

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 Armanino
Advisory LLC*



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 sun is low on the horizon, creating a warm orange glow. The city lights are visible in the distance. The person is standing in front of a glass wall, and the reflection of the city is visible on the glass.

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



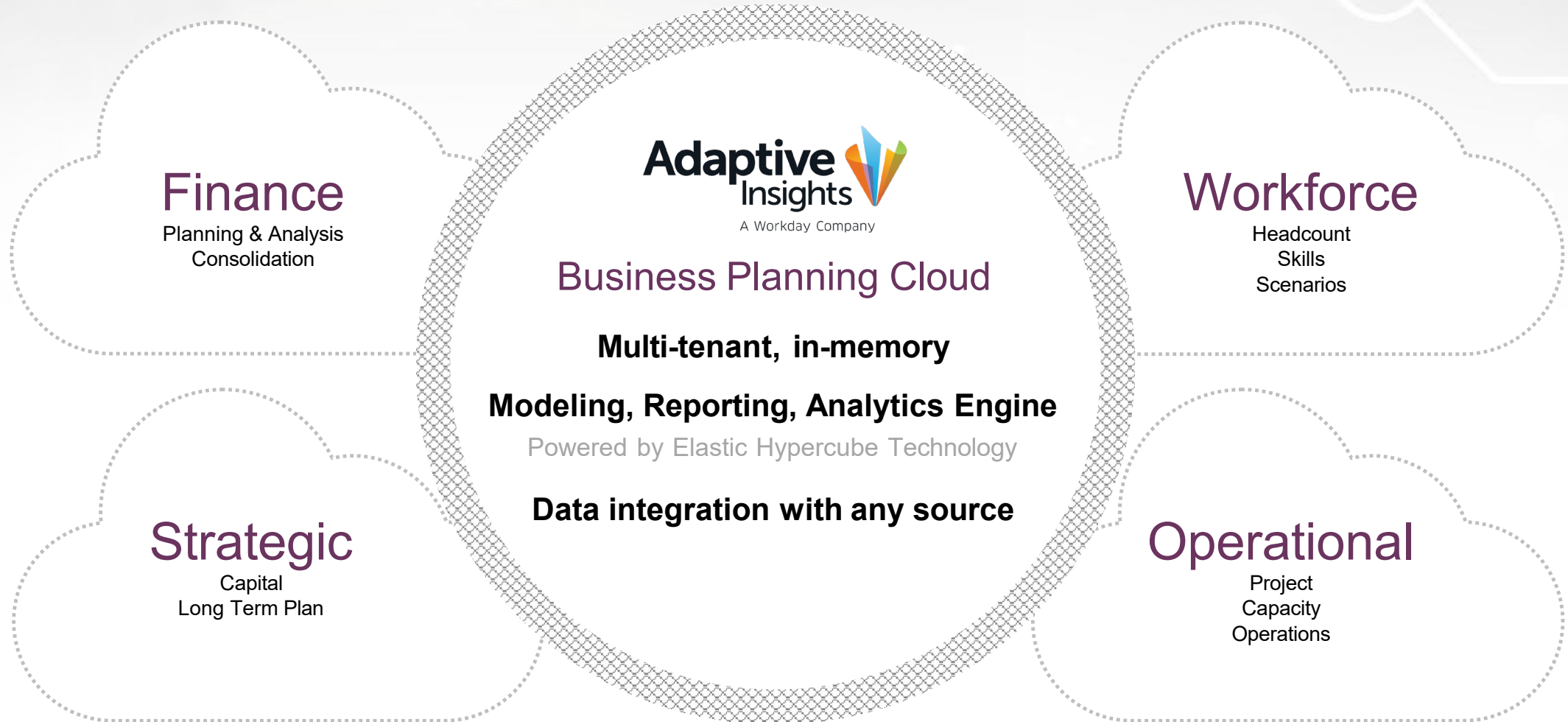
Continuous



Fast

Iterate and update quickly with rapid time to value

Platform for Healthcare Planning





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





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 of a large window at a city skyline. The window reflects the city and the person's face. The scene is set during sunset or sunrise, with a warm orange glow. The person is standing in front of a large window, looking out at a city skyline. The window reflects the city and the person's face. The scene is set during sunset or sunrise, with a warm orange glow.

Adaptive Insights Healthcare Demo

A background image showing several pairs of hands resting on a light-colored table, suggesting a collaborative meeting or workshop. The image is slightly blurred, focusing on the hands in the foreground.

