

## ANNUAL REPORT TO THE BOARD

August 2018



*When you need us most...  
we'll be there.*

## **PREFACE**

The past year has been a pivotal year in many ways for Prairie Home Hospice & Community Care. In 2013, we adopted a “Vision for the Future”, which has provided a strategic guide for the organization over the past five years. Earlier this year, we adopted a new Strategic Plan that outlines our priorities and will guide us over the next few years. Many of our priorities remain the same, but we have fine-tuned some of the strategies that will support our goals and priorities.

## **STRATEGIC PRIORITIES**

### **MISSION**

**We are committed to serving the community through the delivery of exceptional services and compassionate care, as a trusted leader in home care and hospice services.**

### **We Value...**

- Our commitment to ensuring that the individuals and families we serve experience compassionate service, quality care, physical comfort, a sense of emotional and spiritual wellbeing, and peace of mind in a way that enriches their lives.
- The right of every patient to receive quality care that is consistent with their values and preferences.
- Excellence from highly motivated, competent and empowered staff, volunteers and board members.
- A culture of collaboration among and between patient, family, medical partners, hospice staff, volunteers and the community.
- Respect, honesty, integrity, confidentiality, trust and professionalism.
- Responsible stewardship of the gifts and resources with which we have been entrusted.

### **EXCEPTIONAL SERVICE & COMPASSIONATE CARE *for every person we serve***

- A consistent focus on providing Exceptional Services & Compassionate Care to every person we serve.
- A consistent Commitment to Quality.
- Ongoing evaluation of our efforts to provide Exceptional Service & Compassionate Care:
  - Quality Measures
  - CAHPS Survey Results
  - Hospice Compare
  - Home Care Compare
- Consistent efforts to make every patient and family member feels welcomed, appreciated and valued.
- Consistent efforts to ASK those we serve often, “How Are We Doing...Is There Anything Else We Can Do for You?”

### **AN EXCEPTIONAL TEAM of staff and volunteers**

- A work environment where people feel supported and empowered.
- Compensation and benefits that are competitive and meet the needs of today’s workforce.
- Training & education that provides the skills & tools needed to perform well.
- Opportunities for career development.
- Consistent & fair processes for evaluation, improvement and/or recognition.
- Job descriptions that clearly outline roles, responsibilities and expectations.
- Consistent opportunities for communication and team building.

## RESOURCES

### *to support our priorities and goals*

- A fundraising plan that establishes clear fundraising goals to support our strategic priorities and budget:
  - Donations & Memorials
  - Fundraising Events
  - Grants & Community Support
  - Planned Giving
  - Special Campaigns
- Sound financial management that promotes fiscal stability now and in the future:
  - Sound accounting policies, procedures & oversight
  - Sound financial budgeting, reporting & oversight
  - Adequate reserves
- Active monitoring of and engagement in issues that impact Medicare/Medicaid funding that supports the needs of the people we serve.

## GROWTH

### *that supports increasing demand for services*

- Continually monitor local growth trends and demand for the services we provide.
- Explore opportunities that would enable us to help meet the increasing demand for the services we provide.
- Consistent focus on maintaining our commitment to Exceptional Service & Compassionate Care even as we grow to meet increasing demand for services.
- Continue focus on recruiting and maintaining an Exceptional Team that has the capacity to support increasing demand for services and growth.
- Continue focus on ensuring that we have the Resources we need to support increasing demand for services and growth.
- Effective Marketing Efforts that supports our goal of maintaining or increasing our market share as demand for services increases.

## EFFECTIVE MARKETING EFFORTS

### *that support our priorities and goals*

- A marketing plan that highlights our strengths
  - A reputation for quality since 1984 that speaks for itself.
  - Staffing levels that allow our care teams the time they need to provide the kind of care that patients deserve.
  - Exceptional response times – when you need us, we'll be there. Our goal is to respond to calls from patients or family members within 15 minutes, and to be at the bedside as soon as possible, as needed.
  - Our local commitment to community:
    - Every dollar we earn or raise stays right here in Lyon County.
    - Budget surpluses are reinvested in meeting the needs of the people and communities we serve.

