hospice should have 6-9 months of operating costs.



215

**The Manager's Job is to
manage the area's NPR%s
at or below the Model.**

To be frank, if you can't do this, we don't need you as a Manager.



216

Hospice Homecare Costs

| | Cost Category | Median | Model | 90 th |
|----|--|--------|-----------|------------------|
| a. | Total Direct Labor | 43.1% | 38% | 31.8% |
| b. | Total Patient-Related | 16.4% | 15% | 11.4% |
| c. | Contribution Margin | 41.3% | 47% | 52.1%* |
| d. | Total Indirect Costs | 36.7% | 34% | 25.3%* |
| e. | Indirect: Salary Costs | 23.2% | 22% | 15.9% |
| f. | Indirect: Operational Costs | 8.8% | 8% | 5.3% |
| g. | Indirect: Facility-Related | 3.8% | 4% | 1.5% |
| h. | Net Operational Income | 4.5% | 13% | 26.8%* |
| | Direct Labor (Benefits included, 22%) | | | |
| i. | Nursing | 18.1% | 14% | 12.74% |
| j. | Aides | 5.6% | 7% | 3.72% |
| k. | SW | 4.1% | 4% | 2.75% |
| l. | Spiritual Care | 2.1% | 2% | 1.10% |
| m. | Physician (Net) | 2.6% | 2% | .52% |
| n. | On-Call | 3.9% | 3% | 0.99% |
| o. | Admissions | 3.9% | 3% | 1.21% |
| p. | Bereavement | 1.3% | 1% | .45% |
| q. | Volunteer | .9% | 2% | .47% |
| r. | Call Center/Triage | 1.7% | 2%** | .45% |
| | <i>Direct Labor Subtotal</i> | 43.1* | 38.00% | 31.76%* |
| | Primary Patient-Related Items | | | |
| s. | Medical Supplies | 1.8% | 1.5% | .89% |
| t. | Therapies & Outpatient | .4% | .5% to 3% | .04% |
| u. | DME | 4.0% | 4.0% | 2.91% |
| v. | Imaging & Diagnostics | 1.3% | .1% | .01% |
| w. | Ambulance | .4% | .4% | .07% |
| x. | Pharmacy | 4.8% | 4.5% | 3.10% |
| y. | Lab | .07% | .1% | .1% |
| z. | Mileage | 2.3% | 2.25% | 1.28% |
| | Pass-Throughs & Other | .7% | .3% | -1.47% |
| | <i>Patient-Related Subtotal</i> | 16.4%* | 15% | 11.44%* |



217

Indirect Costs

| | Indirect Salaries (Total Organization) | Median | Model | 90 th |
|----|--|--------|--------|------------------|
| a. | Administrative Salaries ** | 5.9% | 3.50% | 2.42% |
| b. | Clinical Management Salaries ** | 5.3% | 4.75% | 2.01% |
| c. | Compliance/QAPI | 1.5% | 1.25% | .57% |
| d. | Education | .9% | 2.00% | .22% |
| e. | Finance Salaries | 2.6% | 2.25% | 1.11% |
| f. | HR | 1.2% | 1.00% | .43% |
| g. | Marketing Salaries | 2.8% | 3.75% | .81% |
| h. | Medical Director | 1.9% | 2.00% | .38% |
| i. | Medical Records Salaries | .90% | 1.00% | .31% |
| j. | IT Salaries | 1.3% | 1.25% | .41% |
| k. | Other | .8% | 0% | .06% |
| | <i>Indirect Salaries Subtotal</i> | 23.2%* | 22.00% | 15.93%* |
| | Indirect Operational (Total Organization) | | | |
| l. | Computer Expenses | 1.4% | 1.00% | .22% |
| m. | Continuing Education+ | .2% | .30% | .05% |
| n. | Dues, Licenses & Subscriptions | .6% | .40% | .14% |
| o. | Insurance | .6% | .60% | .21% |
| p. | Office Supplies | .3% | .2% | .09% |
| q. | Postage/Mailings/Printing | .3% | .25% | .05% |
| r. | Telephone | .8% | .90% | .16% |
| s. | Marketing | .8% | 1% | .18% |
| | <i>Indirect Operational Subtotal</i> | 8.8%* | 8.00% | 5.29%* |



218

Hospice Inpatient Units

| | Cost Category | Median | Model | 90 th |
|----|---|----------------|----------------|------------------|
| a. | Total Direct Labor <i>(includes all unit staff)</i> | 75.1% | 62.50% | 54.62% |
| b. | Total Patient-Related | 14.1% | 12.00% | 7.89% |
| c. | Contribution Margin | 11.93% | 25.50% | 32.81% |
| d. | Indirect Costs <i>(includes some allocated costs)</i> | 33.08% | 18.00% | 10.68% |
| | Segment Net Income | -23.68%* | 7.50% | 7.84%* |
| | Direct Labor <i>(Benefits included, 22%)</i> | | | |
| e. | Nursing | 48.4% | 35% | 34.09% |
| f. | Aide | 15.9% | 15% | 8.57% |
| g. | SW | 3.1% | 3.0% | 1.74% |
| h. | Manager/Charge Nurse <i>(RN preferred w/ IPU 15 bed or <)</i> | | 6.5% | |
| i. | Ward Clerks | | 5% | |
| j. | Physician (NET) <i>(should pay for themselves through billings)</i> | | 1% | |
| k. | Grounds and Maintenance <i>(may be part of Indirect)</i> | | 2.5% | |
| | Total | | 68% | |
| | Patient-Related | | | |
| l. | Ambulance | 1.4% | 1.00% | .21% |
| | Biohazardous | .15% | .15% | .03% |
| m. | Dietary | .51% | .20% | .03% |
| n. | DME | .47% | .45% | .10% |
| o. | Food <i>(includes labor)</i> | 2.11% | 2.00% | .55% |
| p. | Imaging | .04% | .05% | .02% |
| q. | Lab | .06% | .05% | .01% |
| r. | Linen | .99% | 1.00% | .28% |
| s. | Medical Supplies | 2.12% | 1.75% | 1.21% |
| t. | Mileage | .12% | .10% | .03% |
| u. | Mobile Phone | .11% | .10% | .02% |
| | Other | .18% | .10% | .02% |
| v. | Outpatient | .15% | .15% | .01% |
| w. | Oxygen | .62% | .60% | .18% |
| x. | Pharmacy | 3.94% | 3.50% | 1.93% |
| y. | Therapies | .28% | .30% | .03% |
| z. | Subtotal | 14.11%* | 12.00%* | 7.89%* |



219

Clinical Activity Expectations

| Hospice Homecare | Number of Patients Visited/FTE Staffing Model | | Visit Duration | Weekly Visits | |
|------------------|---|-----------|----------------|---------------|-----------|
| Category | Minimum | Excellent | Average* | Minimum | Excellent |
| RN | 12 | 14 | 60 | 20 | 22 |
| LPN | 25 | 30 | 60 | 22 | 24 |
| Aides | 10 | 12 | 60 | 22 | 24 |
| SW | 28 | 32 | 60 | 20 | 22 |
| Spiritual Care | 80 | 100 | 60 | 22 | 24 |
| Bereavement | 100 | 120 | x | x | x |
| Volunteer | 100 | 120 | x | x | x |
| Physicians/NPs | 150 | x | 50 | x | x |
| Admissions RN | 50 | x | 90 | 10 | 12 |

* Travel Time is NOT included. Average Travel Time is 15 minutes.



220

Clinical Activity Expectations

| Hospice NH/ALF | Number of Patients Visited/FTE Staffing Model | | Visit Duration | Weekly Visits | |
|-------------------|---|-----------|-------------------|---------------|-----------|
| Category | Minimum | Excellent | Average* | Minimum | Excellent |
| RN | 16 | 18 | 45 | 26 | 28 |
| LPN | 30 | 35 | 45 | 28 | 30 |
| Aides | 12 | 14 | 55 | 25 | 27 |
| SW | 32 | 34 | 50 | 24 | 26 |
| Spiritual Care | 100 | 120 | 50 | 28 | 30 |
| Bereavement | 100 | 120 | x | x | x |
| Volunteer | 100 | 120 | x | x | x |
| Physicians/NPs | 150 | x | 50 | x | x |
| Admissions RN | 50 | x | 90 | 10 | 12 |

* **Travel Time is NOT included. Average Travel Time is 15 minutes.**



221

Understanding Computed Caseloads

In addition, Executive Leaders need to understand the concept of "Computed Caseloads" as well. **Computed Caseloads** represent the "actual" average number of patients a clinician or clinical discipline serves rather than what they "perceive" they are serving based on the names of the patients assigned to them. It factors in all FTEs including PRN, Float and Agency help.

Most clinicians OVERESTIMATE their caseloads and do not recognize all of the "extra" help they receive. Computed Caseload is an "acid test" that cuts through all of the excuses and perceptions. IT is the REAL situation. Computed Caseloads are used in MVI Benchmarking Reports. Understanding Computed Caseloads is needed for managing a hospice. Clinicians will normally not get this, but all executive leaders should



222

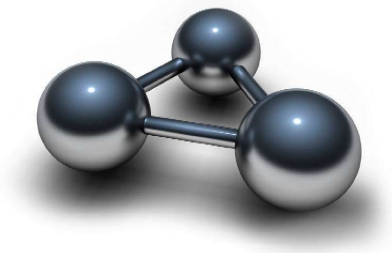
Clinical Activity Expectations

| Hospice Homecare – Computed Caseloads | | | |
|---------------------------------------|------------|------------|-----------|
| | Category | Acceptable | Excellent |
| a. | Nursing | 10 | 14 |
| b. | CNAs | 10 | 13 |
| c. | SW | 28 | 30 |
| d. | PC | 50 | 65 |
| e. | Admissions | 50 | 50+ |

| Nursing Homes/ALFs – Computed Caseloads | | | |
|---|------------|------------|-----------|
| | Category | Acceptable | Excellent |
| a. | Nursing | 14 | 18 |
| b. | CNAs | 12 | 16 |
| c. | SW | 32 | 35 |
| d. | PC | 65 | 80 |
| e. | Admissions | 50 | 50 |



Benchmarking & Compensation



**If a Hospice doesn't benchmark,
the person or organization lacks
the
intelligence
to really be a force in a
competitive environment.**

Get rid of the person that blocks or resists benchmarking...



225

**So what if you are hitting your
own marks in a vacuum?**

~ Jack Welsh

Benchmarking links you to the external world...



226

**Benchmarking is the means by
which an individual moves from
the ranks of an amateur to the
ranks of the
professional
within a relatively short period of
time.**



227

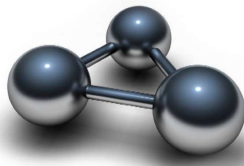
**The benchmarking information is one
of your most **persuasive** tools for
driving change because it is objective.
You will need it to **PROVE** your views to
staff.**



228

Your performance **Standards** should be based on ideals and external references...benchmarking.

"So what if you are hitting your own marks in a vacuum?"
– Jack Welsh



You must have external references in order to be a professional in a Hospice world filled with amateurs.



229

Benchmarking – External References

Benchmarks are absolutely necessary to move from the ranks of *amateur* Manager to the ranks of the Hospice *professional*. Our movement is overflowing with people masquerading as Hospice professional Managers. This is evidenced by poor financial performance. **HOW** can a Manager be a professional without quite precise financial knowledge of the industry (movement)? This continually evolving knowledge should be recitable. If it isn't, it isn't deep enough...



230

Behind Every Line is a Practice

I use financial benchmarking as a road map.
Each line represents an area of focus and there is a Best Known Practice for each.

In the MVI world, **cost follows function**. This means that all traceable costs for a function are grouped in each line. Examples: Admissions would include the admissions RN and any supporting staff for the admission function. If a CFO wants an assistant, the assistance is charged to the Finance area, not Administration.



231

HOSPICE HOME CARE - Percentage of Total Revenue Comparison
Sunny Day Hospice 2012 - YTD December

MVI
MANAGEMENT
INVESTMENT
CONSULTING

| | | | | | | | | | | | Location 66% |
|--|--------------|---------------------------------|---------|--------------------|--------------------|--------------|--------------|---------|-----|--|-----------------|
| | Your Data | Variance of Median 10.00% | Median | 10th Percentile | 90th Percentile | MVI Model | Your Rank | Count | 92% | | |
| | Actuals | | | | | | 50% | | | | |
| Revenue | | | | | | | | | | | |
| Medicare | 122.22% | 28.03% | 94.20% | 86.63% | 111.10% | | 97% | 291 | | | |
| Medicaid | 3.75% | 0.07% | 3.68% | 1.17% | 6.38% | | 52% | 273 | | | |
| Commercial Benefit | 3.15% | -1.50% | 4.65% | 1.81% | 8.08% | | 28% | 278 | | | |
| Commercial PPS | 0.00% | -0.18% | 0.18% | 0.07% | 1.25% | | | 26 | | | |
| Medicaid R/B (own unit) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | | 0 | | | |
| Other R/B (own unit) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | | 0 | | | |
| Physician Billing | 0.12% | -0.34% | 0.46% | 0.05% | 2.70% | | | 23% | 95 | | |
| Self Pay | 0.30% | -0.08% | 0.38% | 0.05% | 2.88% | | | 44% | 174 | | |
| Other Charity Rev | 0.00% | -0.66% | 0.66% | 0.02% | 3.33% | | | 5% | 194 | | |
| Adjustments | -29.57% | -27.05% | -2.53% | -21.73% | -0.39% | | | 5% | 253 | | |
| Total | 100.00% | | 100.00% | 100.00% | 100.00% | | | 100.00% | 295 | | |
| Direct Labor | | | | | | | | | | | |
| Nurses | 13.33% | -4.16% | 17.43% | 25.06% | 12.61% | 16.00% | 84% | 298 | | | |
| Hospice Aide | 4.33% | -1.53% | 5.82% | 10.13% | 3.78% | 6.00% | 84% | 305 | | | |
| SW | 4.43% | 0.12% | 4.38% | 6.74% | 2.58% | 4.00% | 48% | 295 | | | |
| Spiritual Care | 2.44% | 0.43% | 2.01% | 3.32% | 1.07% | 2.00% | 30% | 291 | | | |
| Physician | 1.94% | 0.15% | 1.79% | 4.50% | 0.27% | 2.00% | 48% | 195 | | | |
| On-Call | 3.98% | 0.20% | 3.78% | 6.84% | 0.73% | 3.00% | 48% | 229 | | | |
| Admissions | 3.26% | 0.12% | 3.14% | 5.53% | 0.84% | 3.00% | 48% | 198 | | | |
| Bereavement | 1.25% | -0.09% | 1.35% | 2.72% | 0.47% | 1.00% | 54% | 261 | | | |
| Volunteer | 2.22% | 1.12% | 1.11% | 1.85% | 0.59% | 1.00% | 8% | 263 | | | |
| Trage | 0.00% | -1.32% | 1.32% | 3.54% | 0.42% | 0.00% | | 47 | | | |
| Total | 37.50% | -3.56% | 40.86% | 51.06% | 23.65% | 36.00% | 71% | 302 | | | |
| Direct Patient Related Expenses | | | | | | | | | | | |
| Ambulance | 0.66% | 0.33% | 0.35% | 0.84% | 0.07% | 0.35% | 13% | 281 | | | |
| Bio-Hazardous | 0.07% | -0.07% | 0.02% | 0.10% | 0.00% | 0.02% | 74% | 101 | | | |
| Crisis Care | 1.26% | 0.83% | 0.37% | 1.84% | -0.40% | 0.37% | 18% | 87 | | | |
| Dietary | 0.00% | -0.08% | 0.08% | 0.47% | 0.07% | 0.10% | 10% | 108 | | | |
| DME | 2.62% | -1.76% | 4.38% | 5.86% | 2.78% | 4.25% | 92% | 302 | | | |
| ER | 0.00% | -0.08% | 0.08% | 0.23% | 0.07% | 0.08% | 12% | 120 | | | |
| Food | 0.00% | -0.08% | 0.08% | 0.27% | 0.00% | 0.08% | 3% | 175 | | | |
| Imaging | 0.45% | 0.36% | 0.07% | 0.37% | 0.07% | 0.07% | 3% | 175 | | | |
| Lab | 0.75% | 0.04% | 0.11% | 0.48% | 0.03% | 0.15% | 38% | 271 | | | |
| Linen | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | 4 | | | |
| Medical Supplies | 1.11% | -0.33% | 1.50% | 2.45% | 0.76% | 1.50% | 76% | 294 | | | |
| Mileage | 3.20% | 0.45% | 2.75% | 4.85% | 1.48% | 3.00% | 34% | 297 | | | |
| Mobile Phone | 0.18% | -0.24% | 0.43% | 0.92% | 0.11% | 0.40% | 84% | 248 | | | |
| Other | 0.00% | -0.08% | 0.08% | 0.59% | 0.00% | 0.00% | | 168 | | | |
| Outpatient | 0.00% | -0.15% | 0.15% | 0.35% | 0.02% | 0.15% | | 173 | | | |
| Oxygen | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | 0 | | | |
| Pagers | 0.00% | -0.08% | 0.08% | 0.28% | 0.00% | 0.00% | 11% | 111 | | | |
| Pharmacy | 4.22% | -1.17% | 6.39% | 9.13% | 3.78% | 7.00% | 86% | 303 | | | |
| Therapies | 0.04% | -0.46% | 0.50% | 1.94% | 0.03% | 0.50% | 88% | 258 | | | |
| Pass-Through Residu | -0.37% | -0.66% | 0.23% | 2.67% | -0.55% | 0.00% | | 71% | 275 | | |
| Total | 14.38% | -3.32% | 16.03% | 23.78% | 11.88% | 31.00% | 76% | 300 | | | |
| Total Direct Expense | 52.23% | -6.77% | 58.00% | 70.47% | 47.07% | 56.00% | 80% | 300 | | | |
| Contribution Margin | 47.77% | 7.22% | 40.50% | 29.43% | 51.00% | 44.00% | 82% | 293 | | | |
| Indirect Expense | 34.76% | 0.36% | 34.41% | 47.96% | 26.68% | 30.00% | 48% | 268 | | | |
| Net Segment Income | 12.95% | 6.82% | 6.13% | -7.45% | 23.95% | 14.00% | 70% | 293 | | | |

