



Bringing Healthcare Home

2010 ANNUAL REPORT

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ADMINISTRATIVE SUMMARY

Panhandle Home Health, Inc. is organized as a private, nonprofit, freestanding home health agency providing skilled, intermittent care. A Medicare-certified agency, founded in 1976 by a group of community-minded and interested citizens, the agency provides care to patients residing in Berkeley, Morgan and Jefferson Counties of West Virginia and celebrates thirty-four years of dedicated service to the community in 2010. The organization is governed by a volunteer Board of Directors. A volunteer Professional Advisory Committee of health and related professionals is available to provide medical oversight.

The United Way of the Eastern Panhandle, WV helps to support the charitable purposes of Panhandle Home Health, Inc. Agency membership in the United Way provides a valuable link between the organization and the community. The annual United Way campaign and Day of Caring provide the Agency with a high level of recognition, accountability, credibility, and support. The employees demonstrate their commitment to the Agency and to the community by participating in a Workplace Campaign. This year the employees outdid themselves by donating nearly \$7,000 with 82% employee participation, a 74% increase from the previous year! Many local restaurants donated gift cards to be used as prizes for all those making donations and all employees making donations had their name entered for a grand prize drawing for a ½ day off with pay! The Staff recognize the importance of giving locally and what a difference the United Way makes in our community!

The Agency continues to provide medically directed home health care services to patients in their homes. Panhandle Home Health, Inc. offers an array of skilled and support services based on the patient's medical need and the physician's written plan of treatment. These services include:

- Skilled Nursing (SN)
- Physical Therapy (PT)
- Speech Therapy (ST)
- Occupational Therapy (OT)
- Medical Social Services (MSS)
- Registered Dietician (RD)
- Certified Home Health Aide (AIDE)

Coverage criteria for home health care services varies by pay source. Most pay sources require that the patient is confined to his or her home, the service(s) is medically necessary, and the service(s) is provided on an intermittent basis. Pay sources of home health services include:

- Medicare
- Medicare Advantage
- Medicaid
- Private Insurance
- Private Pay

Medicare reimbursement continues under the Home Health Prospective Payment System (HHPPS). The payment methodology continues to be based on OASIS data which has undergone its first major revision since its inception. The new OASIS-C dataset became effective on January 1, 2010 and accuracy in completing the dataset is key to appropriate

payment! Staff education is intense and ongoing as we continue to master the instructions for completing the OASIS information accurately.

Congress approved a Medicare rate payment increase of 2% for 2010 which was off-set by the third year of the case mix creep reduction of 2.75%. CBSA rates were slightly reduced for 2010, resulting in a Medicare payment reduction. The Agency has targeted the need to maximize efficiencies in order to endure current and future decreases in Medicare reimbursement.

In 2009, The Centers for Medicare and Medicaid services (CMS) issued the 2009 Home Health Prospective System (HPPS) Final Rule which included a requirement for national implementation of the Home Health Consumer Assessment of Healthcare Providers and Systems (HH-CAHPS). Home health agencies are now required to select a CMS approved vendor to conduct patient satisfaction surveys. Data collection began in the third quarter of 2010 with all agencies being required to conduct a “dry run” during at least one of the months in that quarter and then to continuously collect data to be submitted on a quarterly basis. The results of the surveys will eventually be included on Medicare’s Home Health Compare website. Agencies that do not participate in the HH-CAHPS survey process will not be eligible to receive any scheduled market basket increases in Medicare reimbursement beginning in 2012. Panhandle Home Health selected Fazzi and Associates as a survey vendor. Data gathered from the surveys between June and December of 2010 revealed the Agency’s rating of Care of Patients at 90%, with 86% of the patients surveyed indicating that they would definitely recommend PHHI services to others and 85% rating our overall care at 9 or 10 on a scale of 0 to 10. We are proud to say that these ratings are above the National benchmark!