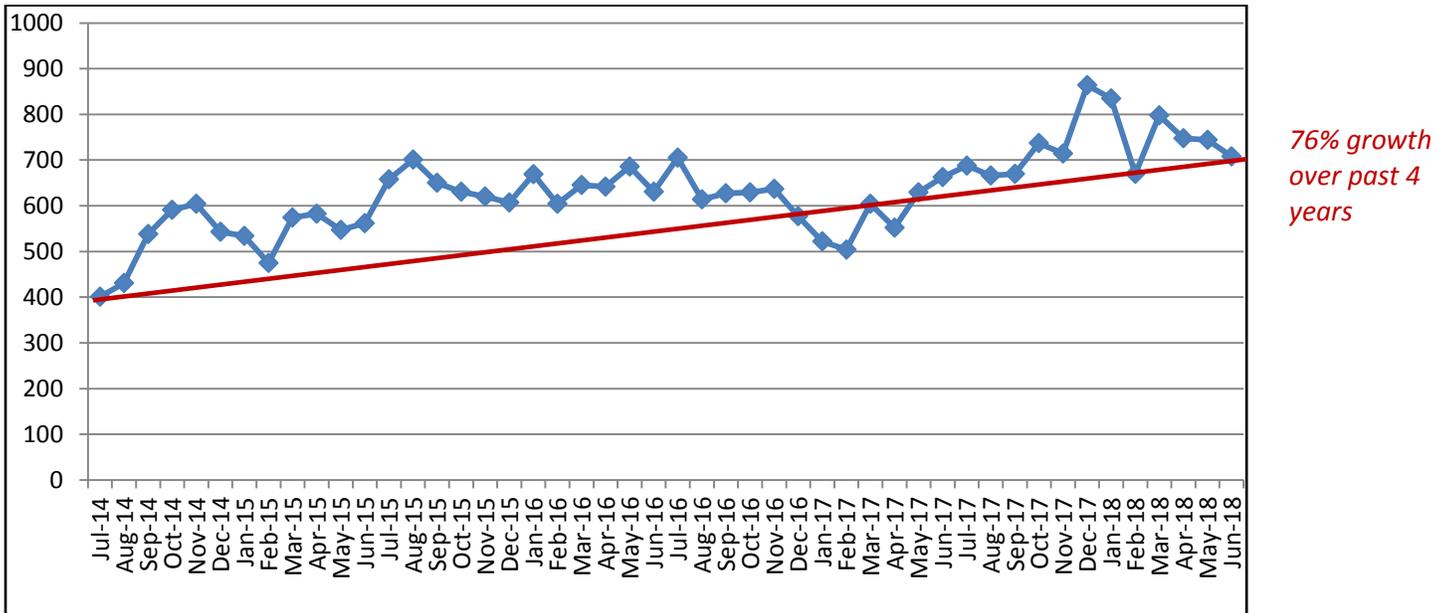
These are the strategic goals and priorities that will guide Prairie Home Hospice & Community Care over the next 3-5 years. These goals and priorities will be reviewed by Management and the Board of Directors annually and updated as determined appropriate to support the mission and ongoing success of the organization.

## PATIENTS SERVED

### Hospice

During the past year, Prairie Home Hospice & Community served 92 Hospice patients, 52 Home Care patients, and 9 patients through our Chronic Disease Management Program.

The graph below represents the growth in our patient census over the past four years.



### Home Care

During the past year, we provided home care services to 54 patients, which reflects continued growth.

### Chronic Disease Management Program

During the past year, we provided in-home services to 9 patients under our Chronic Disease Management Program. 100% of the patients who received services under this program during the past year were unable to fully pay for the services they received. We received grants to help support this program through June 2018. The program will continue over the next few months while we seek additional funding. However, new admissions under this program will be restricted until additional funding is secured.

### Lockwood House

Occupancy at Lockwood House continues to run 100%. We continue to have a waiting list for hospice patients seeking admission to our hospice houses. The list of patients on the waiting list generally runs from 12 – 20. As we open McLaughlin House, we will designate Lockwood House as a secured facility, which will have the capacity to accommodate patients who have a higher level of need and/or need close supervision.

### McLaughlin House

We anticipate work on McLaughlin House to be completed by early September and hope to have the licensing in place to begin accepting patients by October 1<sup>st</sup>. Given that demand for residential hospice, we anticipate that McLaughlin House will fill quickly and remain at or near 100% occupancy, like Lockwood House. McLaughlin House will be designated as non-secured facility and will best accommodate patients who do not need a high level of supervision.

## **STAFF**

Continued growth in the number of patients we have served in the past year has also translated into continued growth in staff, not only to support the increase in patients but also to support other aspects of a growing organization. While clinical staff has expanded somewhat to accommodate more patients and to prepare for opening of McLaughlin House, we also expanded our Marketing & Development staff over the past year. Our goal in expanding our Marketing & Development staff is to enhance our marketing, public relations and public awareness efforts and also to implement another major annual fundraising event, Light Up the Night. Prairie Home Hospice & Community Care currently employs 23 full time and 34 part-time (including casual) employees.

## **VOLUNTEERS**

Volunteers have always been at the heart of the work we do at Prairie Home Hospice & Community Care. As a nonprofit organization that was established by the community to serve the community, volunteers continue to serve a critical role in the work that we do. During the past year, volunteers have donated 3,617 volunteer hours to serve Prairie Home Hospice & Community Care.