The Model
Relationships Between Revenue and Profit



232

Comprehensive Model Report

Sunny Day Hospice

YTD December, 2008

| Area/Program | Leader | Direct Labor | SPR% Model | Patient Related | SPR% Model | Contribution Margin | SPR% Model | Performance Pay |
|-----------------------------------|------------------|--------------|------------|-----------------|------------|---------------------|------------|-----------------|
| Hospice Location 4 | Johnny Rafter | 34.7% | 35.0% | 4.5% | 17.0% | 50.5% | 48.0% | 0.0% |
| Hospice Location 5 | Jolly Roger | 79.8% | 35.0% | 0.0% | 17.0% | 23.2% | 48.0% | 0.0% |
| Hospice Location 6 | Shawn Durkin | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% |
| Hospice Location 7 | Joan White | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% |
| Hospice Location 8 | Carrie Stashner | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% |
| Hospice Location 9 | Betty Horn | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% |
| Inpatient Unit (Loc 3) | Homer Mackie | 53.7% | 59.0% | 0.0% | 17.0% | 45.3% | 24.0% | 0.0% |
| Palliative Care (Loc 2) | Jill Southway | 0.0% | 70.0% | 0.0% | 17.0% | 0.0% | 13.0% | 0.0% |
| Total Organizational | | 39.8% | 40.0% | 3.8% | 17.0% | 56.6% | 40.0% | 0.0% |
| Control and Direct | Leader | Labor | Other | Total % | Model % | Performance | | |
| On-Call | Chris Davis | 3.2% | 3.00% | 0.0% | 0.05% | 3.2% | 3.1% | 0.0% |
| Admissions | Ella Blue Ramsay | 1.2% | 3.00% | 0.0% | 0.05% | 1.2% | 3.1% | 0.0% |
| Bereavement | LT Timbers | 3.1% | 1.00% | 0.0% | 0.05% | 3.1% | 1.1% | 0.0% |
| Volunteer | Mabel Barnes | 1.4% | 1.00% | 0.0% | 0.05% | 1.4% | 1.1% | 0.0% |
| Total Centralized | | 9.0% | | 0.0% | | 9.0% | 8.2% | 0.0% |
| Indirect Areas | Leader | Labor | Other | Total % | Model % | Performance | | |
| Administration | John Rugged | 3.9% | 3.50% | 0.0% | 0.05% | 3.9% | 3.6% | 0.0% |
| Clinical Management | Sal Prisk | 7.2% | 5.90% | 12.7% | 0.05% | 19.6% | 6.6% | 0.0% |
| Compliance/CPI | Moll Biscuit | 0.9% | 1.50% | 0.0% | 0.05% | 0.9% | 1.6% | 0.0% |
| Education | Vera Brewster | 1.8% | 1.00% | 0.0% | 0.05% | 1.6% | 1.1% | 0.0% |
| Finance | Talena Story | 4.8% | 2.25% | 0.0% | 0.05% | 2.6% | 2.3% | 0.0% |
| HR | Nancy Hapo | 1.1% | 0.75% | 0.0% | 0.05% | 1.1% | 0.8% | 0.0% |
| Marketing | Roger Sallick | 0.8% | 2.00% | 0.0% | 0.05% | 0.8% | 2.1% | 0.0% |
| Medical Director | Jacob Neal | 1.25% | 0.0% | 0.05% | 0.0% | 1.3% | | 0.0% |
| Medical Records | Elis Goodwin | 1.5% | 1.00% | 0.0% | 0.05% | 1.5% | 1.1% | 0.0% |
| MIS | Mack Sweet | 1.0% | 1.25% | 0.0% | 0.05% | 1.0% | 1.3% | 0.0% |
| Other | Lin Mako | 0.0% | 0.00% | 0.0% | 0.05% | 0.0% | 0.1% | 0.0% |
| Total Indirect | | 26.2% | | 12.7% | | 33.1% | 20.6% | 0.0% |
| Operating Facility | Leader | | | | Total % | Model % | | |
| Operating | Sammy Quirk | | | | 9.20% | 8.0% | | |
| Facility Related | George Fry | | | | 1.73% | 4.0% | | |
| Total Operating Facility | | | | | 9.9% | 12.0% | | |
| Total Operating Indirects | | | | | 40.0% | 32.6% | | |
| Total Operating Expenses | | | | | 50.3% | 37.8% | | |
| Operating Income (Loss) | | | | | 4.7% | 2.3% | | |
| Non-Operating Income | | | | | Total % | Model % | | |
| Support | | | | | | | | |
| Fundraising | | | | | | | | |
| Investment and Interest | | | | | | | | |
| Other Programs | | | | | | | | |
| Total Non-Operating Income (Loss) | | | | | | | | |
| Net Income (Loss) | | | | | | | | |
| Control Total | | | | | | | | |



235

Team/Location Report

Sunny Day Hospice

For Periods Ending July 31, 2008

| | Model | Team Leaders | | | | |
|--|----------------|--------------------|-------------------|-----------------|-------------|----------|
| | | Terry North County | John South County | Ann East County | West County | County 5 |
| Revenue | | | | | | |
| Medicare | 93.59% | 126.98% | 125.92% | - | - | - |
| Medicaid | 3.64% | 6.11% | 8.09% | - | - | - |
| Commercial FFS | 2.98% | 7.02% | 5.06% | - | - | - |
| Medicaid RB (own unit) | - | 2.77% | - | - | - | - |
| Other RB (own unit) | - | - | - | - | - | - |
| Physician Billing | - | 1.08% | - | - | - | - |
| Self Pay | 0.03% | 0.94% | - | - | - | - |
| Other Charity Rev | 0.00% | - | - | - | - | - |
| Adjustments | (0.26%) | (44.91%) | (39.06%) | - | - | - |
| Total | 100.00% | 100.00% | 100.00% | - | - | - |
| Direct Labor | | | | | | |
| Nurses | 14.00% | 8.06% | 70.44% | - | - | - |
| CNA | 7.00% | 1.99% | 53.94% | - | - | - |
| SW | 4.00% | 2.32% | 4.74% | - | - | - |
| PC | 2.00% | 0.81% | - | - | - | - |
| Physician | 2.00% | 3.33% | - | - | - | - |
| On-Call | 3.00% | 3.03% | - | - | - | - |
| Admissions | 3.00% | 1.59% | - | - | - | - |
| Bereavement | 1.00% | - | - | - | - | - |
| Volunteer | 2.00% | - | - | - | - | - |
| Total | 64.76% | 21.12% | 126.12% | - | - | - |
| Direct Patient-Related Expenses | | | | | | |
| Ambulance | 0.92% | 0.43% | 0.02% | - | - | - |
| Bio Hazardous | 0.00% | - | - | - | - | - |
| Continuous Care | - | - | - | - | - | - |
| Dietary & Dietary Labor | 1.14% | 0.14% | 11.52% | - | - | - |
| DME | 0.97% | 3.31% | 5.30% | - | - | - |
| ER | 0.02% | 0.53% | - | - | - | - |
| Food & Kitchen Labor | 1.45% | - | 9.36% | - | - | - |
| Imaging | 0.06% | 0.38% | 0.12% | - | - | - |
| Lab | 0.04% | 0.22% | 0.17% | - | - | - |
| Linen | - | - | 3.82% | - | - | - |
| Medical Supplies | 1.84% | 0.96% | 2.29% | - | - | - |
| Mileage | 1.12% | 2.73% | - | - | - | - |
| Mobile Phone | 0.15% | 0.40% | - | - | - | - |
| Other | 0.00% | 0.00% | 0.35% | - | - | - |
| Outpatient | 0.06% | 0.30% | - | - | - | - |
| Oxygen (for Unit Only) | 0.45% | - | - | - | - | - |
| Pagers | 0.06% | 0.11% | - | - | - | - |
| Pharmacy | 4.52% | 8.27% | 7.88% | - | - | - |
| Therapies | 0.81% | 0.84% | 0.18% | - | - | - |
| Therapies Chemo | - | 0.76% | - | - | - | - |
| Therapies IV/Biological | - | 0.09% | 0.03% | - | - | - |
| Therapies Labor | - | - | - | - | - | - |
| Pass-Through Residual | - | (0.95%) | 0.01% | - | - | - |
| Total | 13.74% | 18.53% | 41.07% | - | - | - |
| Total Direct Labor and Expense | 78.50% | 39.65% | 176.19% | - | - | - |
| Contribution Margin | 21.50% | 60.35% | (76.19%) | - | - | - |



236

Indirect Report

All Percentages are a percentage of Net Patient Revenue (NPR) NPR = \$ 885,881

Year: 2008
Period: July

| | Admin | Model | Actual % | Model % | Clinical Admin | Model | Actual % | Model % | Compliance GAPI | Model | Actual % | Model % | Education | Model |
|---------------------------------|--------|--------|----------|---------|----------------|--------|----------|---------|-----------------|-------|----------|---------|-----------|-------------|
| Expense | | | | | | | | | | | | | | |
| Salaries | 22,873 | 18,121 | 2.64% | 2.20% | 17,022 | 16,834 | 2.1% | 2.00% | 9,283 | 5,264 | 1.0% | 0.60% | 8,508 | 1,206 |
| Contract Labor | - | - | 0.00% | 0.00% | - | 1,489 | 0.00% | 0.16% | - | - | 0.00% | 0.00% | - | 445 |
| Mileage Admin | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Vehicle Expense | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Computer Expense | 3,126 | 4,180 | 0.35% | 0.47% | - | 135 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Computer Support | - | 419 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Consulting Expense | 2,710 | 1,454 | 0.31% | 0.16% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Cont. Education | 2,975 | 802 | 0.34% | 0.09% | - | 27 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | 20 |
| Dues, Licenses, & Subscriptions | 3,060 | 905 | 0.35% | 0.10% | - | 26 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | 7 |
| Books and Publications | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Lease/Rent Equipment Expense | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| General Meetings | - | 38 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Mileage-non patient related | 965 | 74 | 0.11% | 0.01% | - | 2 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Minor Equipment | 1,475 | 1,923 | 0.17% | 0.22% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Miscellaneous | 75 | 75 | 0.01% | 0.01% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Office Supplies | 2,350 | 1,617 | 0.27% | 0.18% | - | - | 0.00% | 0.00% | - | 29 | 0.00% | 0.00% | - | - |
| Pager-Non Pt. Related | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Postage/Mailings | 1,643 | 654 | 0.19% | 0.08% | - | 3 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Service Contracts - Operating | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Telephone | 2,471 | 1,674 | 0.28% | 0.19% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Marketing Materials | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | 2,609 4,581 |
| Total | 43,723 | 31,935 | 5.43% | 3.96% | 17,022 | 16,486 | 2.1% | 2.20% | 9,283 | 5,293 | 1.0% | 0.68% | 11,117 | 6,256 |

| | Medical Director | Model | Actual % | Model % | Medical Records | Model | Actual % | Model % | Medical Director | Model | Actual % | Model % | IT/MIS | Model |
|---------------------------------|------------------|--------|----------|---------|-----------------|--------|----------|---------|------------------|-------|----------|---------|--------|-------|
| Expense | | | | | | | | | | | | | | |
| Salaries | 38,878 | 49,500 | 4.82% | 6.41% | 3,577 | 11,876 | 0.44% | 1.47% | - | - | 0.00% | 0.00% | - | - |
| Contract Labor | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Mileage Admin | - | 171 | 0.00% | 0.02% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Vehicle Expense | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Computer Expense | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Computer Support | - | 494 | 0.00% | 0.06% | - | 434 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Consulting Expense | - | 102 | 0.00% | 0.01% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Cont. Education | - | 404 | 0.00% | 0.05% | - | 72 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Dues, Licenses, & Subscriptions | - | - | 0.00% | 0.00% | - | 133 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Books and Publications | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Lease/Rent Equipment Expense | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| General Meetings | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Mileage-non patient related | - | 89 | 0.00% | 0.01% | - | 11 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Minor Equipment | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Miscellaneous | - | - | 0.00% | 0.00% | - | 34 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Office Supplies | - | 2 | 0.00% | 0.00% | - | 26 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Pager-Non Pt. Related | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Postage/Mailings | - | - | 0.00% | 0.00% | - | 588 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Service Contracts - Operating | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Telephone | - | 84 | 0.00% | 0.01% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Marketing Materials | - | - | 0.00% | 0.00% | - | 4 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Total | 38,878 | 50,848 | 4.82% | 6.41% | 3,577 | 13,179 | 0.44% | 1.47% | - | - | 0.00% | 0.00% | - | - |

The Model
Balancing Purpose and Profit...

237

Analysis of Indirect Costs

Organization: **MVI Multi-View Incorporated**

Period Specifier: **December**

BENCHMARKING

| Cost Type | Allocated Actual Costs | Actual NPR% | Model NPR% | Indirect Cost % | % of Total Costs | Patient Day Cost | Program Actual Cost | Program NPR% |
|--------------------------------|------------------------|-------------|------------|-----------------|------------------|------------------|---------------------|--------------|
| Indirect Labor | | | | | | | | |
| Administration | 13,050 | 4.1% | 6.4% | 10.5% | 3.4% | 6.85 | 13,050 | 4.1% |
| Clinical Management | 22,248 | 6.9% | 4.5% | 17.8% | 5.7% | 11.68 | 22,248 | 6.9% |
| Compliance/QAPI | 7,490 | 2.3% | 2.1% | 6.0% | 1.9% | 3.93 | 7,490 | 2.3% |
| Education | - | - | - | - | - | - | - | - |
| Finance | 12,572 | 3.9% | 6.0% | 10.1% | 3.2% | 6.60 | 12,572 | 3.9% |
| HR | 5,695 | 1.8% | 1.0% | 4.6% | 1.5% | 2.99 | 5,695 | 1.8% |
| Marketing | 7,098 | 2.2% | 2.7% | 5.7% | 1.8% | 3.73 | 7,098 | 2.2% |
| Medical Director | 3,857 | 1.2% | 0.8% | 3.1% | 1.0% | 2.02 | 3,700 | 1.2% |
| Medical Records | 2,428 | 0.8% | 1.0% | 1.9% | 0.6% | 1.27 | 2,428 | 0.8% |
| MIS | 2,463 | 0.8% | 1.0% | 2.0% | 0.6% | 1.29 | 2,463 | 0.8% |
| Other | - | - | - | - | - | - | - | - |
| Total | 76,902 | 24.0% | 25.4% | 61.6% | 19.8% | 40.37 | 76,744 | 23.9% |
| Operational Costs | | | | | | | | |
| Accounting/Audit | 1,967 | 0.6% | 1.3% | 1.6% | 0.5% | 1.03 | 1,967 | 0.6% |
| Answering Service | - | - | - | - | - | - | - | - |
| Bank Service | 16 | 0.0% | 0.0% | 0.0% | 0.0% | 0.01 | 16 | 0.0% |
| Computer Expenses | 2,712 | 0.8% | 1.3% | 2.2% | 0.7% | 1.42 | 2,712 | 0.8% |
| Consulting/Professional Fees | - | - | 1.0% | - | - | - | - | - |
| Continuing Education | 605 | 0.2% | 0.8% | 0.5% | 0.2% | 0.32 | 605 | 0.2% |
| Copier Expense | 944 | 0.3% | 0.1% | 0.8% | 0.2% | 0.50 | 944 | 0.3% |
| Depreciation-Major Moveable | 2,446 | 0.8% | 1.5% | 2.0% | 0.6% | 1.28 | 2,446 | 0.8% |
| Dues, Licenses & Subscriptions | 330 | 0.1% | 0.4% | 0.3% | 0.1% | 0.17 | 330 | 0.1% |
| Insurance | 2,820 | 0.9% | 1.0% | 2.3% | 0.7% | 1.48 | 2,820 | 0.9% |
| Interest-Operating | - | - | - | - | - | - | - | - |
| Lease/Rent Equipment | 129 | 0.0% | 0.1% | 0.1% | 0.0% | 0.07 | 129 | 0.0% |
| Legal | - | - | 1.0% | - | - | - | - | - |
| Marketing Other | 3,059 | 1.0% | 0.8% | 2.5% | 0.8% | 1.61 | 3,059 | 1.0% |
| Meeting Expense | 786 | 0.2% | 0.1% | 0.6% | 0.2% | 0.41 | 786 | 0.2% |
| Mileage-Non-Patient | 895 | 0.3% | 0.4% | 0.8% | 0.3% | 0.52 | 895 | 0.3% |

H < > M | Patient Days | Indirect Analysis | Team Design | Visit Design | Cards-Front | Cards-Back | File

Ready Calculate


The Model
Balancing Purpose and Profit...