The Outcome and Assessment Information Set (OASIS) data that is collected during patient assessments is also used to measure patient outcomes. These outcomes will eventually be used as a pay for performance incentive.

During the OASIS-C data transition period in 2010, Outcome Based Quality Monitoring (OBQM) reports have been unavailable. As part of the mandated OBQM process, the Agency has identified patients hospitalized for wound infections or deterioration, Congestive Heart Failure (CHF), or medication errors or side effects for clinical record review. In 2010, 94 clinical records were reviewed by a clinical team dedicated to determine methods for improving patient care and reducing the incidence of preventable hospitalizations for these reasons. From this group, a CHF Protocol has been developed for patient care staff to utilize in managing the care of the CHF patient from referral to discharge! A Wound Care Task Force has developed and implemented best practices related to the care of a variety of wounds!

Patient outcome reporting, Outcome Based Quality Improvement (OBQI), has also been impacted by the transition to the OASIS-C dataset. Part of the OASIS-C now includes evidence based practice data elements. These process quality measures focus on timely care, care coordination, assessment, care planning, care plan implementation, education, and prevention. OBQI Reports that became available in October of 2010 included reports on 47 process measures. These reports revealed that the Agency scored better than the National Reference in 36 of the 47 process measures! Five of these measures are now publicly reported on Medicare’s Home Health Compare Website. The first full OASIS-C Quality Care Outcome Reports are expected to be available in May of 2011. Despite the lack

of these reports during 2010, the Agency Care Process Team has continued to work on best practices to improve the patient's ambulation ability and medication management – the two Agency selected Target Outcomes for 2010. Staff education has been a large part of the Team's efforts to improve patient care. The Agency is registered as a Premier Campaign Participant in the Home Health Quality Improvement National Campaign. The focus of this campaign is to reduce acute care hospitalizations and improve the management of oral medications at home. Data reports from the Home Health Quality Improvement Organization reveal that the Agency has experienced an improvement in oral medication management from 30.8% to 43.2% in December of 2010. The Agency's overall acute care hospitalization scores improved to 23.7% by year's end for a yearly average of 29.1%, which is below the state average.

The CMS Home Health Compare website now contains twenty-three (23) publicly reported outcomes. In addition to being the basis for future pay for performance, these published outcomes assist patients and their families in the selection of a home health agency.

In an effort to streamline our processes and improve efficiency, the Agency implemented the first Assessment Nurses in 2010. These nurses have received specialized training and are credentialed in Home Health Coding and in completing the OASIS Assessment. The Assessment Nurses conduct the majority of all assessments referred to the Agency. They improve the timeliness of physician orders, provide consistency in the initial OASIS Assessment and require minimal clinical management review improving claims processing and other workflow processes within the organization.

The annual Panhandle Home Health, Inc. Corporate Compliance Plan was revised. The Corporate Compliance Plan identifies potential areas of fraud and abuse to the Medicare and Medicaid programs. Annual staff training and monthly educational articles are provided with periodic reports presented to the Board of Directors.

Our Circle of Care grateful patient program continued into 2010 bringing over \$2,300 in charitable donations to the organization. It is notable that the donors increased from 7 in 2009 to 32 in 2010! Patients admitted to the services of Panhandle Home Health are mailed a Circle of Care brochure with giving envelope and asked to make a gift to the Agency. We expect this program to continue to grow as we serve the Eastern Panhandle Community!

The Annual Appeal was mailed to businesses, corporations, friends, employees, patients, past patients who have become friends of Panhandle Home Health. Donors are recognized as the "enduring force" that grows Panhandle Home Health! A tree was placed on the wall at the building entrance and gifts are signified by leaves and birds that appear on the tree as donations are received.

