

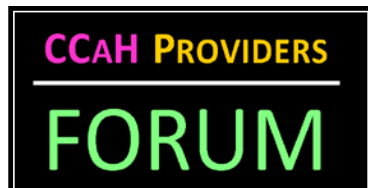
Benchmarking Survey 2018



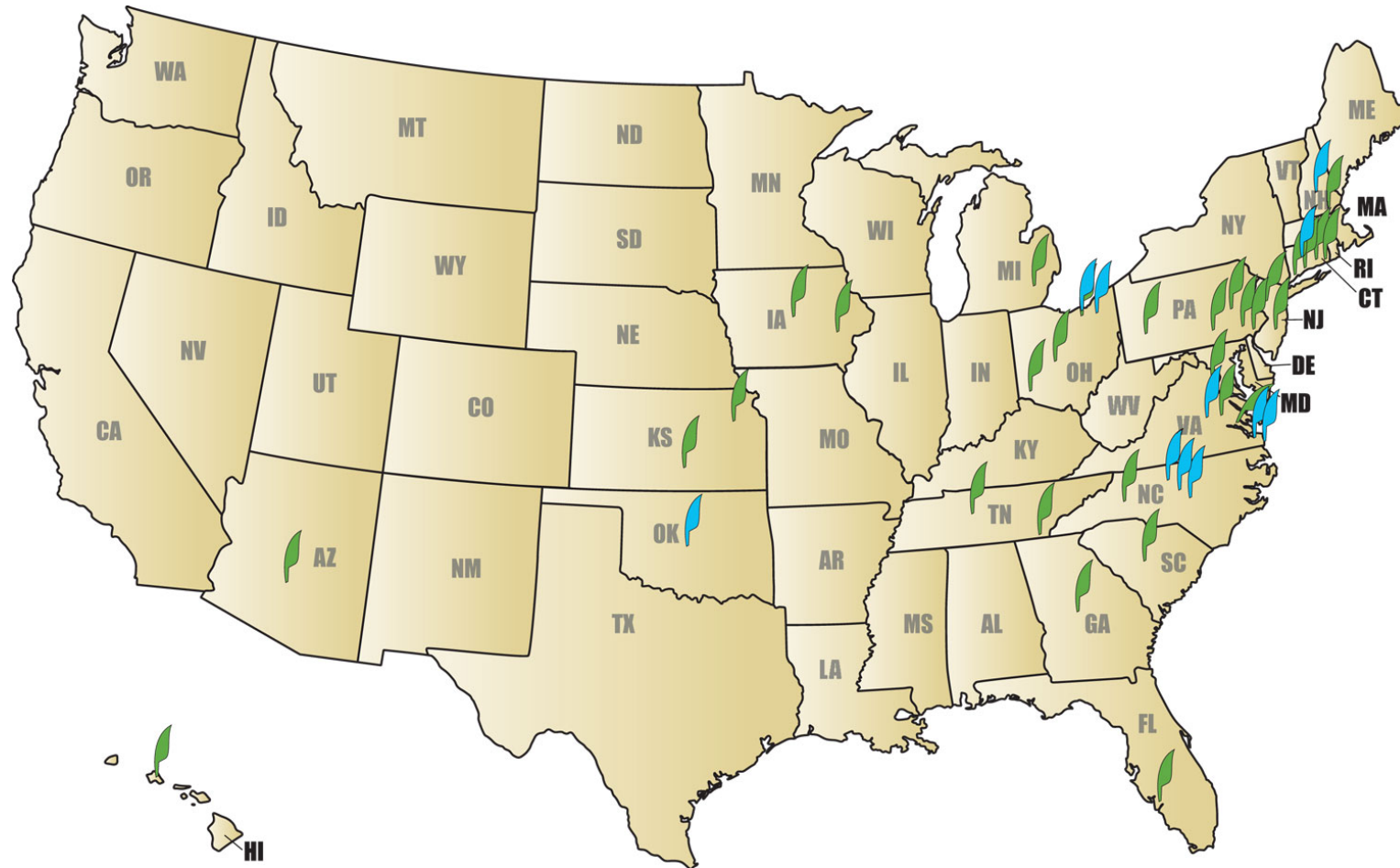
Cole Naughton, FSA, MAAA

cole.naughton@avpowell.com ♦ 404.845.0360.x266

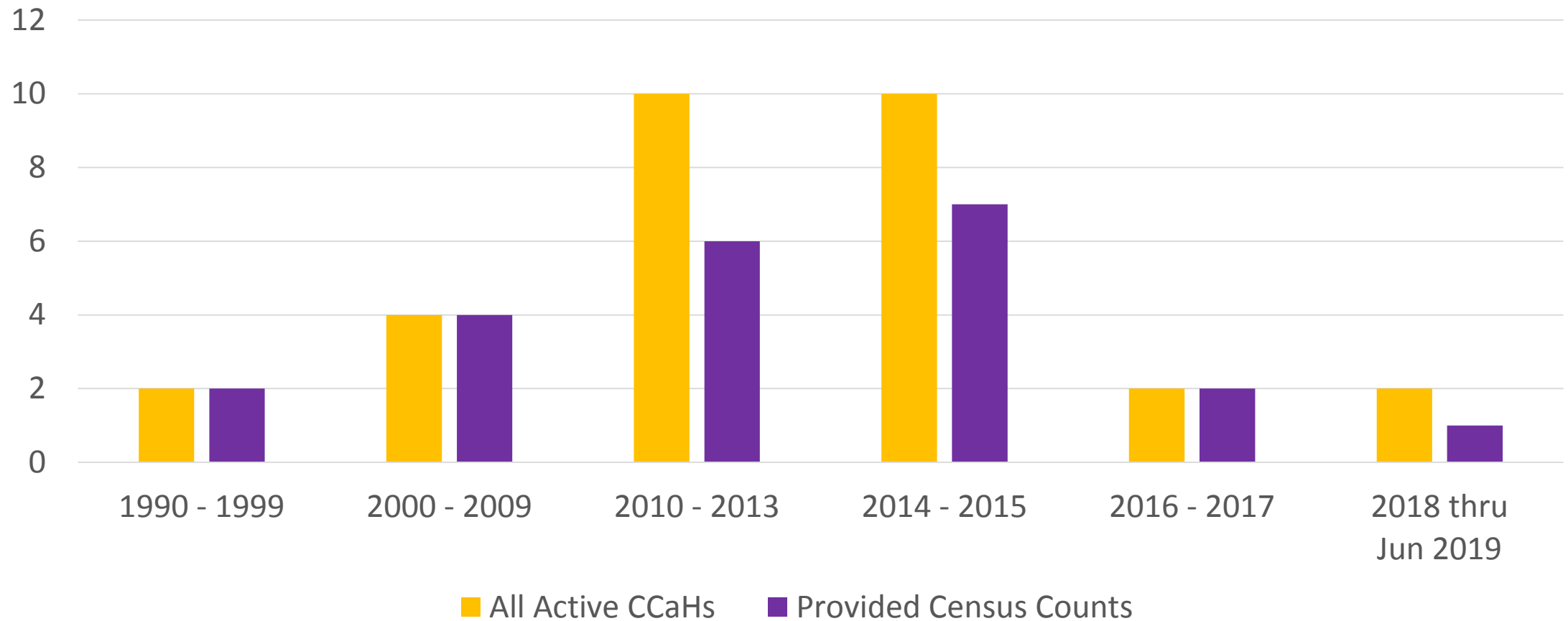