238

| Financial Management Report | | | | | | | | | | | |
|--|---------------|-------------|------------|----------|------------|---------------|----------------------|-------------------|--|--|--|
| Team: For the Period Ending March 31, 2008 | | | | | | | | | | | |
| Period: 2008 | | | | | | | | | | | |
| | Period Actual | Period NPV% | YTD Actual | YTD NPV% | Model NPV% | NPV% Variance | Period from Standard | YTD from Standard | | | |
| Revenue | 111,300.00 | 93.23% | 319,200.00 | 94.00% | 80.00% | -13.23% | -14.00% | | | | |
| Medicare | 4,200.00 | 3.62% | 9,800.00 | 2.89% | 5.00% | 1.48% | 2.11% | | | | |
| Commercial/Health | 7,600.00 | 5.86% | 19,600.00 | 5.78% | 5.00% | 2.14% | 2.22% | | | | |
| Commercial PPS | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Medicaid (own unit) | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Other (own unit) | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Physician Billing | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Self Pay | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Other Charity Rev. | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Adjustments | (3,114.07) | -2.61% | (9,342.60) | -2.75% | -10.00% | 7.29% | -7.25% | | | | |
| Total | 118,185.93 | 100.00% | 339,237.40 | 100.00% | 100.00% | 0.00% | 0.00% | | | | |
| NPV Labor | | | | | | | | | | | |
| Manager/Charge RN | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Ward Clerk | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Nurses | 35,098.67 | 29.40% | 102,830.72 | 30.31% | 30.00% | 3.00% | 2.69% | | | | |
| Respiratory Aide | 27,135.78 | 22.73% | 77,838.65 | 22.94% | 15.00% | 7.73% | -0.11% | | | | |
| SW | 1,304.37 | 0.00% | 3,772.32 | 0.00% | 2.00% | 2.00% | 2.00% | | | | |
| Special Care | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Physician | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Home Practitioner | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| On-Call | 5,115.84 | 4.29% | 14,848.86 | 4.32% | 1.00% | -3.29% | -3.32% | | | | |
| Administrative | 2,432.12 | 2.04% | 6,056.34 | 1.79% | 1.00% | -1.04% | -0.79% | | | | |
| Emersonment | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Volunteer | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Other/Maintenance | - | 0.00% | - | 0.00% | 5.00% | 5.00% | 5.00% | | | | |
| Total | 71,066.35 | 60.60% | 206,147.50 | 60.60% | 60.00% | 6.00% | 6.00% | | | | |
| Direct Patient Related Expenses | | | | | | | | | | | |
| Amulance | 135.00 | 0.11% | 506.30 | 0.15% | 1.00% | 0.89% | 0.85% | | | | |
| Bio Hazardous | - | 0.00% | - | 0.00% | 0.10% | 0.10% | 0.10% | | | | |
| Crisis Care??? | - | 0.00% | - | 0.00% | 0.10% | 0.10% | 0.10% | | | | |
| Diarrhy | 62.98 | 0.05% | 184.90 | 0.05% | 0.05% | 0.05% | 0.05% | | | | |
| DME | 490.34 | 0.41% | 1,207.66 | 0.39% | 0.40% | -0.01% | -0.01% | | | | |
| ER | 1,284.46 | 1.08% | 3,636.14 | 1.07% | 1.00% | -0.07% | -0.07% | | | | |
| Food | 1,219.37 | 1.02% | 4,030.81 | 1.19% | 1.00% | 0.73% | 0.66% | | | | |
| Imaging | 8.50 | 0.01% | 8.50 | 0.00% | 0.10% | 0.09% | 0.10% | | | | |
| Lab | 869.89 | 0.48% | 14,188.80 | 4.18% | 0.50% | 3.68% | 3.32% | | | | |
| Medical Supplies | 1,284.46 | 1.08% | 3,636.14 | 1.07% | 1.00% | 0.02% | 0.03% | | | | |
| Message | - | 0.00% | - | 0.00% | 0.10% | 0.10% | 0.10% | | | | |
| Medical Phone | - | 0.00% | - | 0.00% | 0.07% | 0.07% | 0.07% | | | | |
| Other | - | 0.00% | - | 0.00% | 0.05% | 0.05% | 0.05% | | | | |
| Outpatient | - | 0.00% | - | 0.00% | 0.15% | 0.15% | 0.15% | | | | |
| Oxygen | - | 0.00% | - | 0.00% | 0.45% | 0.45% | 0.45% | | | | |
| Field Doctor (Pages) | - | 0.00% | - | 0.00% | 0.00% | 0.00% | 0.00% | | | | |
| Pharmacy | 71.99 | 0.00% | 1,845.14 | 0.55% | 0.00% | 0.00% | -0.07% | | | | |
| Therapist | - | 0.00% | - | 0.00% | 0.00% | 0.00% | 0.00% | | | | |
| Pass-Through Medical | - | 0.00% | - | 0.00% | 0.00% | 0.00% | 0.00% | | | | |
| Total | 5,126.97 | 4.29% | 17,052.29 | 5.03% | 5.00% | 2.11% | 2.11% | | | | |
| Total Direct Expenses | 76,213.72 | 63.84% | 222,199.79 | 65.50% | 60.50% | 18.66% | 15.00% | | | | |
| Contribution Margin | 43,172.21 | 36.16% | 117,037.61 | 34.50% | 25.50% | -10.66% | -9.00% | | | | |
| Statistics | | | | | | | | | | | |
| Average Daily Census (A) | - | - | - | - | 10.00 | 10.00 | 10.00 | | | | |
| CC | - | - | - | - | 8.00 | 8.00 | 8.00 | | | | |
| Residential | - | - | - | - | 1.00 | 1.00 | 1.00 | | | | |
| CC | - | - | - | - | 8.00 | 8.00 | 8.00 | | | | |
| Residential | - | - | - | - | 0.00 | 0.00 | 0.00 | | | | |
| Number of Patient Days | - | - | - | - | 0.07 | 0.07 | 0.07 | | | | |
| CC | - | - | - | - | 0.07 | 0.07 | 0.07 | | | | |
| Residential | - | - | - | - | 0.07 | 0.07 | 0.07 | | | | |
| CC | - | - | - | - | 0.07 | 0.07 | 0.07 | | | | |
| Residential | - | - | - | - | 0.07 | 0.07 | 0.07 | | | | |
| Percentage of Occupancy | - | - | - | - | 0.07 | 0.07 | 0.07 | | | | |

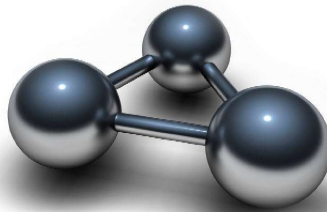
239

| Sunny Day Hospice Statement of Income Year to Date September | | | | | | | | | | | | | | | | | | | | |
|--|-----------------|-----------|----------|---------|----------------|-------|----------|---------|------------------|-------|----------|---------|----------------------|--------|----------|---------|-----------|-----------|----------|---------|
| | Respite/Respite | | | | Inpatient Unit | | | | Other Program(s) | | | | Indirect & Corporate | | | | Total | | | |
| | Actual | Model | Actual % | Model % | Actual | Model | Actual % | Model % | Actual | Model | Actual % | Model % | Actual | Model | Actual % | Model % | Actual | Model | Actual % | Model % |
| Operating Revenue | | | | | | | | | | | | | | | | | | | | |
| Medicare | 1,283,244 | 1,370,256 | 11.66% | 11.66% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 1,283,244 | 1,370,256 | 11.66% | 11.66% |
| Medicaid | 98,033 | 180,609 | 3.68% | 3.68% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 98,033 | 180,609 | 3.68% | 3.68% |
| Commercial/Ins. | 30,046 | 39,865 | 0.81% | 0.81% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 30,046 | 39,865 | 0.81% | 0.81% |
| Patient Pay | (4,500) | (5,000) | -0.41% | -0.41% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | (4,500) | (5,000) | -0.41% | -0.41% |
| Staff Physician | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| Other | 3,230 | 10,193 | 0.03% | 0.03% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 3,230 | 10,193 | 0.03% | 0.03% |
| Revenue Adjustments | (258,164) | (263,142) | -20.10% | -20.10% | - | - | 0.00% | 0.00% | (14) | (92) | -0.01% | -0.01% | - | - | 0.00% | 0.00% | (258,164) | (263,142) | -20.10% | -20.10% |
| Total | 1,016,364 | 1,225,162 | 8.88% | 100.01% | - | - | 0.00% | 0.00% | (14) | (92) | -0.01% | -0.01% | - | - | 0.00% | 0.00% | 1,016,364 | 1,225,162 | 8.88% | 100.01% |
| Operating Expenses | | | | | | | | | | | | | | | | | | | | |
| Personnel/Related | | | | | | | | | | | | | | | | | | | | |
| FN | 193,471 | 212,212 | 17.02% | 17.02% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 193,471 | 212,212 | 17.02% | 17.02% |
| LPN | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| CNA | 52,510 | 57,591 | 4.10% | 4.10% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 52,510 | 57,591 | 4.10% | 4.10% |
| PA | 79,154 | 66,799 | 1.09% | 1.09% | 349 | 383 | 0.02% | 0.02% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 79,483 | 67,182 | 1.10% | 1.10% |
| PC | 30,604 | 43,441 | 3.51% | 3.51% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 30,604 | 43,441 | 3.51% | 3.51% |
| Physician | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| On-Call | 33,334 | 43,200 | 3.51% | 3.51% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 33,334 | 43,200 | 3.51% | 3.51% |
| Administrative | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 3,129 | 3,432 | 0.03% | 0.03% | 3,129 | 3,432 | 0.03% | 0.03% |
| Business/Ins. | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 34,700 | 36,071 | 3.11% | 3.11% | 34,700 | 36,071 | 3.11% | 3.11% |
| Volunteer | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 30,200 | 41,969 | 3.43% | 3.43% | 30,200 | 41,969 | 3.43% | 3.43% |
| Total | 404,114 | 443,269 | 36.18% | 36.18% | 349 | 383 | 0.03% | 0.03% | - | - | 0.00% | 0.00% | 76,110 | 83,492 | 6.02% | 6.02% | 480,581 | 527,134 | 43.03% | 43.03% |
| Patient-Related Expenses | | | | | | | | | | | | | | | | | | | | |
| Amulance | 1544 | 1534 | 0.04% | 0.04% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 1544 | 1534 | 0.04% | 0.04% |
| Bio Hazardous | 435 | 477 | 0.04% | 0.04% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 435 | 477 | 0.04% | 0.04% |
| Conferences/Care | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| Diarrhy | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| DME | 20,670 | 22,672 | 1.81% | 1.81% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 20,670 | 22,672 | 1.81% | 1.81% |
| ER | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| Food | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| Imaging | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| Lab | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| Lib | 1,101 | 1,219 | 0.09% | 0.09% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 1,101 | 1,219 | 0.09% | 0.09% |
| Medical Supplies | 10,105 | 12,307 | 1.06% | 1.06% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 10,105 | 12,307 | 1.06% | 1.06% |
| Messge | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| Mobile Phone | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| Other | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |
| Outpatient | 2,453 | 2,637 | 0.22% | 0.22% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 2,453 | 2,637 | 0.22% | 0.22% |
| Deyation (for Unit Only) | 17,296 | 16,971 | 1.51% | 1.51% | 10 | 11 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | 17,306 | 16,982 | 1.51% | 1.51% |
| Pager | - | - | - | - | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% |



The Model
Boltoning Purpose and Profit...

Creating the Compensation System



MVI Multi-View
Incorporated

241

Essential Attributes of a Effective Compensation System

1. Start by making a List of the Results you Need! What do you want or need from your Compensation System? List these. This list will help you maintain FOCUS. Each of these will be assigned to SPECIFIC positions or people. Do you need:

1. Growth, Sales, Admissions
2. Increased LOS
3. Visits without Complaints
4. High CAHPS scores
5. Zero Defects in Documentation
6. 14% or Higher Profit Margins
7. An IPU that doesn't Lose Money
8. All Areas and Departments Operating in the Model

2. Start SIMPLE and Keep it SIMPLE! You can always add later! It takes no talent to create complicated systems.

3. Make it as Immediate as Possible. Deferred rewards or pain are NOT as effective immediate! It must "teach." It must be frequent enough to easily link behavior to results.

4. Make it Where People Can Immediately See they can WIN! People need to believe that they can do it...

5. Make it as Rich as Possible! Nearly everyone wants to do well financially!



242

Specific Attributes & Features

1. It must “teach.”
2. It must be frequent enough to easily link behavior to results.
3. There must be an element of “pain” in the pay system if performance or behavioral is not to Standard. This is called Standards Pay. This Standards component with every payroll run.
4. The system must be easy to understand.
5. The system must be predictable and NOT be random.
6. The system must never be late paying people.
7. The system must be easy to administer.
8. It must be a “fair” system.
9. It should be based on mutual reliance.
10. It should be done on a position, individual, team and overall organizational level.
11. The upside must be compelling.



243

3 Elements Needed in Accountability/Empowerment Compensation Systems

1. A modest base (salary or hourly) that a person can count on each pay period.
2. A Standards component to do the Accountability systematically, freeing Managers to Teach and Coach and from this negative aspect of management.
3. A Unit-Based or Performance-Based component which enables a person to increase or decrease their income by choice.



244

4 Classifications of Compensation

1. Salary
2. Hourly
3. Piecework
4. Performance-Based – Results



245

Compensation Methodologies

1. Per Unit (preferred, easiest)
2. Minimums
3. Excellent Amounts
4. Levels or Ranges



246

Structural Work in Priority Order

1. Set the Profit Standard
2. Make Sure Methods are Legal!
3. Get the Chart of Accounts in Good Shape
4. Add Performance Pay General Ledger Accounts
5. Create F9 Financial Reports to Calculate NPR with Ease
6. Design/Designate EMR Reports to Support the Pay System
7. Determine Who Will Process Your Payroll
8. Switch to Semi-Month Pay Periods
9. Move People to an Exempt Classification If Possible
10. 4 Pay Types Need to be Setup in the Payroll System that Correspond to the General Ledger Accounts
11. Establish Compensation Methodologies
12. Model the Pay System Assuming 100% of Employees Will Receive Individual Pay
13. Determine your Methods of Objective Monitoring
14. Create Accountability Contracts



247

Recommendations & Important Points

1. Bring People as Close to Revenue as Possible
2. Get Rid of Annual Bonuses! Frequent Helps People Learn!
3. The Timeliness of Performance Compensation
4. Objectivity is Needed
5. What About Accounting Errors or Adjustments & YTD?
6. What Percentages Should the Savings "Splits" Be?
7. What About Taxes on the Company and Employee Portions?
8. Create Acid Tests When You Need Evidence of Inefficiency or Low ROI
9. Create Systems without COLA Increases
10. Change Mileage Reimbursement at the Same Time
11. Establish Principles Behind Raises & Promotions
12. Sometimes "Options" to Stay on Current Pay System
13. Use an Economy of Pay or Activity Codes
14. A Simple System FREES you to track Hours Better!
15. Use as FEW Standards as Practical
16. Be Careful NOT to Overpay!