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

Customized 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	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
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

Levels:		PAYERTYPE: Managed Care					
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

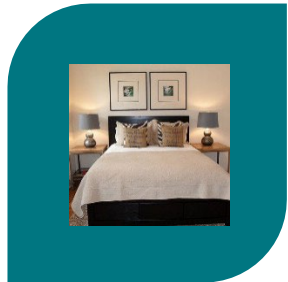
Adaptive Insights A Workday Company

ASSET TYPE	CAPEX TYPE	PRO...	FAC	SPLIT %	DESCRIPTION	PROJ ID	APPR. BUDGET CALC
15270 - 10YR - LHI	Capital		SACRAMENTO CAMPUS	100.00%	TRAINING ROOM FLOORING	11196-11197-11198	9,000
15270 - 10YR - LHI	Capital	MHRC	11196 - SACRAMENTO MHRC	65.91%	TRAINING ROOM FLOORING	11196-11197-11198	5,932
15270 - 10YR - LHI	Capital	PHF	11196 - SACRAMENTO PHF	34.09%	TRAINING ROOM FLOORING	11196-11197-11198	3,068
61455 - Annualized - BE	Expense		SACRAMENTO CAMPUS	100.00%	MHRC & PHF - FISH TANK	11196-11197-11198	8,000
61455 - Annualized - BE	Expense	MHRC	11196 - SACRAMENTO MHRC	65.91%	MHRC & PHF - FISH TANK	11196-11197-11198	5,273
61455 - Annualized - BE	Expense	PHF	11196 - SACRAMENTO PHF	34.09%	MHRC & PHF - FISH TANK	11196-11197-11198	2,727
61455 - Annualized - BE	Expense		SACRAMENTO CAMPUS	100.00%	MHRC - SEATING AREA (FISH TANK) 43.75 WIDE BY 54 DIAGONAL	11196-11197-11198	4,000
61455 - Annualized - BE	Expense	MHRC	11196 - SACRAMENTO MHRC	100.00%	MHRC - SEATING AREA (FISH TANK) 43.75 WIDE BY 54 DIAGONAL	11196-11197-11198	4,000
61455 - Annualized - BE	Expense	PHF	11196 - SACRAMENTO PHF	0.00%	MHRC - SEATING AREA (FISH TANK) 43.75 WIDE BY 54 DIAGONAL	11196-11197-11198	0
61455 - Specific Date - BE	Expense		SACRAMENTO CAMPUS	100.00%	SHELVING IN WALK-IN FREEZER	11196-11197-11198	2,500
61455 - Specific Date - BE	Expense	MHRC	11196 - SACRAMENTO MHRC	65.91%	SHELVING IN WALK-IN FREEZER	11196-11197-11198	1,648
61455 - Specific Date - BE	Expense	PHF	11196 - SACRAMENTO PHF	34.09%	SHELVING IN WALK-IN FREEZER	11196-11197-11198	852
15255 - 5YR - EQ	Capital		SACRAMENTO CAMPUS	100.00%	CAMERA COVERAGE -MHRC	11196-11197-11198	10,000
15255 - 5YR - EQ	Capital	MHRC	11196 - SACRAMENTO MHRC	100.00%	CAMERA COVERAGE -MHRC	11196-11197-11198	10,000
15255 - 5YR - EQ	Capital	PHF	11196 - SACRAMENTO PHF	0.00%	CAMERA COVERAGE -MHRC	11196-11197-11198	0
15260 - 7YR - AUTO	Capital		SACRAMENTO CAMPUS	100.00%	NEW VAN	11196-11197-11198	30,000
15260 - 7YR - AUTO	Capital	MHRC	11196 - SACRAMENTO MHRC	65.91%	NEW VAN	11196-11197-11198	19,773
15260 - 7YR - AUTO	Capital	PHF	11196 - SACRAMENTO PHF	34.09%	NEW VAN	11196-11197-11198	10,227