A.V. Powell & Associates, LLC



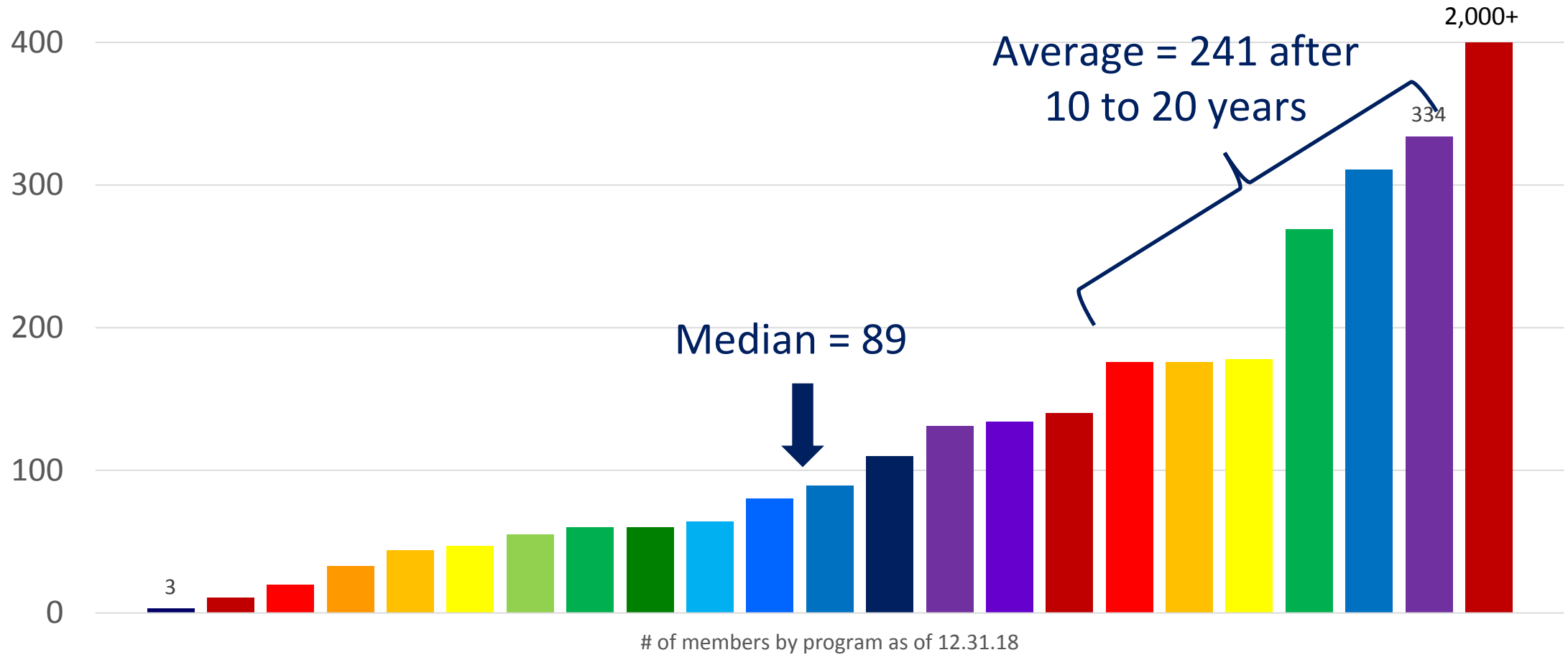
31 Operating CCaHs as of June 30, 2019!?



CCaH Programs by Year Sold 1st Contract



Reported 5,050 Members in 22 Programs



Observations

- 1. Many are currently evaluating a CCaH launch**
- 2. 12 survey respondents report < 100 members**
- 3. Only four new programs post-12.31.15**
- 4. Three programs have shuttered their sales**

What can be done to help CCaH launches become successful in a shorter period of time?