248

Establish Compensation Methodologies

1. **Settle Clinician's Pay First!** This is will settle 70% of your employees!
2. **Settle Clinical Manager's Pay.** 70% of the development, morale and retention of an employee will come from this position. Perhaps the biggest decision will be the percentage "splits" between the Clinical Manager and the rest of the team members, 50/50, 30/70, 25/75, etc.
3. **Settle Indirect Standards Pay and Team Pay.** We tie the Standards Pay of Indirect areas to the "overall average rating," on a 1-10 scale, from the Clinical Managers on a monthly basis.
4. **Executive Management is the last area you address.** We try to keep this simple.



249

Recommendations & Important Points

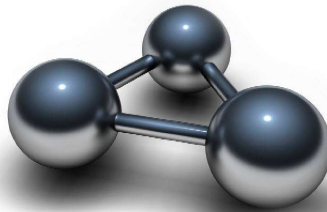
12. Sometimes you can give some positions "Options" to stay on the current pay method
13. Use an Economy of Pay or Activity Codes
14. The Use of a Simple System Frees Time to Track Hours to Help You Keep Out of Legal Trouble
15. Have as Few Standards as Practical
16. Be Careful NOT to Over Pay!
17. Clarifying Ideas I When Creating a Pay System



250

The Accountability Contract

This is a quite revolutionary tool as it is a powerful communication of the importance of Standards and establishes Accountability as well as setting up legal protections for the organization. The Accountability Contract can replace or augment Job or Position Descriptions.



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251

The Accountability Contract

I further acknowledge my understanding and complete agreement with the following:

- The Standards of Sunny Day can be changed at any time as needed.
- I do not need an annual review regarding my performance as I know every day whether or not I am doing my job. If I do not know, I will immediately (within 1 day) inform my Manager.
- At any time, I may be asked to do work which is outside my position or field on a permanent or temporary basis.
- My compensation rates or methods can be changed at any time. In fact, I expect this to be done periodically as a normal part of the evolution of Sunny Day in its search for the best ways of operating.
- If I am ever in a Supporting or Indirect position (Clinical Management, Faculty, HR, IT, Finance, Compliance, etc.), I will work at least two (2) non-concurrent months of the year in another (dissimilar) position. This is for internal control and cross-training purposes.
- All passwords must be disclosed if requested by immediate Manager, CEO or COO.

I, _____, having read and fully acknowledge my understanding of this Accountability Contract, do certify that I WANT TO DO THIS! In fact, I am happy to be with this organization by my own free will!

Sincerely,


The Model
Reinventing Purpose and Profit

252

Comprehensive Model Report

Sunny Day Hospice

YTD December, 2008

| Area/Program | Leader | Direct Labor | SPR% Model | Patient Related | SPR% Model | Contribution Margin | SPR% Model | Performance Pay |
|-----------------------------------|------------------|--------------|------------|-----------------|------------|---------------------|------------|-----------------|
| Hospice Location 4 | Johnny Rafter | 34.7% | 35.0% | 4.4% | 17.0% | 50.5% | 48.0% | 0.0% |
| Hospice Location 5 | Jolly Roger | 79.8% | 35.0% | 0.0% | 17.0% | 23.2% | 48.0% | 0.0% |
| Hospice Location 6 | Shawn Durkin | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% |
| Hospice Location 7 | Joan White | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% |
| Hospice Location 8 | Carrie Stasner | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% |
| Hospice Location 9 | Betty Horn | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% |
| Inpatient Unit (Loc 3) | Homer Mackie | 53.7% | 59.0% | 0.0% | 17.0% | 45.3% | 24.0% | 0.0% |
| Palliative Care (Loc 2) | Jill Southway | 0.0% | 70.0% | 0.0% | 17.0% | 0.0% | 13.0% | 0.0% |
| Total Organizational | | 39.8% | 40.0% | 3.8% | 17.0% | 56.6% | 40.0% | 0.0% |
| Centralized Direct | Leader | Labor | Other | Total % | Model % | Performance | | |
| On-Call | Chris Davis | 3.2% | 3.00% | 0.0% | 0.05% | 3.2% | 3.1% | 0.0% |
| Admissions | Ella Blue Ramsay | 1.2% | 3.00% | 0.0% | 0.05% | 1.2% | 3.1% | 0.0% |
| Bereavement | LT Timbers | 3.1% | 1.00% | 0.0% | 0.05% | 3.1% | 1.1% | 0.0% |
| Volunteer | Mabel Barnes | 1.4% | 1.00% | 0.0% | 0.05% | 1.4% | 1.1% | 0.0% |
| Total Centralized | | 9.0% | | 0.0% | | 9.0% | 8.2% | 0.0% |
| Indirect Areas | Leader | Labor | Other | Total % | Model % | Performance | | |
| Administration | John Rugged | 3.9% | 3.50% | 0.0% | 0.05% | 3.9% | 3.6% | 0.0% |
| Office Management | Sall Prisk | 7.2% | 5.00% | 12.7% | 0.05% | 19.9% | 5.6% | 0.0% |
| Compliance/CPI | Moll Biscuit | 0.9% | 1.50% | 0.0% | 0.05% | 0.9% | 1.6% | 0.0% |
| Education | Vera Brewster | 1.8% | 1.00% | 0.0% | 0.05% | 1.6% | 1.1% | 0.0% |
| Finance | Talisa Story | 4.8% | 2.25% | 0.0% | 0.05% | 2.6% | 2.3% | 0.0% |
| HR | Nancy Hapo | 1.1% | 0.75% | 0.0% | 0.05% | 1.1% | 0.8% | 0.0% |
| Marketing | Roger Sallick | 0.8% | 2.00% | 0.0% | 0.05% | 0.8% | 2.1% | 0.0% |
| Medical Director | Jacob Neal | 1.25% | 0.0% | 0.05% | 0.0% | 1.3% | | 0.0% |
| Medical Records | Elis Goodwin | 1.5% | 1.00% | 0.0% | 0.05% | 1.5% | 1.1% | 0.0% |
| MIS | Mack Sweet | 1.0% | 1.25% | 0.0% | 0.05% | 1.0% | 1.3% | 0.0% |
| Other | Lin Mako | 0.0% | 0.00% | 0.0% | 0.05% | 0.0% | 0.1% | 0.0% |
| Total Indirect | | 26.2% | | 12.7% | | 33.1% | 20.6% | 0.0% |
| Operating Facility | Leader | | | | Total % | Model % | | |
| Operating | Sunny Day | | | | 8.9% | 8.0% | | |
| Facility Related | George Fry | | | | 1.73% | 4.0% | | |
| Total Operating Facility | | | | | 9.9% | 12.0% | | |
| Total Operating Indirects | | | | | 40.0% | 32.6% | | |
| Total Operating Expenses | | | | | 95.3% | 87.8% | | |
| Operating Income (Loss) | | | | | 4.7% | 2.3% | | |
| Non-Operating Income | Leader | | | | Total % | Model % | | |
| Support | | | | | | | | |
| Fundraising | | | | | | | | |
| Investment and Interest | | | | | | | | |
| Other Programs | | | | | | | | |
| Total Non-Operating Income (Loss) | | | | | | | | |
| Net Income (Loss) | | | | | | | | |
| Control Total | | | | | | | | |



253

Team/Location Report

Sunny Day Hospice

For Periods Ending July 31, 2008

| | Model | Team Leaders | | | | |
|--|----------------|----------------|-----------------|-------------|--------------|--------------|
| | | Terry | John | Ann | North County | South County |
| | | North County | South County | East County | West County | County 5 |
| Revenue | | | | | | |
| Medicare | 93.59% | 126.98% | 125.92% | - | - | - |
| Medicaid | 3.64% | 6.11% | 8.09% | - | - | - |
| Commercial FFS | 2.98% | 7.02% | 5.09% | - | - | - |
| Medicaid RB (own unit) | - | 2.77% | - | - | - | - |
| Other RB (own unit) | - | - | - | - | - | - |
| Physician Billing | - | 1.08% | - | - | - | - |
| Self Pay | 0.03% | 0.94% | - | - | - | - |
| Other Charity Rev | 0.00% | - | - | - | - | - |
| Adjustments | (0.26%) | (44.91%) | (39.06%) | - | - | - |
| Total | 100.00% | 100.00% | 100.00% | - | - | - |
| Direct Labor | | | | | | |
| Nurses | 14.00% | 8.06% | 70.44% | - | - | - |
| CNA | 7.00% | 1.99% | 53.94% | - | - | - |
| SW | 4.00% | 2.32% | 4.74% | - | - | - |
| PC | 2.00% | 0.81% | - | - | - | - |
| Physician | 2.00% | 3.33% | - | - | - | - |
| On-Call | 3.00% | 3.03% | - | - | - | - |
| Admissions | 3.00% | 1.59% | - | - | - | - |
| Bereavement | 1.00% | - | - | - | - | - |
| Volunteer | 2.00% | - | - | - | - | - |
| Total | 64.76% | 21.12% | 126.12% | - | - | - |
| Direct Patient-Related Expenses | | | | | | |
| Ambulance | 0.92% | 0.43% | 0.02% | - | - | - |
| Bio Hazardous | 0.00% | - | - | - | - | - |
| Continuous Care | - | - | - | - | - | - |
| Dietary & Dietary Labor | 1.14% | 0.14% | 11.52% | - | - | - |
| DME | 0.97% | 3.31% | 5.30% | - | - | - |
| ER | 0.02% | 0.53% | - | - | - | - |
| Food & Kitchen Labor | 1.45% | - | 9.36% | - | - | - |
| Imaging | 0.06% | 0.38% | 0.12% | - | - | - |
| Lab | 0.04% | 0.22% | 0.17% | - | - | - |
| Linen | - | - | 3.82% | - | - | - |
| Medical Supplies | 1.94% | 0.96% | 2.29% | - | - | - |
| Mileage | 1.12% | 2.73% | - | - | - | - |
| Mobile Phone | 0.15% | 0.40% | - | - | - | - |
| Other | 0.00% | 0.00% | 0.35% | - | - | - |
| Outpatient | 0.06% | 0.30% | - | - | - | - |
| Oxygen (for Unit Only) | 0.45% | - | - | - | - | - |
| Pagers | 0.06% | 0.11% | - | - | - | - |
| Pharmacy | 4.52% | 8.27% | 7.88% | - | - | - |
| Therapies | 0.81% | 0.84% | 0.18% | - | - | - |
| Therapies Chemo | - | 0.76% | - | - | - | - |
| Therapies IV/Biological | - | 0.09% | 0.03% | - | - | - |
| Therapies Labor | - | - | - | - | - | - |
| Pass-Through Residual | - | (0.95%) | 0.01% | - | - | - |
| Total | 13.74% | 18.53% | 41.07% | - | - | - |
| Total Direct Labor and Expense | 78.50% | 39.65% | 176.19% | - | - | - |
| Contribution Margin | 21.50% | 60.35% | (76.19%) | - | - | - |



254

Indirect Report

All Percentages are a percentage of Net Patient Revenue (NPR)

NPR = \$ 885,881

Year: 2008
Period: July

| | Admin | Model | Actual % | Model % | Clinical Admin | Model | Actual % | Model % | Compliance | Model | Actual % | Model % | Education | Model |
|---------------------------------|---------------|---------------|--------------|--------------|----------------|---------------|-------------|--------------|--------------|--------------|-------------|--------------|---------------|--------------|
| Expense | | | | | | | | | | | | | | |
| Salaries | 22,873 | 18,121 | 2.84% | 2.20% | 17,022 | 16,834 | 2.1% | 2.09% | 9,283 | 5,264 | 1.5% | 0.65% | 8,508 | 1,206 |
| Contract Labor | - | - | 0.00% | 0.00% | - | 1,489 | 0.00% | 0.16% | - | - | 0.00% | 0.00% | - | 445 |
| Mileage Admin | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Vehicle Expense | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Computer Expense | 3,126 | 4,180 | 0.35% | 0.47% | - | 135 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Computer Support | - | 419 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Consulting Expense | 2,710 | 1,454 | 0.31% | 0.16% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Cont. Education | 2,975 | 802 | 0.37% | 0.09% | - | 27 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | 20 |
| Dues, Licenses, & Subscriptions | 3,060 | 905 | 0.38% | 0.1% | - | 26 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | 7 |
| Books and Publications | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Lease/Rent Equipment Expense | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| General Meetings | - | 38 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Mileage-non patient related | 965 | 74 | 0.1% | 0.01% | - | 2 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Minor Equipment | 1,475 | 1,923 | 0.16% | 0.21% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Miscellaneous | 75 | 75 | 0.00% | 0.01% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Office Supplies | 2,350 | 1,617 | 0.27% | 0.18% | - | - | 0.00% | 0.00% | - | 29 | 0.00% | 0.00% | - | - |
| Pager-Non Pt. Related | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Postage/Mailings | 1,643 | 654 | 0.20% | 0.08% | - | 3 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Service Contracts - Operating | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Telephone | 2,471 | 1,674 | 0.29% | 0.19% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Marketing Materials | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | 2,609 4,581 |
| Total | 43,723 | 31,935 | 5.43% | 3.96% | 17,022 | 16,486 | 2.1% | 2.20% | 9,283 | 5,293 | 1.6% | 0.68% | 11,117 | 6,256 |

| | Medical Director | Model | Actual % | Model % | Medical Records | Model | Actual % | Model % | Medical Director | Model | Actual % | Model % | IT/MIS | Model |
|---------------------------------|------------------|---------------|--------------|-------------|-----------------|---------------|--------------|--------------|------------------|----------|--------------|--------------|----------|----------|
| Expense | | | | | | | | | | | | | | |
| Salaries | 38,878 | 49,500 | 4.82% | 6.1% | 3,577 | 11,876 | 0.44% | 1.47% | - | - | 0.00% | 0.00% | - | - |
| Contract Labor | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Mileage Admin | - | 171 | 0.00% | 0.02% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Vehicle Expense | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Computer Expense | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Computer Support | - | 494 | 0.00% | 0.06% | - | 434 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Consulting Expense | - | 102 | 0.00% | 0.01% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Cont. Education | - | 404 | 0.00% | 0.05% | - | 72 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Dues, Licenses, & Subscriptions | - | - | 0.00% | 0.00% | - | 133 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Books and Publications | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Lease/Rent Equipment Expense | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| General Meetings | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Mileage-non patient related | - | 89 | 0.00% | 0.01% | - | 11 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Minor Equipment | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Miscellaneous | - | - | 0.00% | 0.00% | - | 34 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Office Supplies | - | 2 | 0.00% | 0.00% | - | 26 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Pager-Non Pt. Related | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Postage/Mailings | - | - | 0.00% | 0.00% | - | 588 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Service Contracts - Operating | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Telephone | - | 84 | 0.00% | 0.01% | - | - | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Marketing Materials | - | - | 0.00% | 0.00% | - | 4 | 0.00% | 0.00% | - | - | 0.00% | 0.00% | - | - |
| Total | 38,878 | 50,848 | 4.82% | 6.1% | 3,577 | 13,179 | 0.44% | 1.44% | - | - | 0.00% | 0.00% | - | - |

The Model
Balancing Purpose and Profit...

255

How can people be compensated?

- Salary
- Hourly
- Per Visit
- Average Caseloads
- Activity-Based Approaches
 - Activities – Visits, meetings, other tasks
 - Piece Work
- Patient-Days
- NPR Amounts
 - Can 50% of the savings be given back to staff?
 - Quality Scores
- Employee “Units”
- Creative Combinations

256

Impact on Overall Financials Statements

Total NPR = 10,220,000

| | Actual Performance | NPR% Model | Difference | Company Portion | Bonus Pay | Adjusted Actual |
|----------------------|-----------------------|---------------|---------------|--------------------|--------------|--------------------|
| | | | | 50% | 50% | |
| Net Revenue | 100.0% | 100.0% | | | | 100.0% |
| Direct Labor | 35.0% | 38.0% | -3.00% | 1.50% | 1.50% | 36.5% |
| Patient-Related | 18.0% | 18.0% | 0.00% | 0.00% | 0.00% | 18.0% |
| Indirect Expense | 30.0% | 30.0% | 0.00% | 0.00% | 0.00% | 30.0% |
| Total Expense | 83.0% | 86.0% | -3.00% | 1.50% | 1.50% | 84.5% |
| Net Income | 17.0% | 14.0% | 3.00% | -1.50% | -1.50% | 15.5% |

50/50% is accepted and received well regarding the company and bonus portions.