Caters to our Business Needs



- Allocations by expenses

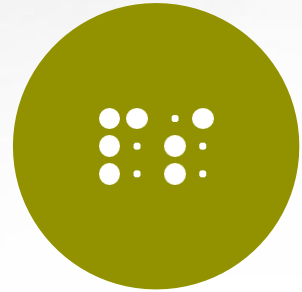


- Allocations by beds



- Allocations by square footage

Caters to our Business Needs



- Adjustments to census



- Adjustments to PPD rates



- Adjustments to P&L

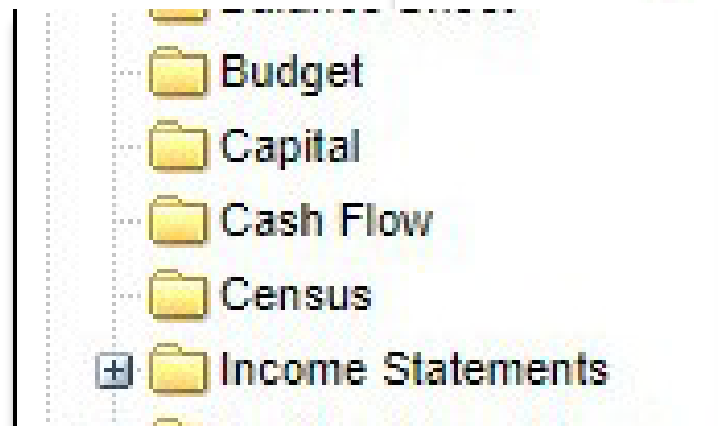
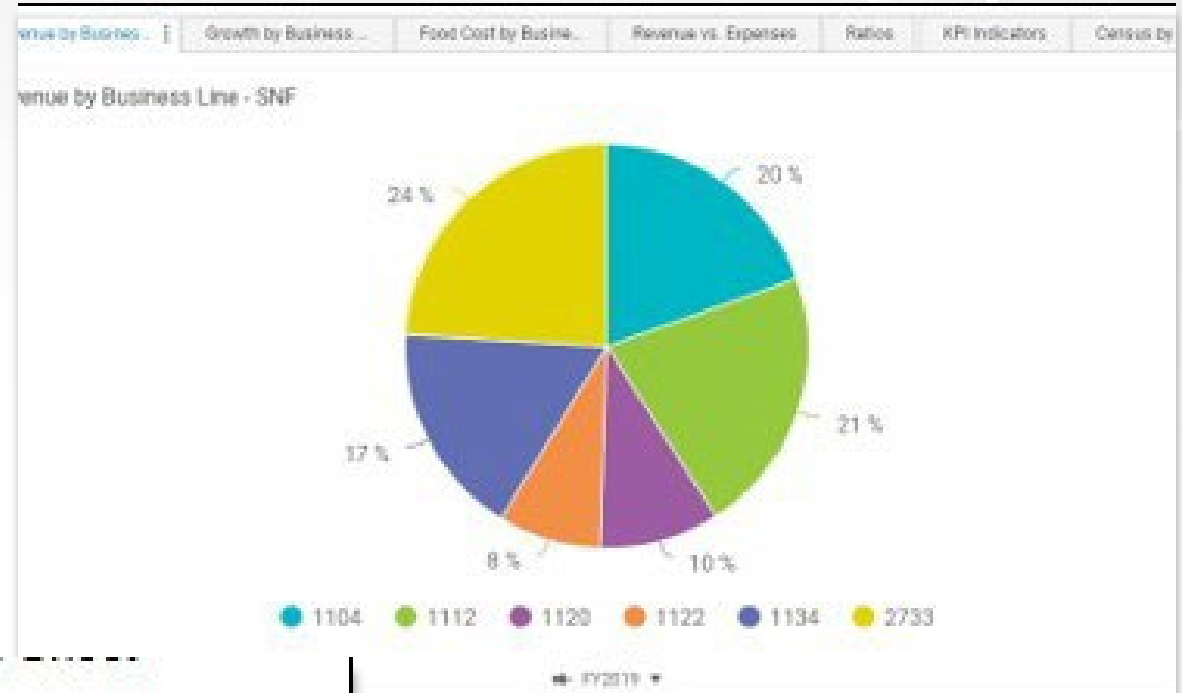