Benchmarking Objectives

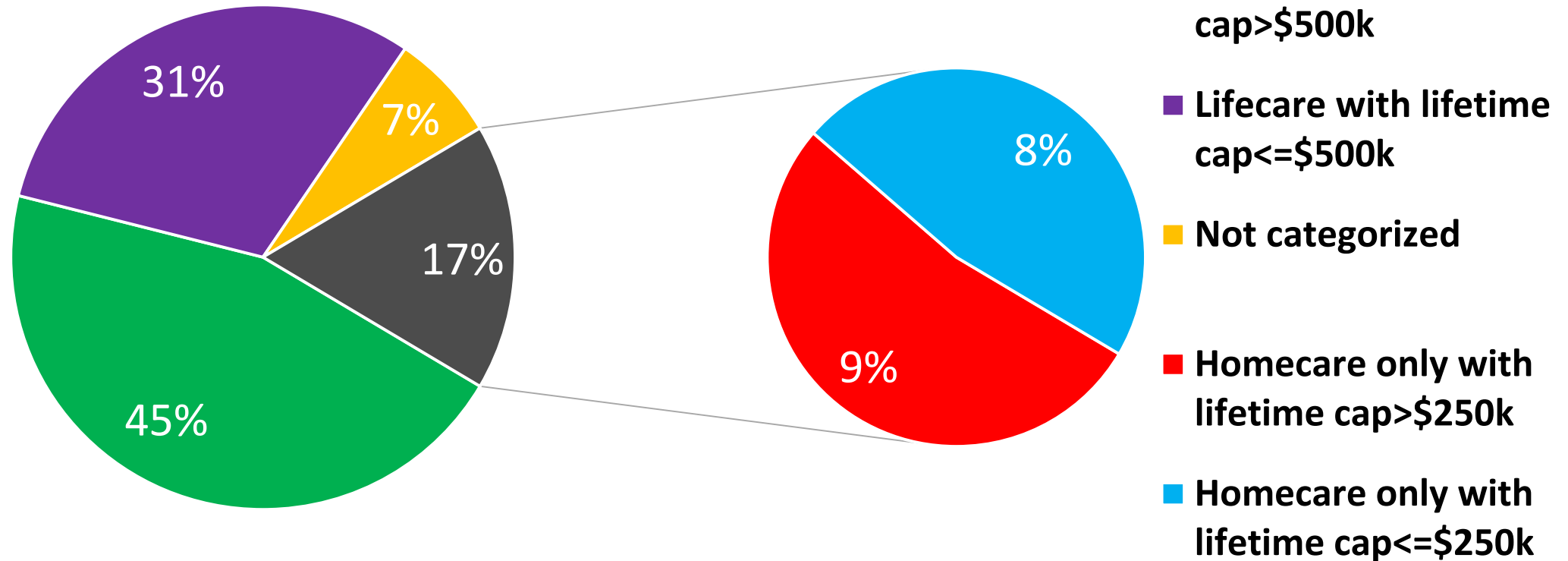
- 1. Define useful metrics**
- 2. Identify industry-specific medians**
- 3. Provide utilization risk management standards**
- 4. Compare with other programs to identify outliers and establish targets**
- 5. Future analysis to access “best practices”**

Database Caveats

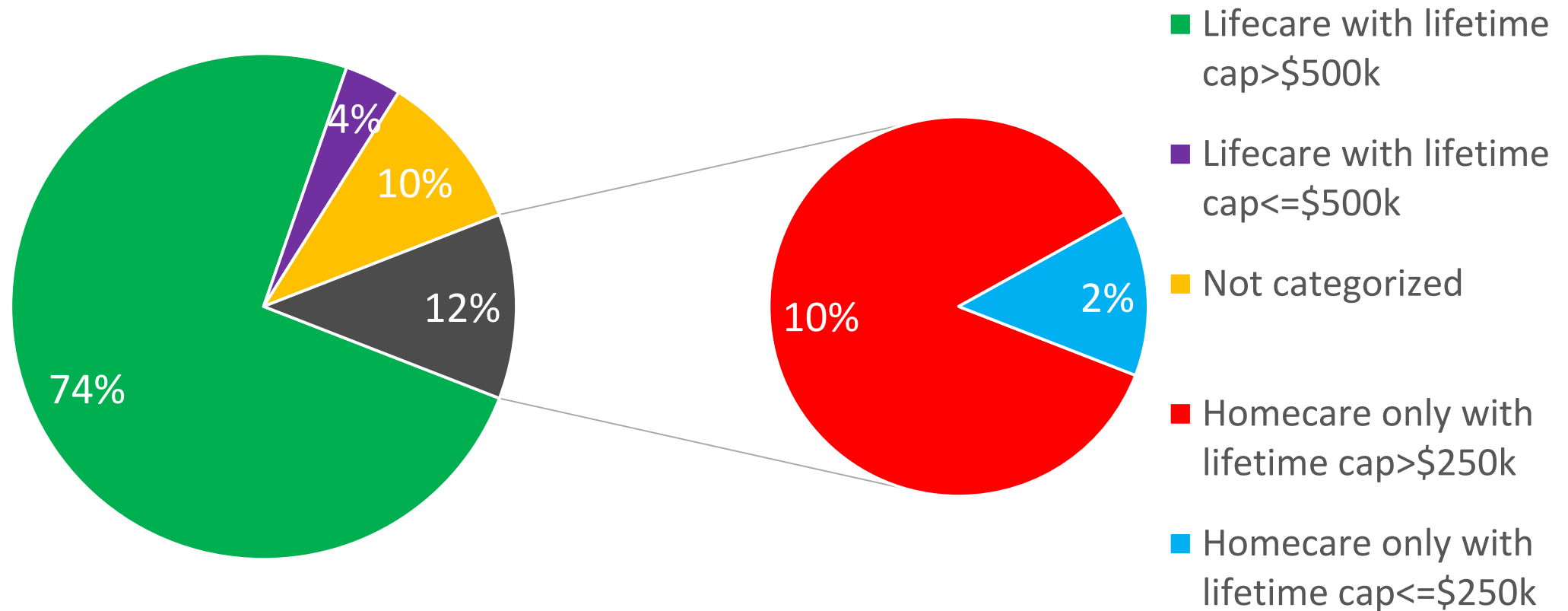
- 1. Participation by majority of industry**
- 2. Over 50% participation (17 of 31)**
- 3. Not all survey questions answered**