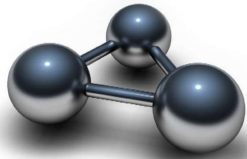
257

| Comprehensive Model Report | | | | | | | | | |
|--|------------------|--------------|--------------|-----------------|--------------|---------------------|--------------|-----------------|--|
| Sunny Day Hospice | | | | | | | | | |
| YTD December, 2008 | | | | | | | | | |
| Area/Program | Leader | Direct Labor | NPR% Model | Patient Related | NPR% Model | Contribution Margin | NPR% Model | Performance Pay | |
| Hospice Location 4 | Johnnie Risher | 32.7% | 38.0% | 0.0% | 17.0% | 60.9% | 48.0% | 0.0% | |
| Hospice Location 5 | Jilly Roger | 76.8% | 35.0% | 0.0% | 17.0% | 23.2% | 48.0% | 0.0% | |
| Hospice Location 6 | Sherry Durkin | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% | |
| Hospice Location 7 | Joan White | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% | |
| Hospice Location 8 | Carrie Slusher | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% | |
| Hospice Location 9 | Betty Horn | 0.0% | 35.0% | 0.0% | 17.0% | 0.0% | 48.0% | 0.0% | |
| Inpatient Unit (Loc 3) | Harriet Mackie | 53.7% | 38.0% | 0.0% | 17.0% | 46.3% | 24.0% | 0.0% | |
| Palliative Care (Loc 2) | Al Scatlyang | 0.0% | 70.0% | 0.0% | 17.0% | 0.0% | 13.0% | 0.0% | |
| Total Organizational | | 39.8% | 40.0% | 3.6% | 17.0% | 56.6% | 43.0% | 0.0% | |
| Centralized Direct | Leader | Labor | Other | Total % | Model % | Performance | | | |
| On-Call | Chris Davis | 3.2% | 3.00% | 0.0% | 0.00% | 3.2% | 3.1% | 0.0% | |
| Admissions | Elia Blue Ramsey | 1.2% | 3.00% | 0.0% | 0.00% | 1.2% | 3.1% | 0.0% | |
| Borrowment | Li Timbers | 3.1% | 1.00% | 0.0% | 0.00% | 3.1% | 1.1% | 0.0% | |
| Volunteer | Mabel Barnals | 1.4% | 1.00% | 0.0% | 0.00% | 1.4% | 1.1% | 0.0% | |
| Total Centralized | | 9.0% | 8.0% | 0.0% | 0.0% | 9.0% | 8.2% | 0.0% | |
| Indirect Areas | Leader | Labor | Other | Total % | Model % | Performance | | | |
| Administration | John Huggins | 3.9% | 3.30% | 0.0% | 0.00% | 3.9% | 3.6% | 0.0% | |
| Clinical Management | Sue Price | 7.2% | 5.80% | 0.0% | 0.00% | 19.9% | 5.6% | 0.0% | |
| Compliance/QAPI | Mel Beaslet | 0.3% | 1.50% | 0.0% | 0.00% | 0.9% | 1.6% | 0.0% | |
| Education | Vera Skewers | 1.6% | 1.00% | 0.0% | 0.00% | 1.6% | 1.1% | 0.0% | |
| Finance | Tobias Stony | 2.6% | 2.20% | 0.0% | 0.00% | 2.6% | 2.3% | 0.0% | |
| HR | Nancy Hazen | 1.1% | 0.70% | 0.0% | 0.00% | 1.1% | 0.8% | 0.0% | |
| Marketing | Roger Serick | 0.8% | 2.80% | 0.0% | 0.00% | 0.8% | 2.1% | 0.0% | |
| Medical Director | Jacob Hall | 0.0% | 1.20% | 0.0% | 0.00% | 0.0% | 1.3% | 0.0% | |
| Medical Records | Er Goodwin | 1.0% | 1.00% | 0.0% | 0.00% | 1.5% | 1.1% | 0.0% | |
| MIS | Mark Seward | 1.0% | 1.20% | 0.0% | 0.00% | 1.0% | 1.3% | 0.0% | |
| Other | Lin Marko | 0.0% | 0.00% | 0.0% | 0.00% | 0.0% | 0.1% | 0.0% | |
| Total Indirect | | 20.3% | 12.7% | 0.0% | 0.00% | 32.1% | 20.6% | 0.0% | |
| Operating/Facility | Leader | Total % | Model % | Performance | | | | | |
| Operating | Sammy Quick | 8.20% | 8.0% | 0.0% | | | | | |
| Facility-Related | George Fry | 1.73% | 4.0% | 0.0% | | | | | |
| Total Operating/Facility | | 9.9% | 12.0% | 0.0% | | | | | |
| Total Operating Indirects | | 43.0% | 32.6% | 0.0% | | | | | |
| Total Operating Expenses | | 96.3% | 97.8% | 0.0% | | | | | |
| Operating Income(Loss) | | 4.7% | 2.3% | 0.0% | | | | | |
| Non-Operating Income | | | | | | | | | |
| Support | | | | | | | | | |
| Fundraising | | | | | | | | | |
| Investment and Interest | | | | | | | | | |
| Other Programs | | | | | | | | | |
| Total Non-Operating Income (Loss) | | | | | | | | | |
| Net Income (Loss) | | | | | | | | | |
| Control Total | | | | | | | | | |



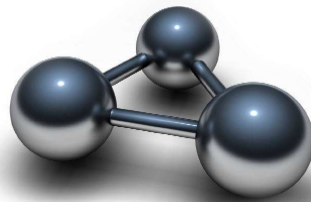
258

All most organizations need to do is “restructure” their CURRENT compensation levels! Only in areas of excessive compensation is there a need to reduce compensation!



259

SuperPay!
Brand your Compensation System to your Organization!



260

SuperPay! (Brand your Comp System!)

1. Low Base Pay – Salary, Hourly or Per Visit
 - 30-60% is STRONGEST, but it can be 100% or 90-95% of current pay UNLESS comp is excessive
2. Individual Pay with Standards Portion -
Based on “Productivity Unit” – Result - “Just Doing Your Job” including a “Standards” Portion of “Productivity Unit” or %
3. Attitude/Team Accountability Pay- 20%
4. Clinical Leader/Manager Pay (Based on Savings/Beat the Cost Percentages) Monthly

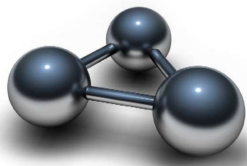
Every paycheck essentially becomes a “report card” telling the person how well they are doing with little effort, especially from the Manager. This creates a culture of “self-regulation.”



The most important element!

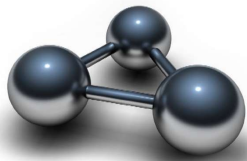
261

A fair system where
“gain” and “pain”
are shared to create a
natural system of mutual
reliance.



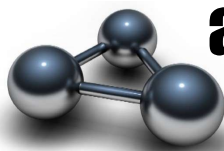
262

If there is no **“pain”**
attached to non-standard
behavior or performance,
your system is weak... This
includes compensation.



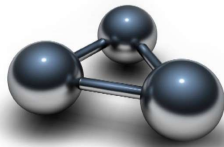
263

People have to be
sufficiently impacted
by your compensation system
to move them to the behaviors
and performance needed by
the organization. And it is **NOT**
all upside comp!



264

Up to 75% of the value of a compensation system will come from a person not receiving Standards Pay (structured as a bonus we expect to pay out every pay cycle).



265

3 Main Categories of Pay

SuperPay! Empowerment Pay!
Liberation Pay!



Creating these "categories" of Pay provide an organization incredible flexibility, levers and options!

MVI Multi-View
Incorporated

266

3 Main Categories of Pay

1. Base Pay is what they can count on every pay period.

- Why? It creates a FEELING of certainty and people like that.

2. Attitude/Team Accountability Pay is based on how their peer group rates them regarding Attitude and team performance (critical for a Happy/Productivity work environment).

- Why? To retain talented people, a Happy and Productive work environment must be created. Even with incredible pay, you will lose talented people if the culture is sick.

3. Individual Pay to reward the employee for productivity. It is something they can directly control.

- Why? This creates personal Accountability and GROWTH as forces people to have to OWN their work and results.



267

Attitude/Team Accountability Pay

Attitude/Team Accountability Pay

Pay Period: February 1-15 - 2023

| Person # | Code | Growth Area |
|-----------|------|-------------|
| 1 Andrew | A | |
| 2 Jamie | - | |
| 3 Chris | - | |
| 4 Max | - | |
| 5 Julie | - | |
| 6 Shawna | C, P | |
| 7 Debbie | - | |
| 8 Nancy | - | |
| 9 Jason | - | |
| 10 Wendi | - | |
| 11 LuAnne | - | |

ENTER Negative (Growth) Codes if you are impacted negatively by a team member. Use as many codes as necessary, but only one of each category.

If you wish to assign a Positive Code, only assign them rarely to reward truly "out of the ordinary" - "extraordinary" work/job performance. A great Attitude should be expected.

Helpful Feedback Codes to GROW!

| | |
|---|---|
| A | Poor Attitude |
| P | Non-Performance/Poor Follow-Through |
| C | Poor Communication |
| Q | Poor Quality of Work/Errors |
| M | Late to Meeting(s) |
| L | Late to Work |
| G | Customer Complaint/Gift |
| E | Excessive Time-Out - Abuse of Work Latitude |
| + | Outstanding Job Performance |

The system "resets" NEW every Pay Period...a NEW/FRESH Start each time!

268

SuperPay/Empowerment Pay - RN

Hospice RN

| | Multiple Factor | Base Rate | Standards Portion | Base + Standards | Number | Totals | Annualized | % |
|---|-----------------|-----------|-------------------|------------------|--------|--------|------------|-------------|
| Individual Pay - Unique # of Patients Visited | 1 | \$ 40 | \$ 60 | \$ 100 | 12 | 1,200 | 288 | 28,800 36% |
| Admission/Info Visit | | \$ - | | | - | - | - | 0% |
| spare | 0 | \$ - | \$ - | \$ - | - | - | - | 0% |
| Compassion Pay - Last 7 Days | 1 | \$ 20 | \$ 30 | \$ 50 | 10 | 200 | 240 | 4,800 6% |
| On-Call - Weekend | | \$ - | | \$ - | - | - | - | 0% |
| Attitude/Team Accountability Pay | | \$ 7.00 | | | 87 | 607 | 2,080 | 14,560 18% |
| Base Pay - Case MGMT Pay | | \$ 15.00 | | | 87 | 1,300 | 2,080 | 31,200 39% |
| Sub-Total | | | | | | 3,307 | | 79,360 100% |
| Optional: Standards Bonus as a % | | 0% | | | | - | - | 0% |
| spare | | \$ - | | | - | - | - | 0% |
| Total | # Pt. Visited | | FTEs | | | 3,307 | | 79,360 100% |
| Number of FTEs | 12 | | 8.33 | | | 27,556 | | 661,333 |
| Percentage of NPR | | | | | | 0.4% | | 10.4% |
| Benefits | | | | | | 6,062 | | 145,493 |
| Percentage of NPR with Benefits | | | | | | 0.5% | | 12.6% |

Per Hour
Equivalence

\$ 38.15

3 Main Categories with Standards Portion for
Accountability/Quality.



269

SuperPay/Empowerment Pay - CNA

Hospice Aide

| | Multiple Factor | Base Rate | Standards Portion | Base + Standards | Number | Totals | Annualized | % |
|-----------------------------------|-----------------|-----------|-------------------|------------------|--------|--------|------------|-------------|
| Individual Pay - Number of Visits | 1 | \$ 10 | \$ 10 | \$ 20 | 20 | 400 | 480 | 9,600 29% |
| spare visit type | | | | | | | | 0% |
| spare visit type | | | | | | | | 0% |
| Attitude/Team Accountability Pay | | \$ 4 | | | 20 | 80 | 480 | 1,920 6% |
| Meetings | 1 | \$ 10 | \$ 10 | \$ 20 | 1 | 10 | 24 | 240 1% |
| On-Call - Weekday | | \$ - | | \$ - | - | - | - | 0% |
| On-Call - Weekend | | \$ - | | \$ - | - | - | - | 0% |
| Base Pay - Case MGMT Pay | | \$ 10.00 | | | 87 | 867 | 2,080 | 20,800 64% |
| Sub-Total | | | | | | 1,357 | | 32,560 100% |
| Optional: Standards Bonus as a % | | 0% | | | | - | - | 0% |
| spare | | \$ - | | | - | - | - | 0% |
| Total | # Pt. Visited | | FTEs | | | 1,357 | | 32,560 100% |
| Number of FTEs | 20 | | 0.00 | | | - | | - |
| Percentage of NPR | | | | | | 0.0% | | 0.0% |
| Benefits | | | | | | - | | - |
| Percentage of NPR with Benefits | | | | | | 0.0% | | 0.0% |

Per Hour
Equivalence

\$ 15.65

3 Main Categories with Standards Portion for
Accountability/Quality.



270

SuperPay/Empowerment Pay - LPN

Hospice LPN

| | Multiple Factor | Base Rate | Standards Portion | Base + Standards | Number | Totals | Annualized | % |
|----------------------------------|-----------------|-----------|-------------------|------------------|--------|--------|------------|---------|
| Individual Pay - # of Visits | 1 | \$ 15 | \$ 20 | \$ 35 | 40 | 1,400 | 960 | 33,600 |
| | | | | | | | | 55% |
| | | | | | | | | 0% |
| | | | | | | | | 0% |
| Meetings | 1 | \$ 15 | \$ 20 | \$ 35 | 1 | 15 | 24 | 360 |
| Attitude/Team Accountability Pay | | \$ 3.00 | | | 87 | 260 | 2,080 | 6,240 |
| Base Pay - Case MGMT Pay | | \$ 10.00 | | | 87 | 867 | 2,080 | 20,800 |
| Sub-Total | | | | | | 2,542 | | 61,000 |
| Optional: Standards Bonus as a % | | 0% | | | | - | | - |
| spare | | \$ - | | | | - | | - |
| Total | | | | | | 2,542 | | 61,000 |
| Number of FTEs | Caseload | 40 | FTEs | 2.5 | | 6,354 | | 152,500 |
| Percentage of NPR | | | | | | 0.1% | | 2.4% |
| Benefits | | | | | | 1,398 | | 33,550 |
| Percentage of NPR with Benefits | | | | | | 0.1% | | 2.9% |

Per Hour
Equivalence
\$ 29.33

3 Main Categories with Standards Portion for
Accountability/Quality.



271

SuperPay/Empowerment Pay - SW

Hospice SW

| | Multiple Factor | Base Rate | Standards Portion | Base + Standards | Number | Totals | Annualized | % |
|--------------------------------------|-----------------|-----------|-------------------|------------------|--------|--------|------------|---------|
| Individual Pay - # of Regular Visits | 1 | \$ 10 | \$ 25 | \$ 35 | 40 | 1,400 | 960 | 33,600 |
| Admit Visits | 3 | \$ 30 | \$ 75 | \$ 105 | - | - | - | - |
| Recert Visits | 2.5 | \$ 25 | \$ 63 | \$ 88 | - | - | - | - |
| spare | | \$ 10.00 | | | 40 | 400 | 960 | 9,600 |
| spare | 1 | \$ 10 | \$ 25 | \$ 35 | 1 | 35 | 24 | 840 |
| Compassion Pay - Last 7 Days | | \$ - | | \$ - | - | - | - | - |
| spare | | \$ - | | \$ - | - | - | - | - |
| Attitude/Team Accountability Pay | | \$ 3.00 | | | 87 | 260 | 2,080 | 6,240 |
| Base Pay - Case MGMT Pay | | \$ 12.00 | | | 87 | 1,040 | 2,080 | 24,960 |
| Sub-Total | | | | | | 3,135 | | 75,240 |
| Optional: Standards Bonus as a % | | 0% | | | | - | | - |
| spare | | \$ - | | | | - | | - |
| Total | | | | | | 3,135 | | 75,240 |
| Number of FTEs | Caseload | 27 | FTEs | 3.7 | | 11,611 | | 278,667 |
| Percentage of NPR | | | | | | 0.2% | | 4.4% |
| Benefits | | | | | | 2,554 | | 61,307 |
| Percentage of NPR with Benefits | | | | | | 0.2% | | 5.3% |

