

Webinar: Census-Based Budgeting, Planning and Forecasting for Healthcare

Learning Objectives

- **Discover how healthcare peers** are planning revenue and expense based on forecasted census.
- **Examine current state** and how to leverage systems alternatives for planning, budgeting and reporting.
- **Evaluate the system roll up capabilities** for a faster consolidation process.
- **Investigate drill through capabilities** to research variances and the root cause of data anomalies.
- Build a what if scenario to provide insight of considering various business options.

Agenda

- Introductions
- Adaptive Insights – Healthcare Overview
- Armanino – Trends in Healthcare
- Adaptive Insights Healthcare Demo
- Crestwood Behavioral Success Story
- Q&A



Introductions

Today's Presenters



Amy Morgan

*Director
Consulting*



Bob Goeddel

*Healthcare Account
Executive, West*

Powered by



Karen Flanary

*Healthcare Account
Executive, East*

Powered by



Margarita Rosero

*Executive Director of
Finance and Accounting,
Crestwood Behavioral
Health, Inc.*



A person in silhouette is looking out a large window at a city skyline during sunset. The scene is bathed in warm, golden light, with the sun low on the horizon, creating a hazy atmosphere over the city. The person is positioned on the left side of the frame, looking towards the right. The window reflects the city buildings and the sky. The overall mood is contemplative and professional.

Adaptive Insights – Healthcare Overview



Gartner 2019 MQ for Cloud Financial Planning





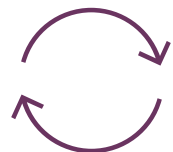
Active Planning: A New Model for Agility