We have expanded the number of volunteers during the past year and will continue efforts to expand the number of volunteers going forward. Volunteers perform a variety of duties including (but not limited to) visiting patients; assisting with meal preparation/serving; yard/garden upkeep; routine maintenance/upkeep to the hospice house; delivery/pick up of equipment to patients; office assistance; fundraisers; etc.

## **MARKETING & DEVELOPMENT**

### **Marketing & Outreach**

As part of our strategic planning process, we adopted new Marketing and Outreach Plans that will support priorities outlined in our strategic plan. As noted above, we have expanded our Marketing & Development Team in an effort to enhance our marketing, public relations and public awareness efforts and effectiveness. As outlined in our strategic priorities, we have designed “Your Choice...Our Promise” campaign as a strategy to increase public awareness in these areas:

- Your Choice: When hospice or home care is needed, it is your legal right to select the agency you feel will be the best fit for you and your family.
  - You have a choice of who provides your care
  - To ensure your choice is honored, ask for us by name
  - We are not affiliated with Avera or any other health care system
- Our Promise: Commitment to Quality
  - Our reputation for providing exceptional care and compassionate service since 1984 speaks for itself.
  - We provide staffing levels that allow our care teams the time they need to provide the kind of care patients expect and deserve.
  - Our patient response times are exceptional. When you need us, we'll be there.
  - We respect and honor patient choices, preferences and beliefs.

### **Fundraising & Other Community Support**

During the past year we received a total of \$978,137 (34% of total revenues) from general grants, memorials, donations and fundraising events. \$625,817 of this was donated towards the capital campaign. Annual fundraising events held during the past fiscal year include:

- Fall Raffle
- A Light to Remember
- Light Up the Night
- Charity Event & Auction
- Tough Enough to Wear Pink

These will be our primary fundraising events in the coming year as well.

## **FINANCIAL SUMMARY FY2018**

The following financial information is based on unaudited year-end financial statements.

Unaudited year-end financial statements indicate Net Income of + \$574,007 for fiscal year ending 6/30/18. However, the Capital Campaign and expenses related to the McLaughlin House impact this figure, as do year-end accounting entries (which are not included in our budget). Below is a summary that outlines how some of these items impact our bottom line and what the next result is in terms of our Net Income (surplus) compared to our budget.

Unaudited Net Income:	+ \$574,007
Less: Capital Campaign Revenues (extraordinary revenues)	- \$625,817
Expenses related to McLaughlin House (extraordinary expenses)	+ \$ 92,488
Prepaid Expenses (not related to fiscal year 2018)	<u>+ \$ 33,563</u>
<b>TOTAL NET INCOME (adjusted):</b>	<b>+ \$ 74,241</b>

- Includes \$76,961 of year-end accounting entries for accrued payroll and PTO expenses
- Includes depreciation expense of \$41,412

Year-end accounting entries for payroll and PTO accruals:

Payroll accruals	\$ 28,121
PTO accruals	<u>\$ 48,840</u>
	\$ 76,961

Since we do not include year-end accounting entries in our Annual Budget, actual to Budget comparison (after accounting for year-end accrued payroll and PTO entries) would be as follows:

Total Net Income	+ \$ 74,242
Add Back Year End Accrual Entries (not included in budget)	<u>+ \$ 76,961</u>
<b>ADJUSTED NET INCOME FY2018:</b>	<b>+ \$151,203</b>
<b>BUDGETED NET INCOME FY2018:</b>	<b>+ \$173,410</b>

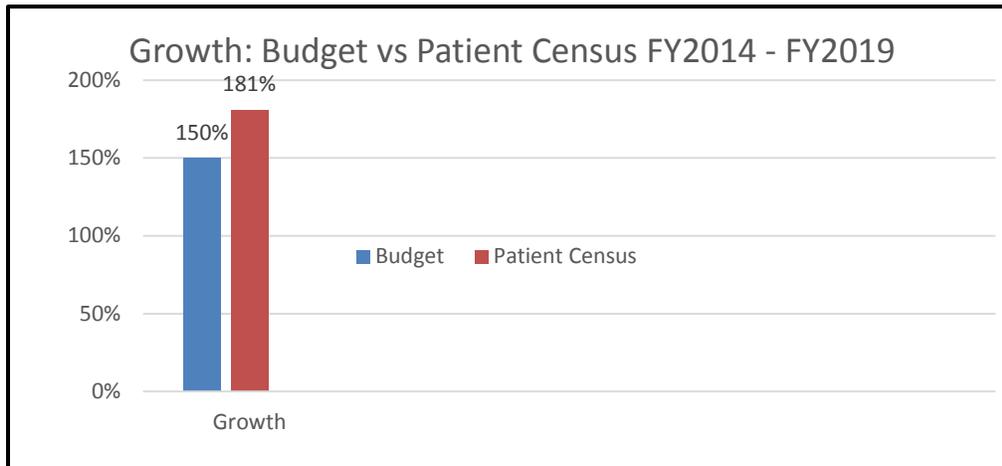
The most significant factor contributing to the variance to budget (when we get down to comparing apples to apples), is the fact that the budget assumed that we would be accepting patients at McLaughlin House in February 2018. This did not happen in FY2018.