Per Hour
Equivalence
\$ 36.17

3 Main Categories with Standards Portion for
Accountability/Quality.



272

SuperPay/Empowerment Pay - PC

| Hospice Spiritual Care | | | | | | | | | |
|---------------------------------------|-----------------|-----------|-------------------|------------------|--------|--------|------------|--------|------|
| | Multiple Factor | Base Rate | Standards Portion | Base + Standards | Number | Totals | Annualized | | |
| Individual Pay - # of Vists | 1 | \$ 15 | + \$ 25 | = \$ 40 | 35 | 1,400 | 840 | 33,600 | 46% |
| spare visit type | | | | | | | | | 0% |
| spare visit type | | | | | | | | | 0% |
| spare | | \$ - | | | 35 | - | 840 | - | 0% |
| spare | 1 | \$ 15 | + \$ 25 | = \$ 40 | - | - | - | - | 0% |
| # of Patient-Care Volunteer Hours | 1 | \$ 5 | + \$ 5 | = \$ 10 | 50 | 250 | 1,200 | 6,000 | 8% |
| # of Non-Patient-Care Volunteer Hours | 1 | \$ 3 | + \$ 3 | = \$ 6 | 70 | 210 | 1,680 | 5,040 | 7% |
| Attitude/Team Accountability Pay | | \$ 4.00 | | | 87 | 347 | 2,080 | 8,320 | 11% |
| Base Pay Case - MGMT Pay | | \$ 10.00 | | | 87 | 867 | 2,080 | 20,800 | 28% |
| Sub-Total | | | | | | 3,073 | | 73,760 | 100% |
| Optional: Standards Bonus as a % | | 0% | | | | - | | - | 0% |
| spare | | \$ - | | | - | - | | - | 0% |
| Total | | | | | | 3,073 | | 73,760 | 100% |
| Number of FTEs | Caseload | 80 | | FTEs 1.3 | | 3,842 | | 92,200 | |
| Percentage of NPR | | | | | | 0.1% | | 1.4% | |
| Benefits | | | | | | 845 | | 20,284 | |
| Percentage of NPR with Benefits | | | | | | 0.1% | | 1.8% | |

Per Hour
Equivalence
\$ 35.46

3 Main Categories with Standards Portion for
Accountability/Quality.



273

Examples of the Flexibility of the use of Attitude/Team Accountability Pay

- **“Avoidable Waste” Pay Type** - It is interesting to note that by simply “adding” a Pay Type, without using it or rarely using it, WILL IMPACT human behavior! The establishment of an “Avoidable Waste” Pay Type is such a thing!

The Avoidable Waste Pay Type can be added to all positions on the Org Chart. It can and should be displayed on every pay stub to reinforce its message and meaning. The Avoidable Waste Pay Type establishes a set portion or method of pay where an employee's compensation can be reduced IF poor or foolish purchase decisions or resource use are unnecessarily and are “egregiously” wasted.

- **Complaints/Service Failures** is another pay type that can be applied. The rule could be that receiving an avoidable “complaint” would wipe out all of a person's Attitude/ Team Accountability Pay for a pay period.



274

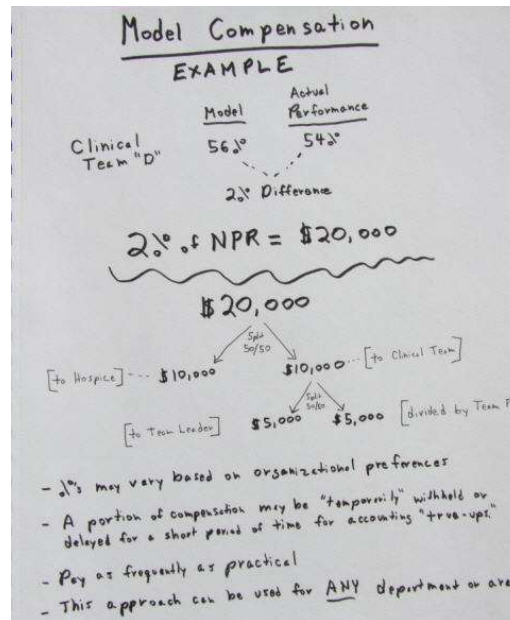
A Big Deal...

Objective Monitoring

- **Objective Monitoring** - The monitoring and enforcement of organizational Standards and Performance is one of the most difficult things to do. We are all humans with Feelings...and most of us don't like to be perceived as the "bad person" or the one that "rats" on transgressors. We just don't like it! People will avoid associating with us...won't look you in the eye when you walk down the hall...it's a drag! OK! This is a Human Reality we have to face with a meaningful Compensation System. There are a few ways of handling it: based on how their peer group rates them regarding Attitude and team performance (critical for a Happy/Productivity work environment).
- **OPTIONS:**
 - Outsource to Objective External Entity
 - Designate a "Tough Minded" Person within your organization
 - Rotate Monitoring



275



276

Sunny Day Hospice - Compensation Structure

SUPERPAY!

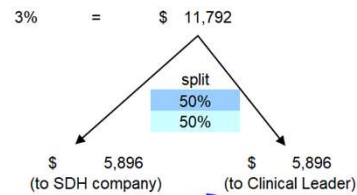
Version 23.0

Total NPR = 10,220,000
1 % of NPR = \$ 3,931

| Example Area | Actual Performance | NPR% Model | Difference | Frequency |
|--------------|--------------------|------------|------------|-----------|
|--------------|--------------------|------------|------------|-----------|

Clinical Team A

- 1) Position Pay (Base plus Standards Pay) Per Pay Period
 - 2) Individual Manager Pay Based on "beating" Contribution Margin Per Pay Period
- Controllable Costs 42% 45% -3% Per Moth
- Contribution Margin 58% 55%



Managers need to be rewarded if we believe that Management is key



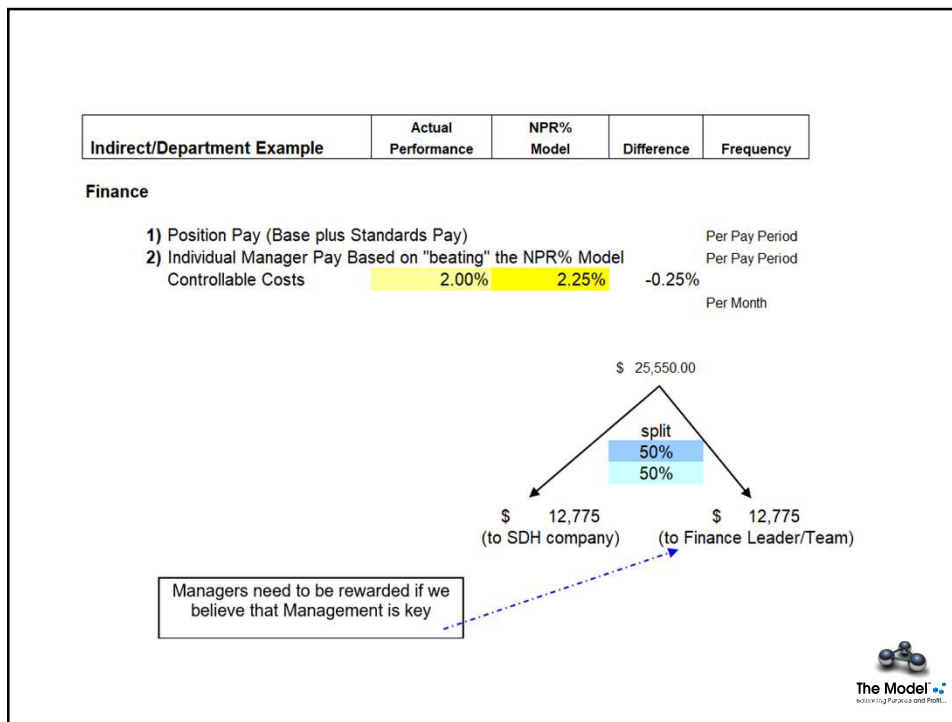
277

| Locations | | 4 | 5 | 6 | 7 | 8 |
|----------------------------------|----------|--------------|--------------|-------------|-------------|----------|
| Team/Location Report | | Team Leaders | | | | |
| Sunny Day Hospice | | Terry | John | Ann | | |
| For Periods Ending July 31, 2008 | | North County | South County | East County | West County | County 5 |
| | | | | | | County 6 |
| Revenue | | | | | | |
| Medicare | 125.38% | 125.92% | - | - | - | - |
| Medicaid | 6.11% | 6.09% | - | - | - | - |
| Commercial Benefit | 7.02% | 5.06% | - | - | - | - |
| Commercial FFS | - | - | - | - | - | - |
| Medicaid RB (own unit) | 2.77% | - | - | - | - | - |
| Other RB (own unit) | - | - | - | - | - | - |
| Physician Billing | 1.08% | - | - | - | - | - |
| Self Pay | 0.94% | - | - | - | - | - |
| Other Charity Rev | - | - | - | - | - | - |
| Adjustments | (44.91%) | (39.06%) | - | - | - | - |
| Total | 100.00% | 100.00% | - | - | - | - |
| Direct Labor | | | | | | |
| Nurses | 7.15% | 62.59% | - | - | - | - |
| CNA | 1.77% | 47.92% | - | - | - | - |
| SW | 2.06% | 4.21% | - | - | - | - |
| PC | 0.72% | - | - | - | - | - |
| Physician | 2.96% | - | - | - | - | - |
| On-Call | 2.53% | - | - | - | - | - |

| Locations | | 4 | 5 | 6 | 7 |
|--|--|--------------|--------------|-------------|-------------|
| Team/Location Report | | Team Leaders | | | |
| Sunny Day Hospice | | Terry | John | Ann | |
| For Periods Ending July 31, 2008 | | North County | South County | East County | West County |
| Census | | 94 | 24 | 0 | 0 |
| Census Goals | | 125 | 55 | 75 | 50 |
| Computed Caseloads | | | | | |
| Nurses | | 9.0 | 6.4 | - | - |
| CNA | | 36.2 | 8.3 | - | - |
| SW | | 31.1 | 94.6 | - | - |
| PC | | 88.8 | - | - | - |
| Physician | | 21.7 | - | - | - |
| On-Call | | 23.8 | - | - | - |
| Admissions | | 45.4 | - | - | - |
| Bereavement | | - | - | - | - |
| Volunteer | | - | - | - | - |
| Enter Total Number of Visits per Location and per Discipline | | | | | |
| Nurses | | 3,750 | | | |
| CNA | | 5,000 | | | |
| SW | | 1,500 | | | |
| PC | | 750 | | | |
| Physician | | 1,000 | | | |
| On-Call | | 1,000 | | | |



278



279

Why Does a Manager Make More?

- **70%** of an employee's development/morale/retention comes from the immediate supervisor (Teacher)
- Sexy up the Job where People want it!
- Responsible for Operations (ROI) - Quality & Financial
- Responsible for Upholding Culture - Accountability
- Responsible for Retaining Talent
- Responsible for Terminating Non-Productive, Culture Destroyers and Energy Sucks

The Model
Balancing Purpose and Profit...

280

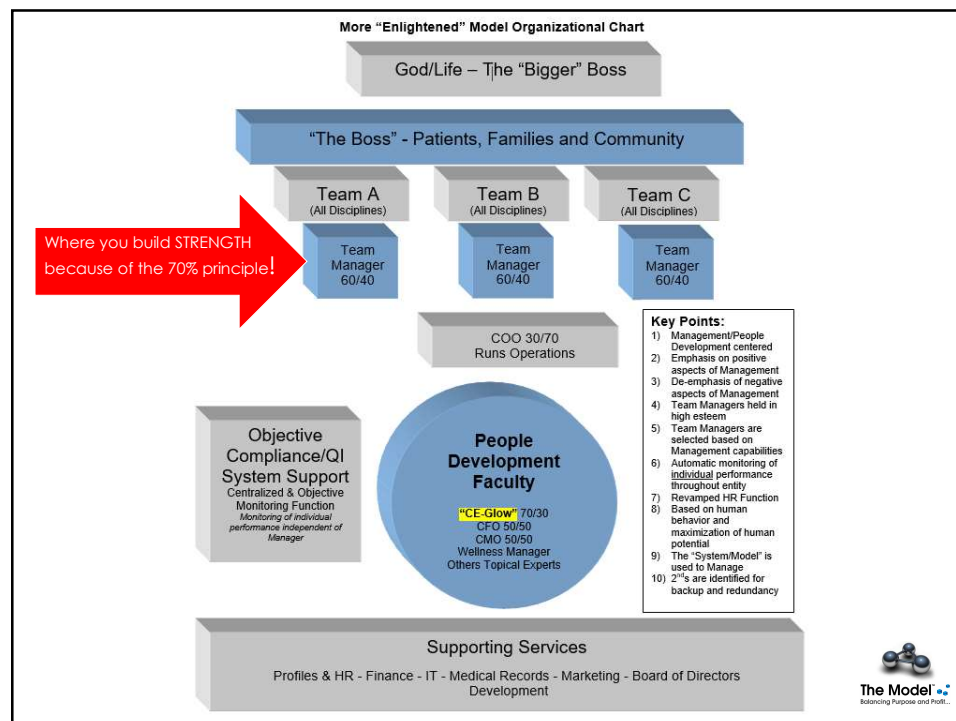
70%

of an employee's development¹,
morale² & retention³ will come
from the immediate Manager!

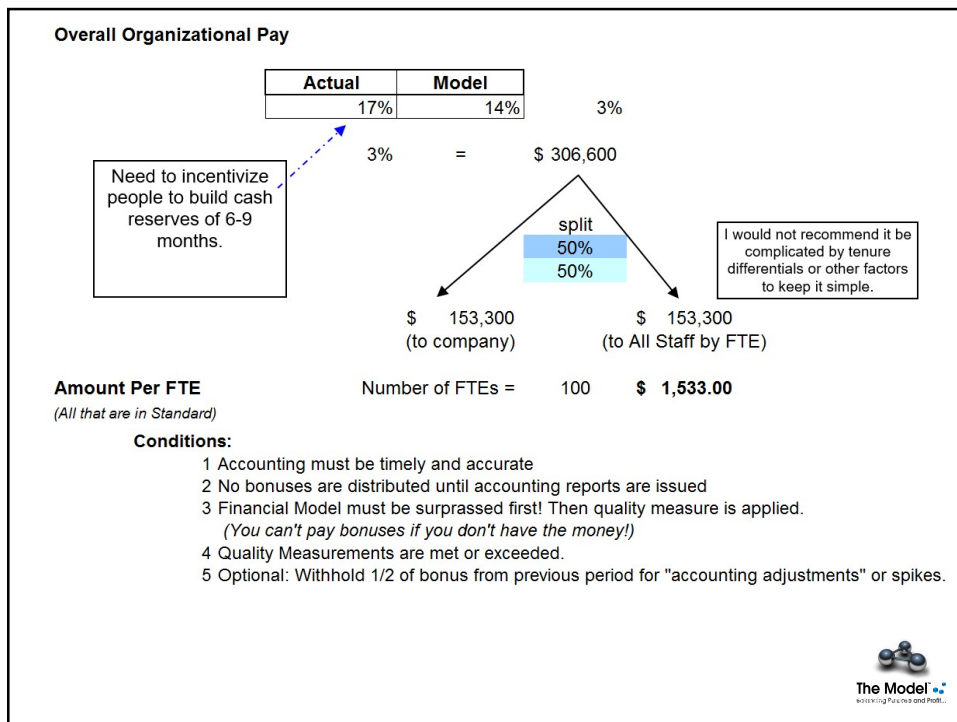
Whoa!!!



281



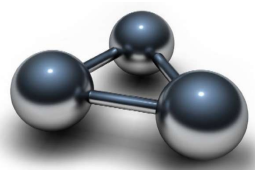

282



283

What if a Manager's NPR% exceeds the Standard?

The Manager's Standards Pay is removed. The Team Pay is also not given as there is nothing to bonus to the team.

284

Executive Management

We recommend that all Executive Management reduce salaries to minimal levels and then make up the difference, and even “outdo” previous compensation, through a “distribution” type system similar to “shares.” This especially applies to the CEO...and can even apply to Board members.