Homecare up 5% over 2017

{CAVEAT: not same "store"}



Type A is Predominant x/Largest Provider



Estimate 5,000 Members Nationwide

Statistic	12.31.15	12.31.16	12.31.17	12.31.18
n =	11	14	16	17
Number of members	3,610	3,863	4,519	4,802
Average attained age	78.1	77.0	77.4	77.6
Average enrollment age	73.7	74.9	75.2	74.5

Typical CCaH is 1/3rd Size of CCRCs

Statistic	25 th Percentile	Median	75 th Percentile
Total # of members	60	102	176
% new members	10%	17%	53%
% deaths	0.2%	2.4%	3.9%
% voluntary withdrawals	0.1%	1.6%	3.3%

n = 14

Cost/Sale \approx 50% of CCRC Closing Costs

{source: A2ZCCRC 2018 benchmarking report}

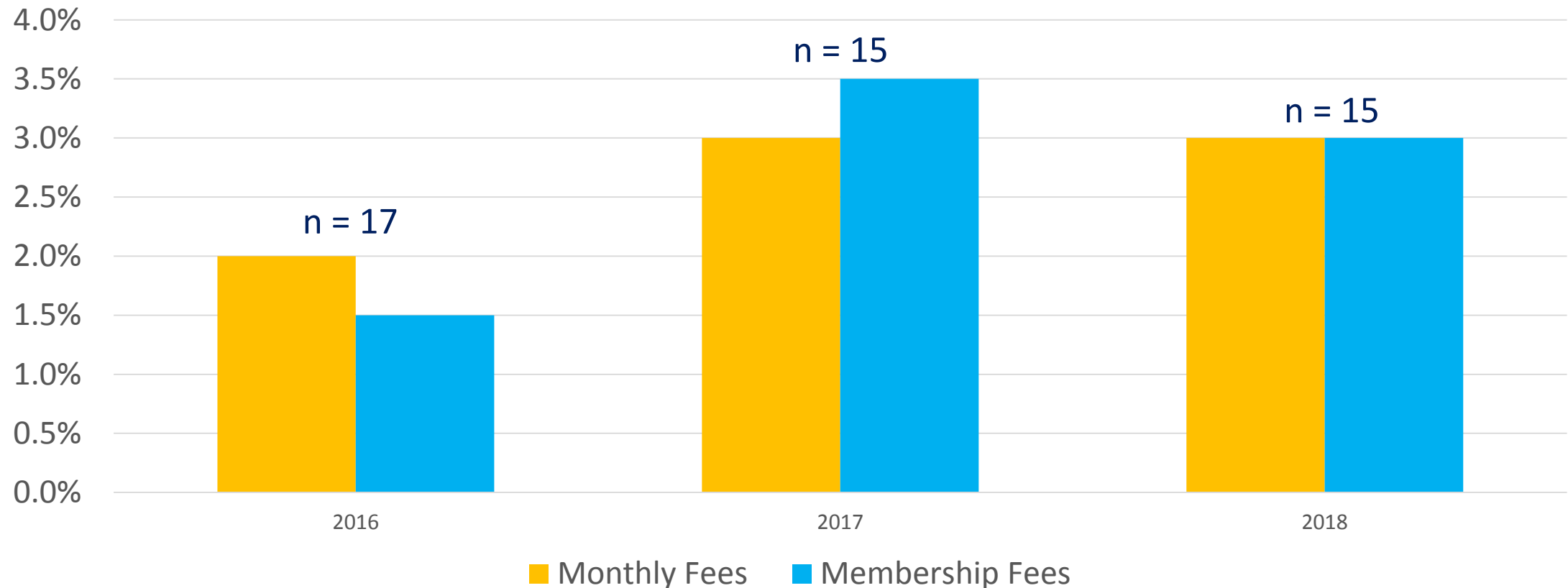
	n =	25 th Percentile	Median	75 th Percentile
Marketing cost/sale	13	\$8,126	\$10,294	\$20,418
2017 surveys	13	7,329	8,722	17,466
2016 surveys	15	9,653	12,147	15,801
Acceptance ratio	17	65%	81%	90%