### **Other fiscal notes for FY2018:**

- As the number of patients we serve continues to grow, so do expenses directly related to staff salaries. Also, competition for recruiting/maintaining quality staff continues to drive salaries upward.
- The transition to a new Electronic Medical Records system (EMR) increased payroll costs in FY2018. We estimate that we invested at least 800 hours into training staff to utilize the new system. This translates into approximately \$20,000 in additional salary and related expenses.
- Anticipation of opening McLaughlin House created some additional expense related to salaries as we took opportunities to hire quality candidates when the opportunity was there to prepare for staffing the new house. While new staff hours were minimal with the understanding that hours would increase as the new hospice house opened, it did add to our overall salary expenses by an estimated \$5,000.
- Expansion of our Marketing & Development staff over the past year has also increased overall salary and related expenses somewhat. However, we believe this investment has/will continue to pay off in terms of the short and long term results of our expanded Marketing & Development efforts:
  - Implementation of Light Up the Night which we feel will become a significant annual fundraiser and has already resulted in very positive community relations.
  - Charity Ball profits increased over previous years, setting a new record for funds raised.
  - Most notably, efforts by the Marketing & Development Director helped significantly in adding an estimated \$250,000 in additional donations for the Capital Campaign during the past year.

## BUDGET FY2019

Total budget for FY2019 is projected to be \$2,673,860. This is an increase over last year of approximately 16.3%, which is largely related to the opening of McLaughlin House. The chart below shows the growth in patient census and budget from FY2014 (actual) to FY2019 (projected). As the chart indicates, growth in patient census is exceeding growth in budget by 31%. Not only have we been able to control costs while growing our patient census, we have also improved quality, as evidenced by our strong MDH/CMS survey results, Quality Measures, Hospice Family Survey results and Employee Survey results. All of these measures have improved consistently over the past 5 years. The Hospice Compare Summary below reflects how we measure up to other hospice providers and the national average on key family satisfaction measures.



## HOSPICE COMPARE SUMMARY

For period 10/1/15 – 9/30/17 (most recent period available)

MEASURE	PRAIRIE HOME HOSPICE	AVERA @ HOME	COMPASSIONATE CARE	NATIONAL AVERAGE
Communications with family	83%	65%	72%	80%
Getting timely help	78%	67%	73%	78%
Treating patients with respect	96%	78%	88%	91%
Emotional & spiritual support	95%	85%	84%	90%
Help for pain & symptoms	79%	75%	66%	75%
Training family to care for patient	71%	70%	74%	75%
Rating of this hospice	80%	75%	74%	81%
Willing to Recommend This Hospice	95%	78%	71%	85%
Patients or caregivers who were asked about treatment preferences at the beginning of hospice care	100%	100%	100%	98.7%
Patients or caregivers who were asked about their beliefs and values at the beginning of hospice	100%	100%	74%	94.9%
Patients who were checked for pain at the beginning of hospice care	93.1% *	98.1%	79.7%	95.3%
Patients who got timely and thorough pain assessment when pain was identified as a problem	100%	71.4%	93.1%	83.4%
Patients who were checked for shortness of breath at the beginning of hospice care	94.8%	98.1%	100%	97.8%
Patients who got timely treatment for shortness of breath	90%	100%	96.3%	95.3%
Patients taking opioid pain medication who were offered care for constipation	Not available	Not available	100%	93.7%
<b>AVERAGE SCORE OVERALL</b>	<b>89.64</b>	<b>82.9%</b>	<b>83.01%</b>	<b>87.61%</b>

\* This should be 100%. We discovered an error in how our previous EMR system pulled this information, which is no longer an issue.

## **LOOKING AHEAD**

We have made good progress in recent years in positioning Prairie Home Hospice & Community Care for success in a competitive health care environment. Our strengths continue to be our commitment to quality; our reputation for providing quality care; and the tremendous support we receive from the communities we serve. We have touched over 1800 lives in the community since 1984. The patients we have served and the families we have touched provide a strong voice for Prairie Home Hospice & Community Care. They continue to be our most effective marketing tool.

Guided by our strategic priorities, we are confident in our ability to continue to thrive as we seek to live out our mission and stand by ***our commitment to serving the community through the delivery of exceptional services and compassionate care, as a trusted leader in home care and hospice services.***

Respectfully Submitted,



Pat Mellenthin, CEO