285

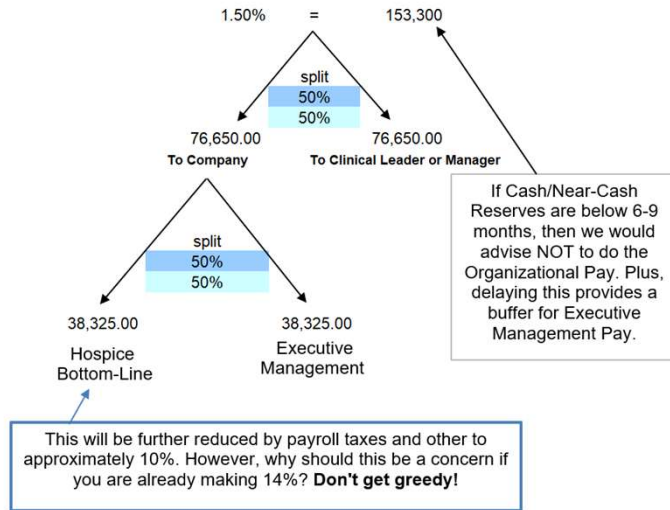
Executive Management – Why Reduce Salaries and use “Shares”

- To Model and set an Example. This is Integrity.
- To have personal experience in “betting” on yourself and the organization.
- To increase your ability/power to “sell” the compensation system to others.
- It sets a “cap” on base compensation.
- To decrease your Indirect Costs
 - Even though, if profitable, you will certainly outdo previous compensation in dollars paid out.
- **An increase of Personal Power will result almost magically.**



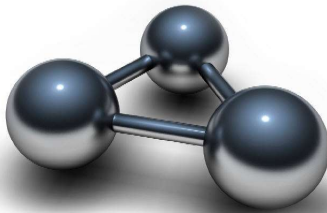
286

Executive Management Comp Split



287

What about Quawlity?



MVI Multi-View Incorporated

288

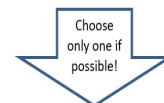
The Same Measures Can be Used for So Many Clinical Positions

Quality Measures for Clinical Positions

Version 22.0

Position

Quality Measures



| | (1) Documentation | (2) Productivity | (3) Quality |
|--------------------------------|------------------------------|--|---|
| Clinical - Direct Labor | | | |
| RN | 1) Documentation to Standard | 2) # of Patients Visited and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| LPN | 1) Documentation to Standard | 2) # of Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| Aide | 1) Documentation to Standard | 2) # of Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| SW | 1) Documentation to Standard | 2) # of Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| Spiritual Care | 1) Documentation to Standard | 2) # of Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| Admissions RN | 1) Documentation to Standard | 2) # of Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| Advanced Practice Nurse | 1) Documentation to Standard | 2) # of Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| On-Call RN | 1) Documentation to Standard | 2) # of Visits or Chart Audits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| Occupational Therapist | 1) Documentation to Standard | 2) # of Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| Physical Therapist | 1) Documentation to Standard | 2) # of Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| Speech Therapist | 1) Documentation to Standard | 2) # of Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| Physician/NP | 1) Documentation to Standard | 2) # of Patients Visited or Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| Homemaker | 1) Documentation to Standard | 2) # of Visits and 100% to POC | 3) No Complaints/Gifts , Avg Pain Scores |
| Inpatient Unit | | | |
| RN | 1) Documentation to Standard | 2) Unit GIP Census | 3) No Complaints/Gifts , Avg Pain Scores |
| LPN | 1) Documentation to Standard | 2) Unit GIP Census | 3) No Complaints/Gifts , Avg Pain Scores |
| Aide | 1) Documentation to Standard | 2) Unit GIP Census | 3) No Complaints/Gifts , Avg Pain Scores |
| Charge Nurse | 1) Documentation to Standard | 2) Unit GIP Census | 3) No Complaints/Gifts , Avg Pain Scores |

MVI Suggestion in RED

IF YOU CAN ONLY MONITOR DOCUMENTATION AND PRODUCTIVITY EASILY, THEN JUST USE THOSE!

MVI suggests RNs use Number of Patients Visited Per Pay Period and to 100% of the POC.

Simply running a Plan of Care (POC) report for compliance is really sufficient when the Number of Patient Visited is being used too!

The Model
Working People and Profit...

289

Where Do You Get the Time to Teach & do Ride-Alongs?

MVI Multi-View
Incorporated

290

Making Management EASIER!

The Compensation System is the ONLY known means to remove the need for Managers to:

- 1. Monitor Documentation**
- 2. Monitor Productivity**
- 3. Do Annual Reviews**
- 4. Need to Fire People**

These are REMOVED from the Clinical Manager's job description to free up time to do the *1st Duty*...to Teach and Coach as all employee's learn to self-regulate to the organizational Standards.



291

The “system” does the heavy lifting for the Managers and removes many of the negative aspects of management.

The Compensation System brings great relief and makes management radically EASIER!



292

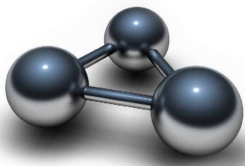
Documentation Example

1. Documentation Standards are defined.
2. Self-Learning Modules with a short test are created.
3. Documentation is taught strictly to *System7*.
4. QI/Compliance audits charts to a 90-95% statistical confidence interval. The job of making sure documentation is to Standard is REMOVED from Clinical Manager duties.
5. If any material defect in a chart is identified (variance from Standards), QI/Compliance sends an email with a Self-Learning Module link to the person and notifies the Clinical Manager as well.
6. The clinician fixes the issue, if possible, and completes the Self-Learning Module within 1 day.
7. In addition, any performance pay as well as Standards Bonus is not received. Normally this is 5% for 2 weeks.



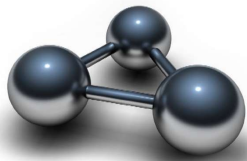
293

Who do
Indirect and Support Staff
“live to serve?”



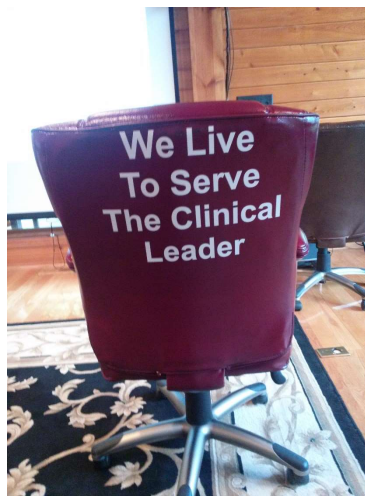
294

Clinical Managers!



295

**Indirect and Support Areas **Live to
Serve** the Clinical Managers!**



296

This Creates a Service Culture at all Levels of the Organization

Indirect Labor - A simple and effective system that fosters a "Culture of Service".

| | |
|---------------------|--|
| Administration | If 2 Negative Codes are received, 5% of Attitude/Performance Pay removed. If more than 2, 10%. |
| Clinical Management | If 2 Negative Codes are received, 5% of Attitude/Performance Pay removed. If more than 2, 10%. |
| Finance | If 2 Negative Codes are received, 5% of Attitude/Performance Pay removed. If more than 2, 10%. |
| HR | If 2 Negative Codes are received, 5% of Attitude/Performance Pay removed. If more than 2, 10%. |
| IT | If 2 Negative Codes are received, 5% of Attitude/Performance Pay removed. If more than 2, 10%. |
| Marketing | If 2 Negative Codes are received, 5% of Attitude/Performance Pay removed. If more than 2, 10%. |
| Education | If 2 Negative Codes are received, 5% of Attitude/Performance Pay removed. If more than 2, 10%. |
| Compliance/PI | If 2 Negative Codes are received, 5% of Attitude/Performance Pay removed. If more than 2, 10%. |

Each Pay Period, Clinical Leaders can register a Standard Growth/Negative Code if they experience serious dissatisfaction with an Indirect/Supporting area. Do the same monthly for each Indirect area.

If a Indirect or Support area gets less than a 7 average score, the entire department's 10% Standards Pay is removed for one pay cycle.

Growth Codes

Helpful Feedback to GROW!

| | |
|---|---|
| A | Poor Attitude |
| P | Non-Performance/Poor Follow-Through |
| C | Poor Communication |
| Q | Poor Quality of Work/Errors |
| M | Late to Meeting(s) |
| L | Late to Work |
| G | Customer Complaint/Gift |
| E | Excessive Time-Out - Abuse of Work Latitude |
| + | Outstanding Job Performance |

The system "resets" NEW every Pay Period...a NEW/FRESH Start each time!

All Indirect functions also must have at least one person cross trained in each function and allow the person to work in that capacity for 2 non-concurrent months of the year. Costs are not allocated from their normal position.

If a position or function is outsourced, that cost still remains with the Indirect Area and is including in the NPR% calculation.



297

It is up to Indirect Departmental Managers to determine a few specific weekly/monthly measures for their people, which are far fewer in number.

Indirect Positions - These should already be in job descriptions.

| | |
|---|---|
| CEO/Executive Director | Chief Education Officer! A walking billboard of Vision and Confidence. Scored by Quality, Profitability and Growth. |
| Executive Assistant | Based on the assessment of the CEO (1) ability to anticipate (2) communication skills (3) Scores from Management team. |
| Chief Clinical Officer/Primary Clinical Manager | Based on Overall Quality, Profitability and Scores from Clinical Managers and Management Team |
| COO | Based on Overall Quality, Profitability and Scores from Clinical Managers and Management Team |
| CFO | Overall Satisfaction Scores of Clinical Managers and Management Team |
| Staff Accountant | Satisfaction Level of Clinical Managers & CFO |
| Billing Supervisor | Days in AR - Quality of Billing Function |
| Billor | Days in AR - Adjusted for ADRs |
| Accounts Payable | Days in Payables |
| Payroll Clerk | Accuracy of Payroll-# of Reported Errors Errors in Payroll impact morale |
| Data Entry Position | # of Errors |
| Chief Medical Officer | (1) Documentation, including 180 Recerts, (2) Education & Outreach contacts, (3) Calls to Patients and (4) Visits |
| Medical Director | (1) Documentation, including 180 Recerts, (2) Education & Outreach contacts, (3) Calls to Patients and (4) Visits |
| Clinical Team Manager/PCC | Based on Documentation, Live Patient Scores and Confidence Scores |
| Quality Improvement Manager (VP, Director) | Same as Education or People Development |
| Quality Improvement Staff | Scores from Audits |
| Compliance Officer | # of Deficiencies, Independent Review of Compliance |
| Director of Education (VP, Manager) | Level of Confidence of Staff via Mental and Synthetic Testing |
| Staff Educator | Level of Confidence of Staff via Mental and Synthetic Testing |
| Bereavement Manager (VP, Director, Supervisor) | Overall Level of Confidence of Staff - Appreciation Scores 1-10 |
| Bereavement Staff | Appreciation Scores 1-10. Contact with All Bereaved on a predictable and eff With our innovative methods, often grief is vastly minimized |
| Volunteer Coordinator Manager (VP, Director) | Overall Number of Patient-Care Volunteer Hours and All Volunteer Hours |
| Volunteer Coordinator | Number of Patient-Care Volunteer Hours and All Volunteer Hours |
| Marketing Manager (VP, Director) | Overall Number of Admissions |
| Marketers | Number of Admissions |
| HR Manager (VP, Director) | Satisfaction Level of Clinical Managers and ALL other areas |
| HR Staff | Satisfaction Level of Clinical Managers and ALL other areas |
| IT Manager (VP, Director) | Satisfaction Level of Clinical Managers and ALL other areas |



298

**IF you do this compensation approach,
you will never have to do an annual
evaluation again. By virtue of the
person still being employed, they are
doing 100% of the Standards! Because
if they weren't, the "system" would spit
them out! If CHAP requires an eval,
then its "We love you! Great Job!"
END OF THE ANNUAL EVALUATION.**



299

The Opportunity all Organizations have...
To Become a Culture of Self-Actualization

- To Grow, you must Grow your People...
- Growth results in increased Confidence
- Growth results in better Attitudes
- Growth results in Happiness
- Growth increases Belief in Self & the Organization
- **Compensation** does this POWERFULLY...
as it is tangible and so engrained in society



300

The Role of the Compliance Area

Compliance – Audit Sheet - Audit to at least a 90% Confidence Interval

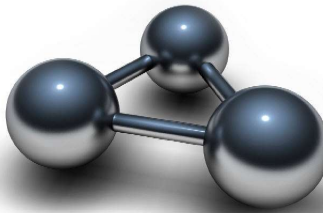
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|----|-------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | Pay Period | Period 1 | Period 2 | Period 3 | Period 4 | Period 5 | Period 6 | Period 7 | Period 8 | Period 9 | Period 10 | Period 11 | Period 12 |
| | Blue Team - Smith | | | | | | | | | | | | |
| 1. | Doe, Jane | 3/19 A | | | | | | | | | | | |
| 2. | Smith, Sally | | | | | | | | | | | | |
| 3. | Brown, Robert | | | 4/16 B | | | | | | | | | |
| 4. | Daily, Dilley | | | | | | | | | | | | |
| 5. | Nice, Jill | | | | | | | | | | | | |
| 7. | Bob, Billy | | | | | | 5/21 C | 6/2 C | 6/18 A | | | | |

A = Use of non-organizational language
B = Signatures not timely/not signed
C = Other



301

Special Groups & Situations



MVI Multi-View
Incorporated

302

Volunteer Coordinators - Life-Changers

Volunteer Coordinator Pay Methods

| | | | | | | | | | |
|----------------------------------|--|--|--|--------------------------------|----------|-------------------------|----------|-----------|------------|
| | | | | Average Care-Hours Per Patient | | 30 | | | |
| | | | | Number of Annual Patients | | 600 | | | |
| | | | | Total Annual Care-Hours | | 18,000 | | | |
| <u>Base Plus Activity</u> | | | | MCR | Minimum | Performance Percentages | | | |
| | | | | 5% | 8% | 12% | 19% | 75% | 202% |
| Volunteer Patient-Care Hours | | | | 900 | 1,440 | 500 | 1,000 | 10,000 | 25,000 |
| Rate | | | | 5.00 | | | | | |
| Volunteer Non-Patient Hours | | | | | All | 200 | 1,000 | 2,080 | 10,000 |
| Rate | | | | 3.00 | | | | | |
| Phone Calls | | | | | 0 | - | - | - | - |
| Rate | | | | - | | | | | |
| | | | | Compensation | | | | | |
| Base | | | | | | | | | |
| Semi Monthly | | | | | | | | | |
| Pay Period | | | | | | | | | |
| 25,000.00 | | | | 24 | 1,041.67 | 3,100.00 | 8,000.00 | 56,240.00 | 155,000.00 |
| Individual Pay | | | | | | | | | |
| Position Pay | | | | | | | | | |
| Total Compensation | | | | | | | | | |
| | | | | | | | | | |
| Labor Cost Per Volunteer Hour | | | | | | | | | |
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Physician Pay Methods

Physician Pay Methods

Periodically Reviewed Retainer or Hourly Rate

An estimated "value" of each physician is created and reviewed periodically and the rate is adjusted as appropriate.

Periodically Reviewed Retainer or Hourly Rate PLUS Percentage of Pharmacy & Therapy Costs Below Standard

An estimated "value" of each physician is created and reviewed periodically and the rate is adjusted as appropriate.

In addition, the physician is paid a percentage of "savings" for Pharmacy and Therapy costs below the Model Standard.



305

Physician Pay Methods

Physician VALUE Pay - Detailed

| | | Rate | | | | |
|---|--------------|------------|-----------------------------|------------|------------|----|
| Per Pay Period F2F Visits | 75.00 | 10 | 10 | 20 | 25 | |
| Education/New Accounts tied to %s below | | 0 | 1 | 2 | 3 | |
| Base | Semi Monthly | Pay Period | Percentages of Position Pay | | | |
| 100,000.00 | 24 | 4,166.67 | 5% | 5% | 5% | 5% |
| New Accounts | | - | 5,000.00 | 10,000.00 | 15,000.00 | |
| F2F Visits (Must be 80% Billable) | | 18,000.00 | 18,000.00 | 36,000.00 | 45,000.00 | |
| Pharmacy & Therapies - Based on Savings | | 27,375.00 | 54,750.00 | - | 41,062.50 | |
| Position Pay | | 100,000.00 | 100,000.00 | 100,000.00 | 100,000.00 | |
| Total Compensation | | 145,375.00 | 177,750.00 | 146,000.00 | 201,062.50 | |
| Pharmacy & Therapies Calculations | | | | | | |
| ADC | | 200 | 200 | 200 | 200 | |
| Standard | 5.0% | | | | | |
| Actual Performance | | 4.0% | 3.0% | 5.0% | 3.5% | |
| MCR Rate | 150.00 | | | | | |
| Percentage of Savings to Physician | 25% | | | | | |

* Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given.