29% (5 of 12) use 3rd party underwriters

Annual Fee Adjustments Similar to CCRCs

{source: A2ZCCRC 2018 benchmarking report}

Median Increases



Care Coordinator Statistics Are Critical

	Data bias	n =	25 th Percentile	Median	75 th Percentile
Members per care coordinator FTE	Plan age	17	58	67	82
Care coordinator cost/month/member	Plan age	13	\$88	\$112	\$133
Home health aide/hour	Geography	16	\$20.00	\$23.25	\$25.19
Assisted living/day	Geography	15	\$169	\$185	\$210
Nursing care/day	Geography	15	\$252	\$300	\$370

Operating Statistics

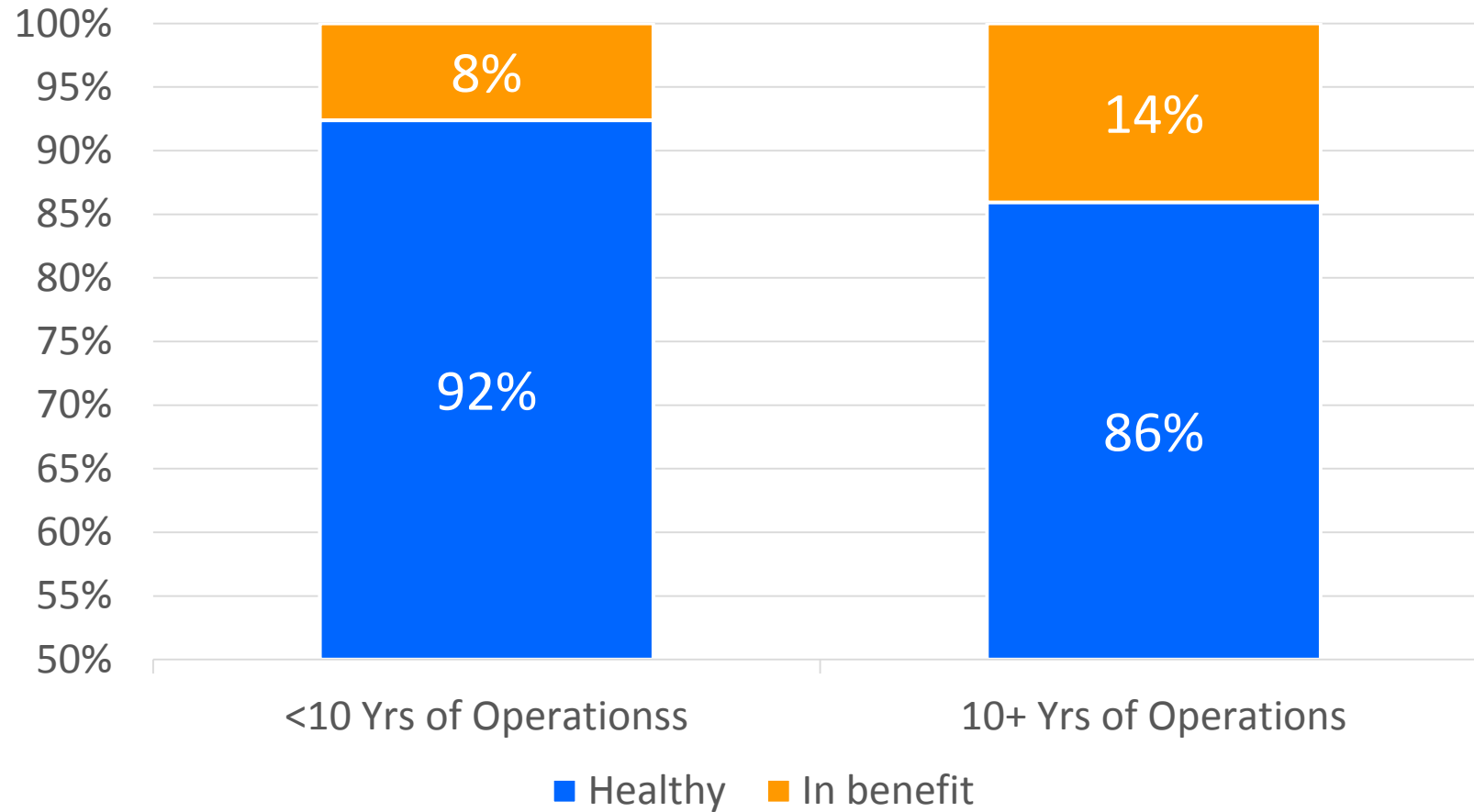
What other operating costs should be measured?