- Broad cross-functional participation and visibility



- High-fidelity visibility into every level of every operational function



- Ongoing measurement and decision-making and fine-tuning



Active Planning: A New Model for Agility

Active Planning Process

Solution Requirement



Collaborative



Easy

Easy to use by everyone

and



Comprehensive



Powerful

Model & analyze entire business

and



Continuous

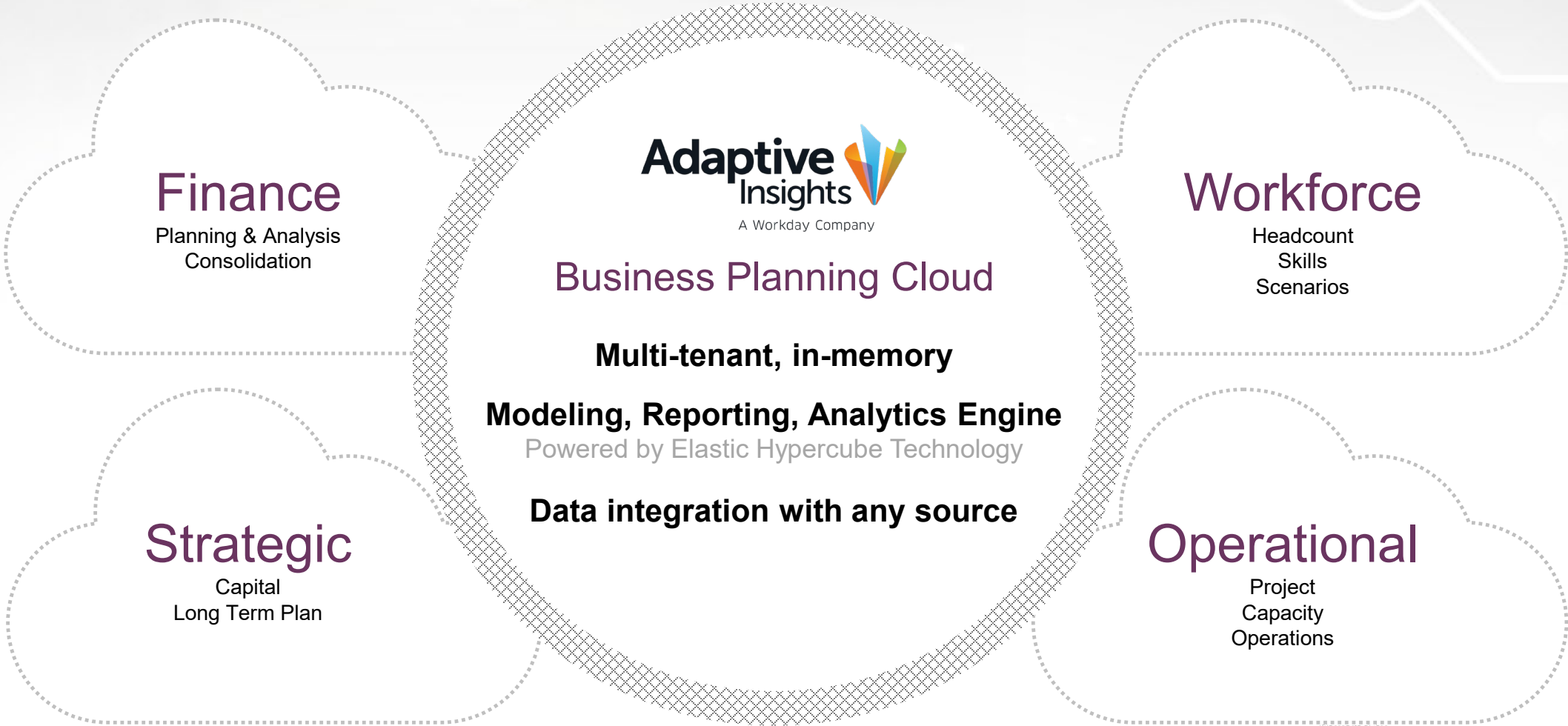


Fast

Iterate and update quickly with rapid time to value



Platform for Healthcare Planning



Finance

Planning & Analysis
Consolidation



Business Planning Cloud

Multi-tenant, in-memory

Modeling, Reporting, Analytics Engine

Powered by Elastic Hypercube Technology

Data integration with any source

Workforce

Headcount
Skills
Scenarios

Strategic

Capital
Long Term Plan

Operational

Project
Capacity
Operations





Examples of Health Care Using Planning

Agile planning

Quickly model what-if scenarios

Identify cost improvement opportunities and efficiencies

Continually monitor and adjust

Collaborate across department leaders and clinicians

Examples

Workforce based on census, capital projects, acquisitions and divestitures





Skill mix, supplies, pharmaceuticals, labs, length of stay, and overhead costs

Staffing levels by skill, capacity, acuity, seasonality; procurement, outsourcing, 30-day readmission, case mix

KPIs against benchmarks, visual dashboards



Value of Active Planning

Finance Function is Strategic		Accelerate Decisions	
Reallocate Finance Time to Drive Change	Faster Cycles and Trusted Data	Improve Visibility & Frequent Forecasting	What-if Modeling and Course Corrections
			
30-50% productivity improvement	Accelerate planning and reporting by 50-70%	Timely visibility into risks & opportunities	Better and faster decisions by flexing business drivers
<u>Integration & Collaboration</u> <ul style="list-style-type: none"> Remove manual tasks Single source for the truth Guided budget process 	<u>In-Memory Built for the Cloud</u> <ul style="list-style-type: none"> Real time data Instant data aggregation Driver-based models 	<u>Reporting</u> <ul style="list-style-type: none"> Dashboards Drill through anywhere Reports immediately updated (Web and Excel) 	<u>Strategic vs Tactical</u> <ul style="list-style-type: none"> Unlimited Versions Run multiple scenarios Report on variances

All this with little IT involvement



Healthcare and Healthcare Payer Customers



Health Partners Plans



Armanino – Trends in Healthcare

Healthcare Trends



- Value and Pricing
 - Evolution into value-based pricing
 - Financial responsibility
- Cost Management
 - Total cost of care
 - Automation of procure to pay process
- Technological advances
 - Increase in virtual office visits and phone-based voice user interface
 - AI and machine learning
 - Creation of Chief Data Analytics Officer roles





How Adaptive Insights can Have an Impact

- Revenue Modeling
 - Provide means to address shift into value-based pricing
- Reporting by Fund
 - Improve visibility and reporting to donors
- Key Information for Data Analytics
 - Provide real-time reporting
 - Track spending by vendor
 - Streamline revenue
 - Improved financial consolidations



A person in silhouette is looking out a large window at a city skyline during sunset. The scene is bathed in warm, golden light from the setting sun, which is visible on the right side of the frame. The city buildings are silhouetted against the bright sky, and the overall atmosphere is serene and contemplative. The person is positioned on the left side of the frame, looking towards the right.

