

From the Brink of Bankruptcy to Market Leader in Six Years

A 16-year old, community-based, non-profit home care agency is on the brink of bankruptcy, its volunteer board of directors desperate to find a solution. The jobs of 155 employees and the care of hundreds of patients lie in their hands. The year is 1996. Medicare's Interim Payment System is less than one year away.

Thousands of agencies went out of business during the three years Medicare inched from fee-for-service to prospective pay. The one described above was not one of them. Today, 300 employee-owners of **Assured Home Health & Hospice** in Chehalis, Washington serve five counties between Seattle and Portland through 10 branches. President Richard Block attributes the remarkable turnaround to several measures he and his team took when the board asked them to step in, including the selection of **CareFacts Information Systems, Inc.**, of St. Paul, Minnesota, to replace a failing software system.

"We brought in some consultants, eliminated unnecessary overhead, increased productivity and downsized some operations," Block begins. One reason Assured's board of directors gave him the assignment over several other agency owners they had interviewed was Block's promise to avoid bankruptcy and closure without laying off any more than 20% of staff. Block not only kept that promise, but has also grown Assured to twice its 1996 size, added two new business lines and six new offices.

Immediate measures included resolving some problems with Medicare and converting the agency to a for-profit employee-owned company. "That was probably the best move we made," Block says. "Becoming owners has changed the way our staff approach their jobs. Everyone understands that their efforts directly benefit each of them financially, not just a Board of Directors or an investor."

Once these changes had settled, Block moved toward fixing the software problem. "We were using a vendor who doesn't believe in customer service," Block remembers. "When the system worked it worked adequately but when it didn't, their tech support department was not much help. They treated callers like they were intruding on their day and couldn't wait to find an excuse to get off the phone or find a reason to blame the problem on us." After a series of software demonstrations and site visits, Block left the final decision to go with CareFacts to his employee-owners. He abstained from the vote.

Block says the CareFacts decision has had more of an impact on Assured than almost anything else he and his team have done since taking over, with the possible exception of converting Assured to an Employee Stock Ownership Plan (ESOP). With the previous system, most procedures continued to be paper-centric, but CareFacts has been a significant step toward full automation. "We have purchased

over 100 laptop computers for our field staff so far," Block says. "It was certainly a change, and it was not without its difficulties, as change always is, but they approached it with the attitude, 'we're going to get through this together,' and they did."

MAIN ADVANTAGE AN INTANGIBLE ONE

Block's opinion regarding the benefits of a modern computer system is a surprising one. "On a macro level, the key benefit of implementing a computer system is that you find out who your real leaders are, who are the champions within your organization," Block explains. "At the beginning, when it was challenging and a few people left the company rather than learn it, we saw others step forward into leadership roles, encouraging their co-workers along."

Block underscores his appreciation for excellent technical support. As a beta test site for CareFacts' latest system, there were the expected software bugs in the early going, but he cannot say enough about how much help their support department provided. An email he received from Assured's Systems Director explains why his appreciation overflows. "That problem I told you about Friday has been resolved," the email begins. "The CareFacts technician stayed on the phone with me until 7:00 Friday night, which was 9:00 his time. Then he gave me his cell phone number in case I needed more help over the weekend." "That *never* would have happened with our old vendor," Block declares.

Once implementation and training were successfully completed, Assured began to reap benefits of the tangible variety, starting with easy access to the complete patient chart. "Every discipline sees the chart right in their laptops," he says. "There is a fully integrated, cross-discipline care plan that they are required to look at before each visit. Chart audits, which used to be a pain in the neck, are simple thanks to the available reports. Audits are so easy, we have hired professionals to do them offsite, online."

The team atmosphere initiated by the switch to an employee-owned structure has, in Block's view, been enhanced by software that not only allows but encourages caregivers to interact with each other regarding patients. "Communications about a case can be done through the system, meaning everything is documented, shared with other clinicians and supervisors, and timely."

Needless to say, Assured's bottom line has improved significantly since Block and his team took over and brought in CareFacts. Not only have they doubled in size, but also added business lines. Assured now offers home care homemaker services and provides staffing to hospitals and clinics. "CareFacts helped us smooth over a very rough system and has been an important ingredient for our continued success," Block concludes.