** Note: IDT and other care coordination activities are included.

*** Note: Pharmacy & Therapies is dependent upon ADC.

306

Physician Pay Methods

| <u>Base Plus Per-Activity</u> | | | | | | | |
|---|-----------------|---------------|---------------|--------------|------------|------------|------------|
| Weekly Visits | | | Minimum 20 | 5 | 8 | 10 | 12 |
| Rate | 100.00 | | | | | | |
| Weekly Cert Visits | | | All | 0 | 0 | 0 | 0 |
| Rate | - | | | | | | |
| Phone Calls | | | 40 | 5 | 7 | 10 | 20 |
| | 25.00 | | | | | | |
| | | | | | | | |
| Base | Semi Monthly | Pay Period | Minimum | Compensation | | | |
| 130,000.00 | 24 | 5,416.67 | | 625.00 | 975.00 | 1,250.00 | 1,700.00 |
| Individual Pay | | | | 15,000.00 | 23,400.00 | 30,000.00 | 40,800.00 |
| Position Pay | | | | 130,000.00 | 130,000.00 | 130,000.00 | 130,000.00 |
| Total Compensation | | | | 145,000.00 | 153,400.00 | 160,000.00 | 170,800.00 |
| * Note: If performance or behavior is non-standard, the Standards Pay Bonus (10%) is not given. | | | | | | | |
| ** Note: IDT and other care coordination activities are included. | | | | | | | |



307

Physician Pay Methods - IPU

| <u>Physician in an IPU - Per-Visit</u> | | | | | | | |
|--|-----------------|---------------|-----------------------|--------------|------------|------------|------------|
| Weekly Visits | | | Minimum 1 visit PP | 50 | 56 | 70 | 75 |
| Rate | 100.00 | | | | | | |
| | | | | | | | |
| Base | Semi Monthly | Pay Period | Minimum | Compensation | | | |
| - | 24 | - | | 5,000.00 | 5,600.00 | 7,000.00 | 7,500.00 |
| Individual Pay | | | | 120,000.00 | 134,400.00 | 168,000.00 | 180,000.00 |
| Position Pay | | | | - | - | - | - |
| Total Compensation | | | | 120,000.00 | 134,400.00 | 168,000.00 | 180,000.00 |
| * Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given. | | | | | | | |
| ** Note: IDT and other care coordination activities are included. | | | | | | | |



308

Physician Pay Methods – Homecare & IPU

Physician 100% Per-Visit (Billed and Collected)

| | | | | | | | |
|--------------------|--------------|------------|---------|--------------|------------|------------|------------|
| Weekly Visits | | | | 50 | 56 | 70 | 75 |
| Rate | | 100.00 | | | | | |
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| Base | Semi Monthly | Pay Period | Minimum | Compensation | | | |
| - | 24 | - | | 5,000.00 | 5,600.00 | 7,000.00 | 7,500.00 |
| Individual Pay | | | | 120,000.00 | 134,400.00 | 168,000.00 | 180,000.00 |
| Position Pay | | | | - | - | - | - |
| Total Compensation | | | | 120,000.00 | 134,400.00 | 168,000.00 | 180,000.00 |

* Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given.

** Note: IDT and other care coordination activities are included.



309

Sales & Marketing

Sales and Marketing Pay Methods

Marketer's VALUE Pay

| | | | | | |
|---|----------|----|----|----|----|
| | Rate | | | | |
| Number of Contacts (Avg per Week) | 25.00 | 10 | 10 | 20 | 25 |
| Education/New Accounts tied to %s below | 2,000.00 | 0 | 1 | 4 | 6 |

| | | | | | | |
|---|--------------|------------|-----------------------------|-----------|------------|------------|
| Base | Semi Monthly | Pay Period | Percentages of Position Pay | | | |
| 40,000.00 | 24 | 1,666.67 | 0% | 50% | 100% | 150% |
| | | | | 833.33 | 1,666.67 | 2,500.00 |
| Individual Pay (Based on New Accounts) | | | - | 2,000.00 | 8,000.00 | 12,000.00 |
| Number of Contacts | | | 6,000.00 | 6,000.00 | 12,000.00 | 15,000.00 |
| Composite Score of Admissions/Info Visits | | | - | 20,000.00 | 40,000.00 | 60,000.00 |
| Position Pay | | | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 |
| Total Compensation | | | 46,000.00 | 68,000.00 | 100,000.00 | 127,000.00 |

Composite Score (many factors)

| | | | | | |
|--|--------|-----|-------|-------|-------|
| ADC (Not used) | | 0 | 0 | 0 | 0 |
| Percentage of Growth | | | 0.00% | 0.00% | 0.00% |
| % of Salary based on Admissions/Info Visits from Assigned Accounts | | 100 | 200 | 250 | 300 |
| MCR Rate (not used) | 150.00 | | | | |
| Percentage (not used) | 25% | | | | |

* Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given.



310

Sales & Marketing

Sales and Marketing Pay Methods

Annual Basis - Percentages of Salary based on Hitting Sales Levels

| Average Weekly Admissions/Info Visits | 5 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 |
|---------------------------------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| Number of New Accounts | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Base | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 |
| Semi Monthly | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Pay Period | 1,666.67 | 1,666.67 | 1,666.67 | 1,666.67 | 1,666.67 | 1,666.67 | 1,666.67 | 1,666.67 | 1,666.67 |
| Percentages of Position Pay | 20% | 40% | 60% | 80% | 100% | 120% | 140% | 160% | 180% |
| New Accounts Pay | - | 40,000.00 | 80,000.00 | 120,000.00 | 160,000.00 | 200,000.00 | 240,000.00 | 280,000.00 | 320,000.00 |
| Individual Pay | 8,000.00 | 16,000.00 | 24,000.00 | 32,000.00 | 40,000.00 | 48,000.00 | 56,000.00 | 64,000.00 | 72,000.00 |
| Position Pay | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 |
| Total Compensation | 48,000.00 | 56,000.00 | 64,000.00 | 72,000.00 | 80,000.00 | 88,000.00 | 96,000.00 | 104,000.00 | 112,000.00 |

* Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given.

Weekly Basis - Percentages of Salary based on Hitting Sales Levels

| Weekly Admissions/Info Visits | 5 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 |
|-------------------------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| Number of New Accounts | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Base | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 |
| Semi Monthly | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| Pay Period | 769.23 | 769.23 | 769.23 | 769.23 | 769.23 | 769.23 | 769.23 | 769.23 | 769.23 |
| Percentages of Position Pay | 20% | 40% | 60% | 80% | 100% | 120% | 140% | 160% | 180% |
| New Accounts Pay | - | 40,000.00 | 80,000.00 | 120,000.00 | 160,000.00 | 200,000.00 | 240,000.00 | 280,000.00 | 320,000.00 |
| Individual Pay | 153.85 | 307.69 | 461.54 | 615.38 | 769.23 | 923.08 | 1,076.92 | 1,230.77 | 1,384.62 |
| Position Pay | 769.23 | 769.23 | 769.23 | 769.23 | 769.23 | 769.23 | 769.23 | 769.23 | 769.23 |
| Total Compensation | 923.08 | 1,076.92 | 1,230.77 | 1,384.62 | 1,538.46 | 1,692.31 | 1,846.15 | 2,000.00 | 2,153.85 |

* Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given.



311

Admissions & Intake

Admissions Pay Methods

Base Plus Per-Activity

| Weekly Admission/Info Visits | Minimum | 1 | 2 | 3 | 4 |
|------------------------------|---------|--------|--------|--------|--------|
| Rate | 100.00 | 100.00 | 200.00 | 300.00 | 400.00 |
| Marketing Visits | All | 1 | 2 | 3 | 4 |
| Rate | 40.00 | 40.00 | 80.00 | 120.00 | 160.00 |
| Phone Calls | 0 | 0 | 0 | 0 | 0 |
| Rate | - | - | - | - | - |

| Base | Semi Monthly | Pay Period | Minimum 10 Admits | Compensation |
|--------------------|--------------|------------|-------------------|-------------------------------|
| 50,000.00 | 24 | 2,083.33 | 140.00 | 280.00 420.00 560.00 |
| Individual Pay | | | 3,360.00 | 6,720.00 10,080.00 13,440.00 |
| Position Pay | | | 50,000.00 | 50,000.00 50,000.00 50,000.00 |
| Total Compensation | | | 53,360.00 | 56,720.00 60,080.00 63,440.00 |

* Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given.

** Note: IDT and other care coordination activities are included.



312

Admissions & Intake

Admissions Pay Methods

| <u>Percentage of Salary</u> | | | | | | | |
|--|--------------|------------|-----------------------------|-----------|-----------|-----------|--|
| Weekly Admission/Info Visits | | | 12 | 13 | 14 | 15 | |
| Base | Semi Monthly | Pay Period | Percentages of Position Pay | | | | |
| | | | 10% | 20% | 30% | 40% | |
| 50,000.00 | 24 | 2,083.33 | 208.33 | 416.67 | 625.00 | 833.33 | |
| Individual Pay | | | 5,000.00 | 10,000.00 | 15,000.00 | 20,000.00 | |
| Position Pay | | | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | |
| Total Compensation | | | 55,000.00 | 60,000.00 | 65,000.00 | 70,000.00 | |
| * Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given. | | | | | | | |
| ** Note: IDT and other care coordination activities are included. | | | | | | | |



313

On-Call & Afterhours (Just in Case Nurse)

On-Call Pay Methods

| <u>Base Plus Per-Activity</u> | | | | | | | |
|--|--------------|------------|-------------------|--------------|-----------|-----------|-----------|
| Weekly Admission/Info Visits | | | Minimum | 2 | 4 | 6 | 8 |
| Rate | 100.00 | | | | | | |
| Chart Audits | | All | 20 | 30 | 40 | 45 | |
| Rate | 20.00 | | | | | | |
| Phone Calls | | 0 | 0 | 0 | 0 | 0 | |
| | - | | | | | | |
| Base | Semi Monthly | Pay Period | Minimum 10 Admits | Compensation | | | |
| 50,000.00 | 24 | 2,083.33 | | 600.00 | 1,000.00 | 1,400.00 | 1,700.00 |
| Individual Pay | | | | 14,400.00 | 24,000.00 | 33,600.00 | 40,800.00 |
| Position Pay | | | | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 |
| Total Compensation | | | | 64,400.00 | 74,000.00 | 83,600.00 | 90,800.00 |
| * Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given. | | | | | | | |
| ** Note: IDT and other care coordination activities are included. | | | | | | | |



314

On-Call & Afterhours (Just in Case Nurse)

On-Call Pay Methods

As a Percentage of Salary

Weekly Admission/Info Visits 12 13 14 15

| Base | Semi Monthly | Pay Period | Percentages of Position Pay | | | |
|--------------------|--------------|------------|-----------------------------|-----------|-----------|-----------|
| | | | 10% | 20% | 30% | 40% |
| 50,000.00 | 24 | 2,083.33 | 208.33 | 416.67 | 625.00 | 833.33 |
| Individual Pay | | | 5,000.00 | 10,000.00 | 15,000.00 | 20,000.00 |
| Position Pay | | | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 |
| Total Compensation | | | 55,000.00 | 60,000.00 | 65,000.00 | 70,000.00 |

* Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given.

** Note: IDT and other care coordination activities are included.



315

Clinical Pay – IPU or Continuous Care

Clinical Pay - Hospice Inpatient Unit (IPU)

RN Example - This can be applied to most all clinical disciplines.

Weekly Average Census 5 6 7 8 9 10 11 12 13 14

| Base | Semi Monthly | Pay Period | Percentages of Position Pay | | | | | | | | | |
|--------------------|--------------|------------|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | 0% | 10% | 20% | 30% | 40% | 50% | 60% | 70% | 80% | 90% |
| 40,000.00 | 24 | 1,666.67 | - | 166.67 | 333.33 | 500.00 | 666.67 | 833.33 | 1,000.00 | 1,166.67 | 1,333.33 | 1,500.00 |
| Individual Pay | | | - | 4,000.00 | 8,000.00 | 12,000.00 | 16,000.00 | 20,000.00 | 24,000.00 | 28,000.00 | 32,000.00 | 36,000.00 |
| Position Pay | | | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 | 40,000.00 |
| Total Compensation | | | 40,000.00 | 44,000.00 | 48,000.00 | 52,000.00 | 56,000.00 | 60,000.00 | 64,000.00 | 68,000.00 | 72,000.00 | 76,000.00 |

* Note: If performance or behavior is non-standard, the Standards Pay Bonus (5%) is not given.

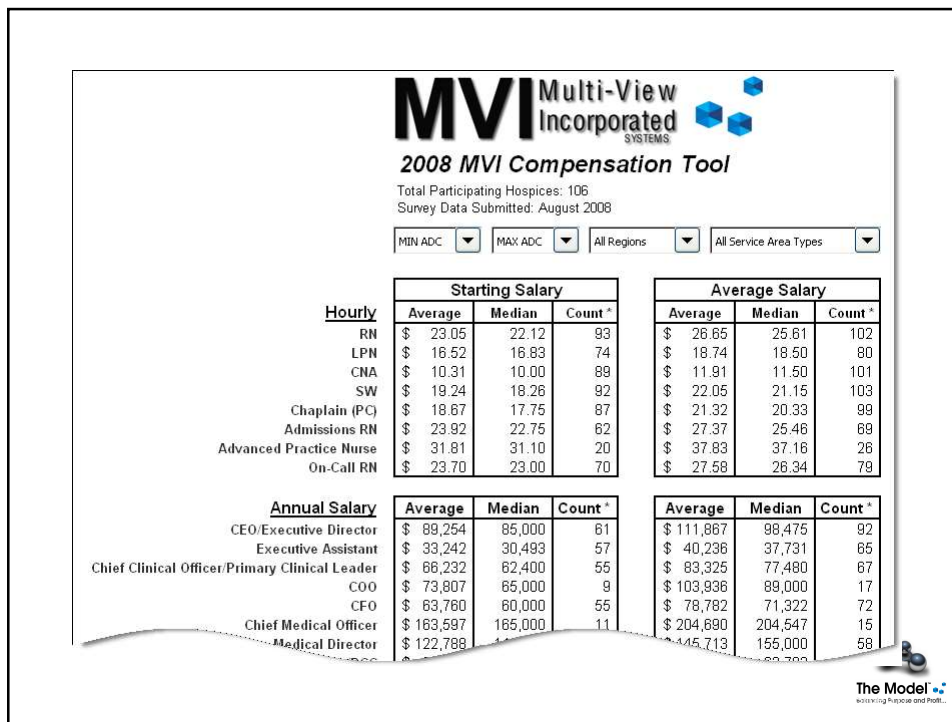
** Note: IDT and other care coordination activities are included.

This is a slightly lower amount than is currently being paid.

This is the "magic" number which is 1 above breakeven.



316



317

“Andrew, What Can I Do Right NOW!”

1. Start “Spiritualizing” Compensation as you do with Accountability.
2. Setup Standards Pay
3. Put Clear Glass Meeting Jars in Meeting Rooms with the word “RESPECT” on them.
4. Breakup Salaries and Hourly amounts into “Categories:”
 - a. Base Pay
 - b. Standards Pay
 - c. Attitude/Team Accountability Pay
5. Institute Attitude/Team Accountability Pay by establishing a Set of Codes that can be sent to HR, Compliance or Payroll.
6. Add the Unnecessary Waste Pay Option.

318

Conclusion

- Only way to the 90th Percentile
- Pay on 2 levels - Group and Individual
- Standards Bonus is a high value move and is the MOST IMPORTANT of all parts of this program.
- Keep your compensation methodologies simple. Limit the activity codes, steps
 - The more steps, the less generous the plan
- Bring your People Close to Revenue (Mutual Reliance/Auto-Pilot)
- Use Accountability/Empowerment Pay as a Tool and get beyond the Fear Barrier



319

The Opportunity all Organizations have... To Become a Culture of Self-Actualization

- To Grow, you must Grow your People...
- Growth results in increased Confidence
- Growth results in better Attitudes
- Growth results in Happiness
- Growth increases Belief in Self & the Organization
- **Compensation** does this POWERFULLY...
as it is tangible and so engrained in society



320

Our Quality comes from the Quality of our
People

Be rather than to **Seem...**



321

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322