Adaptive Insights Healthcare Demo



Crestwood Behavioral Success Story

Challenges Prior to Adaptive Insights



- Complex and time consuming excel budget files



- No safeguard for specific individuals to access files



- Inability to keep track of changes



- Limited resources to generate reports/models from data

Benefits Adaptive Insights has Provided



- Produces accurate budgets in efficient time
- Caters to our business needs
- Easy visualization of business lines consolidation
- Ability to create various reports
- User friendly



Produce Accurate Budgets



- Automated data integration from a variety of source systems, such as GP



- Ability to drill down into accounts



- Less manual data entry and more automated calculations = less room for error



- Flexibility to make adjustments instantly helping us to make quicker business decisions

Caters to our Business Needs



- Ability to have different payor types
- Utilization of PPD (Per Patient Day) rates

Creighton Behavioral Health Inc. | Sheets > PPD RATES | Adaptive Insights A Workday Company

Accounts	FY2018	FY2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020
PPD										
PRIVATE - PPD										
PRIVATE - PPD CALC			2.77	2.77	2.77	2.77	2.77	2.77	2.77	2.77
PRIVATE - PPD - ADJ										
Total			2.77	2.77	2.77	2.77	2.77	2.77	2.77	2.77
MCARE - PPD										
MCARE - PPD - ADJ										
Total			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MCAL AB1629 - PPD										
MCAL AB1629 - PPD CALC			5.06	5.06	5.06	5.06	5.06	5.06	5.06	5.06
MCAL AB1629 - PPD - ADJ			6.59	6.59	6.59	6.59	6.59	6.59	6.59	12.12
Total			11.66	11.66	11.66	11.66	11.66	11.66	11.66	17.19
MCAL AB1629 STP - PPD										
MCAL AB1629 STP - PPD CALC			3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48
MCAL AB1629 STP - PPD - ADJ			88.25	88.25	88.25	88.25	88.25	88.25	88.25	92.92
Total			91.73	91.73	91.73	91.73	91.73	91.73	91.73	96.39
MGD CARE - PPD										
MGD CARE - PPD CALC			6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
MGD CARE - PPD - ADJ			5.18	5.18	5.18	5.18	5.18	5.18	5.18	10.71
Total			11.18	11.18	11.18	11.18	11.18	11.18	11.18	16.71
MGD CARE STP - PPD										
MGD CARE STP - PPD CALC			4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03
MGD CARE STP - PPD - ADJ			240.61	240.61	240.61	240.61	240.61	240.61	240.61	245.27
Total			244.65	244.65	244.65	244.65	244.65	244.65	244.65	249.31
MCAL AB360 STP - PPD										
MCAL AB360 STP - PPD - ADJ										
Total			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VA - PPD										
VA - PPD CALC			3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23
VA - PPD - ADJ			15.78	15.78	15.78	15.78	15.78	15.78	15.78	15.78
Total			19.01	19.01	19.01	19.01	19.01	19.01	19.01	19.01
VA STP - PPD										
VA STP - PPD - ADJ										
Total			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INS HOSPICE - PPD										

Caters to our Business Needs



- Global assumptions based on specific category and/or month

Assumptions > All Assumptions

Adaptive Insights A Workday Company

Accounts	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020
Total										
OPERATING EXPENSE										
PPD EXPENSE PCT & DOL INCREASE										
ANCILLARY EXPENSE %	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
FOOD INCREASE %	2.50%	2.50%	2.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
NURSING SUPPLIES %	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
OTHER DIETARY %	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
SUPPLIES/LINEN %	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
HOUSEKEEPING SUPPLIES %	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
MED DIR/PHYS FEES %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MED DIR/PHYS FEES \$										
CONSULTANT/CONT LABOR FEES %	1.50%	1.50%	1.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CONSULTANT/CONT LABOR FEES \$										
DEN LABOR %	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
DEN LABOR \$										
REPAIR/MAINTENANCE %	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
NON BUDGETED REP/EQ %	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
NON BUDGETED REP/EQ \$	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667
BUDGETED REP/EQ %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
STARTUP EXPENSES %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UTILITIES %	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
PHONE/INTERNET %	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
CARF/WRAP/DBT/EE DEV %	1.50%	1.50%	1.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
ADMINISTRATIVE %	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
ADMINISTRATIVE \$	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
INSURANCE %	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
LEGAL %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ACCOUNTING %	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
ACCOUNTING \$										
LICENSE %	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
64040 - PRSNL PROP TAX %	3.00%	3.00%	3.00%							3.00%
64035 - REAL ESTATE TAX %	4.00%	4.00%	4.00%							3.00%
BAD DEBT %	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
EQUIPMENT RENTAL %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Caters to our Business Needs