- **Overhead expenses**
- **Ancillary benefits (e.g. transportation)**
- **Refinement for marketing costs**

Capturing Utilization is Challenging

- 1. Goal: metrics of care by functional status**
 - a. Uniform definitions for functional categories**
 - b. Refined beyond in benefit vs. not in benefit**
 - c. Expected {hours of care by day/week/month}**
- 2. Survey responders had difficulty with:**
 - a. Tracking hours of service per member at home**
 - b. Identify members at home eligible for facility care**
- 3. Next step is to collaborate on item #2...WHY?**

Older Provider Median Benefit Usage < 15%



Illustrative Utilization Metric--Sensitivity

{Annual cost for 100 members = \$490,560}

Industry Consensus for Functional Status (Category) ↓	(1) % of census	(2) Cost per service unit	(3) EX{Hrs. care/day}	(4) EXpected daily costs	(5) = (1) x (2) x (3) Total daily costs
Well or "at risk"; no or limited health care benefits	94.0%	\$0	0	\$0	\$0
At home receiving benefits; not institutional care eligible	2.0%	\$24	3.0	\$72 = 2*24	\$144.00
At home receiving benefits; institutional care eligible	3.0%	\$24	18.0	Min(432,300) 432=24x8	\$900.00
Assisted living or nursing care	1.0%	\$300/day	24	\$300	\$300.00
Σ Total	100.0%				\$1,344.80

Illustrative Utilization Metric--Sensitivity

{Annual cost for 100 members = \$381,060}

Industry Consensus for Functional Status (Category) ↓	(1) % of census	(2) Cost per service unit	(3) EX{Hrs. care/day}	(4) EXpected daily costs	(5) = (1) x (2) x (3) Total daily costs
Well or "at risk"; no or limited health care benefits	94.0%	\$0	0	\$0	\$0
At home receiving benefits; not institutional care eligible	2.0%	\$24	2.0	\$48 = 2*24	\$96.00
At home receiving benefits; institutional care eligible	3.0%	\$24	9.0	Min(216,300) 216=24x9	\$648.00
Assisted living or nursing care	1.0%	\$300/day	24	\$300	\$300.00
Σ Total	100.0%				\$1,044.00

Wrap Up

- 1. Is this information worthwhile?**
- 2. How can we solicit more participation?**
- 3. How can challenges with survey data be resolved?**
- 4. How much time was spent collecting the data?**
- 5. How can we improve for 2019 surveys?**