- Payroll assumptions by employee detail

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

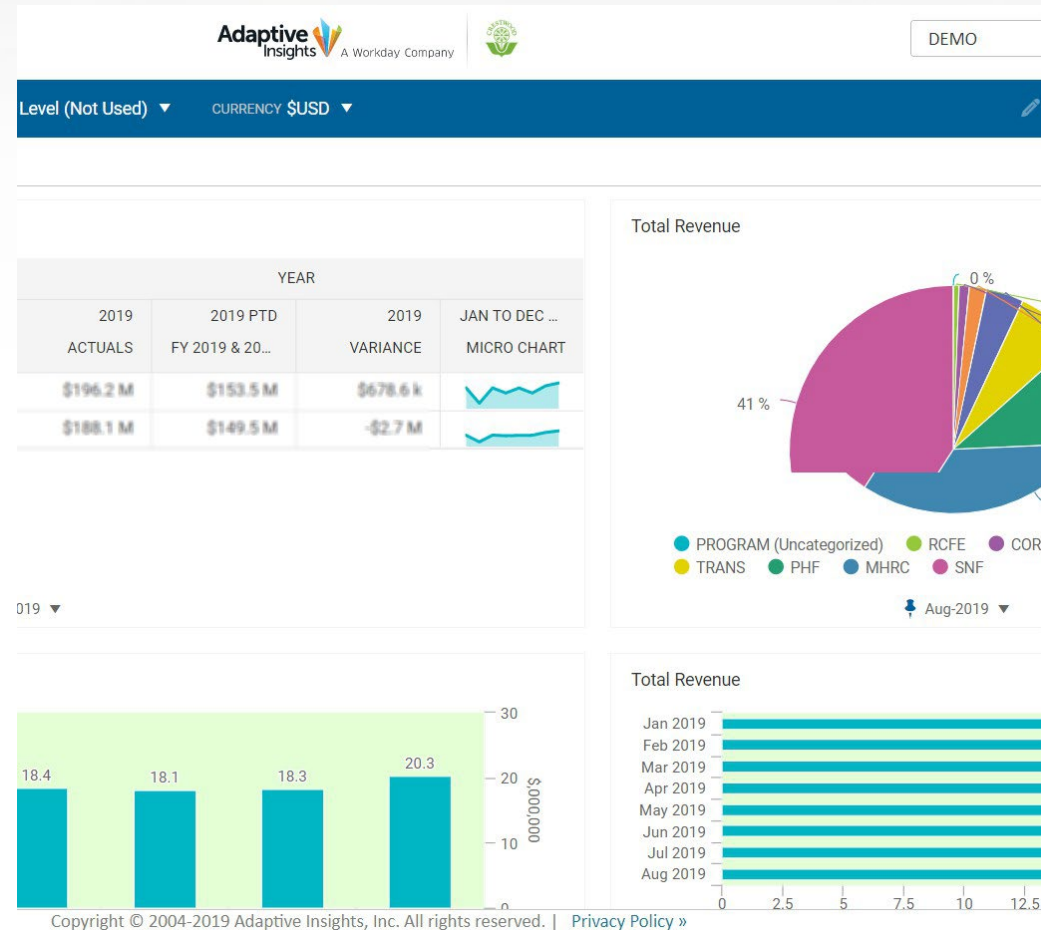
■ Drilldown

	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	-	-	-	-
TOTAL CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	0.04	0.13	0.07	0.06	0.07
TOTAL CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	18.00	54.62	51.88	52.68	51.36
FULLY CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	3.72	11.28	11.22	11.49	11.45
MONTHLY CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	5.00	15.18	14.91	14.83	14.64
TOTAL CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	8.72	26.45	26.13	26.32	26.09
CENSUS DAYS CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	1.03	3.13	3.12	2.93	2.91
MONTHLY CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	0.03	0.10	0.06	0.07	0.06
MONTHLY CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	0.07	0.20	0.18	0.21	0.18
TOTAL CENSUS DAYS CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	1.13	3.43	3.36	3.21	3.16
TOTAL CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	85.19	258.57	252.59	255.36	251.75
PROFIT CENSUS DAYS CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	14.81	-	-	-	-
PROFIT CENSUS DAYS	5,818	5,844	(26)	45,637	45,811	(174)	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

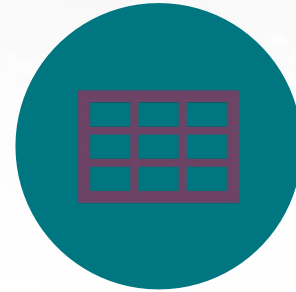
► CHI

► DEN

Intuitive Design & Function



- Access from anywhere – web & mobile



- Ability to export data to excel

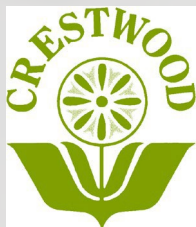


- Easy to read & clear interface



- 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!

Amy Morgan, Armanino Advisory LLC

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Armanino Operates in an Alternative Practice Structure:

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