- Flexible Census Planning

Accounts by Time		Dec-2020	Q4-FY20	FY2020	Jan-2021	Feb-2021	Mar-2021	Q1-FY21
Beds								
Beds Available								
Beds Available - Actuals		190	570	2,280	190	190	190	570
Planned Bed Changes (+/-)								
Adjusted Beds Available								
Payer								
Actuals - Units								
/ Days in Month		31	92	366	31	28	31	90
= Calculated Census Data		0.00	0.00	0.00	0.00	0.00	0.00	0.00
YTD Amount		0	0	0	0	0	0	0

YTD Average		0	0	0	0	0	0	0
1: Forecast: YTD Food Avg (Calc using June-Aug)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Override: Enter Mth to use for YTD Avg								
Calculated Override: Forecast: YTD Avg (Jan-Jun)		0	0	0	0	0	0	0
Calculated Override: Forecast YTD Avg (July-Dec)		0	0	0	0	0	0	0
2: Override: Forecast: YTD Avg		0	0	0	0	0	0	0

Trailing 3 Month Avg		0	0	0	0	0	0	0
3: Forecast: Trailing 3 Month Avg (Calc Using June-Aug)		0	0	0	0	0	0	0
Override: Enter Mth to use for Trailing 3 Mth Avg								
Calculated Override: Forecast: Trailing Avg (Jan-Jun)		0	0	0	0	0	0	0
Calculated Override: Forecast Trailing 3 Mth Avg (Jul-Dec)		0	0	0	0	0	0	0
4: Override: Forecast Trailing 3 Month Avg		0	0	0	0	0	0	0

SELECT OPTIONS 1-4:								
Selected Option		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Proposed Increased %								

Forecast Units		0.00	0.00	0.00	0.00	0.00	0.00	0.00
=====								

Caters to our Business Needs



- Different assets type
- Split %
- Cost to depreciation
- Cost to project expense

Crestwood Behavioral Health In... | Assumptions > CAPITAL

Adaptive Insights A Workday Company

ASSET TYPE	CAPEXTYPE	PRO...	FAC	SPLIT %	DESCRIPTION	PROJ ID	APPR. BUDGET CALC
15270 - 10YR - LHI	Capital		SACRAMENTO CAMPUS	100.00%	TRAINING ROOM FLOORING	1116-23-00112	9,000
15270 - 10YR - LHI	Capital	MHRC	1116 - SACRAMENTO MHRC	65.91%	TRAINING ROOM FLOORING	1116-23-00112	5,932
15270 - 10YR - LHI	Capital	PHF	1116 - SACRAMENTO PHF	34.09%	TRAINING ROOM FLOORING	1116-23-00112	3,068
61455 - Annualized - BE	Expense		SACRAMENTO CAMPUS	100.00%	MHRC & PHF - FISH TANK	1116-23-00113	8,000
61455 - Annualized - BE	Expense	MHRC	1116 - SACRAMENTO MHRC	65.91%	MHRC & PHF - FISH TANK	1116-23-00113	5,273
61455 - Annualized - BE	Expense	PHF	1116 - SACRAMENTO PHF	34.09%	MHRC & PHF - FISH TANK	1116-23-00113	2,727
61455 - Annualized - BE	Expense		SACRAMENTO CAMPUS	100.00%	MHRC -SEATING AREA (FISH TANK) 43.75 WIDE BY 54 DIAGONAL	1116-23-00114	4,000
61455 - Annualized - BE	Expense	MHRC	1116 - SACRAMENTO MHRC	100.00%	MHRC -SEATING AREA (FISH TANK) 43.75 WIDE BY 54 DIAGONAL	1116-23-00114	4,000
61455 - Annualized - BE	Expense	PHF	1116 - SACRAMENTO PHF	0.00%	MHRC -SEATING AREA (FISH TANK) 43.75 WIDE BY 54 DIAGONAL	1116-23-00114	0
61455 - Specific Date - BE	Expense		SACRAMENTO CAMPUS	100.00%	SHELVING IN WALK-IN FREEZER	1116-23-00112	2,500
61455 - Specific Date - BE	Expense	MHRC	1116 - SACRAMENTO MHRC	65.91%	SHELVING IN WALK-IN FREEZER	1116-23-00112	1,648
61455 - Specific Date - BE	Expense	PHF	1116 - SACRAMENTO PHF	34.09%	SHELVING IN WALK-IN FREEZER	1116-23-00112	852
15255 - 5YR - EQ	Capital		SACRAMENTO CAMPUS	100.00%	CAMERA COVERAGE -MHRC	1116-23-00113	10,000
15255 - 5YR - EQ	Capital	MHRC	1116 - SACRAMENTO MHRC	100.00%	CAMERA COVERAGE -MHRC	1116-23-00113	10,000
15255 - 5YR - EQ	Capital	PHF	1116 - SACRAMENTO PHF	0.00%	CAMERA COVERAGE -MHRC	1116-23-00113	0
15260 - 7YR - AUTO	Capital		SACRAMENTO CAMPUS	100.00%	NEW VAN	1116-23-00114	30,000
15260 - 7YR - AUTO	Capital	MHRC	1116 - SACRAMENTO MHRC	65.91%	NEW VAN	1116-23-00114	19,773
15260 - 7YR - AUTO	Capital	PHF	1116 - SACRAMENTO PHF	34.09%	NEW VAN	1116-23-00114	10,227

Caters to our Business Needs



- Allocations by expenses

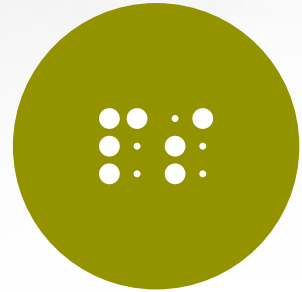


- Allocations by square footage



- Allocations by beds

Caters to our Business Needs



- Adjustments to census



- Adjustments to PPD rates



- Adjustments to P&L

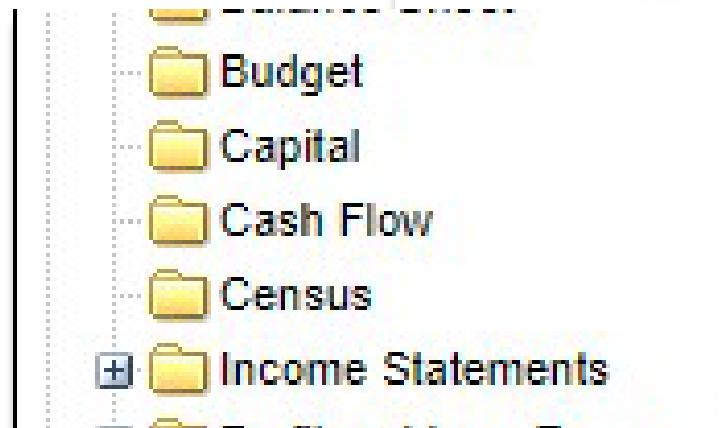


- Payroll assumptions by employee detail

Reporting & Other Outputs



- Ability to create graphs and visual models
- Generate and create various financial reports
- Office Connect uses Adaptive Insights data for the user to create excel reports



Reporting & Other Outputs



- Ability to see out of glance:

- Census
- Monthly Performance
- YTD Performance
- Percentage of Revenue
- Actual vs. Budget Comparison
- PPD cost
- Profit Margin

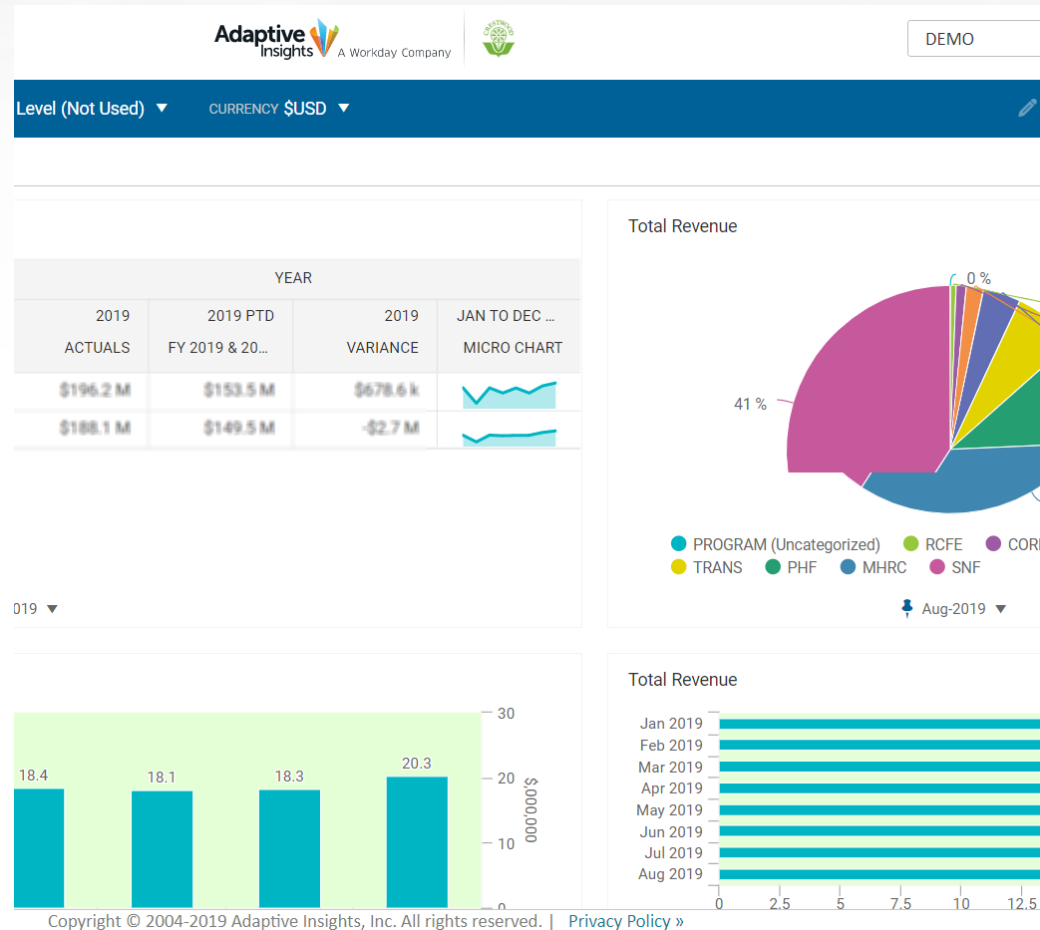
- Drilldown

	Aug-2019			Year to date as of Aug-2019			Aug-2019	Aug-2019		Year to date as of Aug-2019	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	Actuals	ACTUAL	BUDGET	ACTUAL	BUDGET
							% of REV	PPD	PPD	PPD	PPD
CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	0.33	-	-	-	-
CENSUS DAYS	776	780	(4)	6,176	6,200	(24)	0.04	0.13	0.07	0.06	0.07
TOTAL CENSUS DAYS	6,594	6,624	(30)	51,813	52,011	(198)	18.00	54.62	51.88	52.68	51.36
FIELD CENSUS DAYS											
FIELD CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	3.72	11.28	11.22	11.49	11.45
MANAGEMENT FEE	5,818	5,740	78	45,637	45,737	(100)	5.00	15.18	14.91	14.83	14.64
TOTAL FIELD CENSUS DAYS	11,636	11,584	52	91,274	91,548	(274)	8.72	26.45	26.13	26.32	26.09
CUSTOMER CENSUS DAYS											
CUSTOMER CENSUS DAYS	1,120	1,120	0	9,461	9,574	(113)	1.03	3.13	3.12	2.93	2.91
MANAGEMENT FEE	78	78	0	780	780	0	0.03	0.10	0.06	0.07	0.06
SERVICE CENSUS DAYS	1,042	1,042	0	8,681	8,794	(113)	0.07	0.20	0.18	0.21	0.18
TOTAL CUSTOMER CENSUS DAYS	1,198	1,198	0	10,242	10,368	(126)	1.13	3.43	3.36	3.21	3.16
TOTAL CENSUS DAYS	11,636	11,584	52	91,274	91,548	(274)	85.19	258.57	252.59	255.36	251.75
PROFIT LOSS (NET INCOME %)											
PROFIT LOSS (NET INCOME %)	14.81%	15.27%	(0.45%)	13.93%	14.03%	(0.10%)	14.81	-	-	-	-
NET INCOME %	14.81%	15.27%	(0.45%)	13.93%	14.03%	(0.10%)	0.00%	-	-	-	-

Dashboards



- Different dashboards
- for time frames
- For different entities
- For different campuses



LEVEL CBHI ▾ CURRENCY \$USD ▾

Search

Levels Search

NAME

▾ Top Level (Not Used)

▾ Total Company (B/S Level)

▶ CBHI

▶ HELIOS

▶ CHI

▶ DEN

Intuitive Design & Function



- Access from anywhere – web & mobile



- Ability to export data to excel



- Easy to read & clear interface



- Reports consolidated in one location

Questions?



“Best decision we made is partnering with Armanino and Adaptive Insights for our Financial Planning Solution.”

- Margarita Rosero, Crestwood Behavioral Health, Inc.

Thank you!

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