The Agency, once again, partnered with CoxHollidaPrice to hold our second annual Puttin' for Panhandle Home Health Miniature Golf Tournament as a fundraiser for the organization! A committee of individuals from the community volunteered to help organize the event which raised nearly \$12,000 this year! The committee has grown to 23 in 2010, adding 9 new members! Panhandle Home Health has been successful in raising funds, friends and awareness of the Agency and it's services through this fun event!

The 11th annual basket bingo was held in November raising \$4500 for our organization's charity care program. The event continues to be sponsored by the local Laureate Zeta

Chapter of Beta Sigma Phi sorority. This group of women has demonstrated their support of the Agency and the community served by raising over \$36,000 for Panhandle Home Health over the last 11 years!

Donors to the organization have increased by 27% in 2010! This is a remarkable accomplishment given the current economic climate and so many charitable organizations seeking contributions and participation in fundraising events. In 2010, overall donations have increased by 18%!

In addition to outside fundraising projects, the Agency has put together a TEAM (Together Everyone Achieves More) Program to fund specific items on our Agency's wish list. Money is generated through our staff's own generosity in supporting bake sales, lunches, and spare change campaigns. Items purchased from our TEAM Program include replacing our worn American flag and a 42" flat screen television set and media cart for staff training purposes. Our staff "walk the talk" by supporting the organization in many different ways!

Recognition events were celebrated throughout the year including Home Health Aide Day, Administrative Professionals Day, Nurses Week, Physical, Occupational and Speech Therapy Months, Volunteer Week, CPA Day, and Nutrition and Social Workers Month. Alice Smith, Staff Nurse was recognized for 25 years of service. Tammy Lancaster and Sandy Markley, Staff Nurses, Frances Mason, Physical Therapy Assistant and Melissa Boyer, Home Health Aide were recognized for 15 years of service. Laura Hunter, Angela Gordon, Staff Nurses and Janet Fellers, Home Health Aide were recognized for 10 years of service and Patricia "Pepper" Lawrence, Home Health Aide was recognized for 5 years of service. A luncheon was once again held to celebrate National Home Care Month and Alice Smith was named the 2010 Employee of the Year!

Each year has it's own challenges to offer our organization and 2010 has been no different! As our patient population has grown, so has our need for more qualified staff. We are all extremely busy trying to keep up with the ever changing health care environment, regulatory compliance, and our patient and community needs! But what a problem to have? We find ourselves grateful for another successful year and wonder where it went!

The staff of Panhandle Home Health continue to demonstrate their commitment and dedication to this community. They are actively involved on committees and work groups, devoting time and effort into making Panhandle Home Health strong through the development of programs and best practices that will benefit all of the patients we serve. It is truly a privilege to serve with them!

I would like to express my sincere thanks to the Board of Directors, Professional Advisory Committee, Volunteers and Staff for their support and encouragement throughout the year! We will conquer 2011 together!

Lisa R. Bivens, Executive Director

MISSION AND VISION STATEMENTS

MISSION STATEMENT: To provide the community with high quality home health services and to link individuals with available resources

VISION STATEMENT: To be the preferred provider of professional healthcare at home

BOARD OF DIRECTORS

Officers

Chairman	James C. Rodgers
Vice Chairman/Treasurer	Vicki R. Jenkins
Secretary	Charlotte Anderson, RN, Ph.D.

Directors

Edward Arnett, M.D.

Glenn P. Hare, Esq.

Carl Howard, M. Div.

Nancy Mason, BS, NHA

PROFESSIONAL ADVISORY COMMITTEE

Sandy LeMaster, RN, Chairman

Frank A. Hamilton, M.D.

Karen Rudolph, M.D.

Jane Downey, P.T.

Kathy Dilley, RN

Paul Denchy, LSW

Linda Coffman, RN

STAFF

(listed as of 12/31/10)

EMPLOYEES

Executive Director	Lisa R. Bivens, RN
Medical Director	Karen Rudolph, MD

Clinical Division

Director of Clinical Services	Linda J. Eccard, RN
Assistant Director of Clinical Services	Valerie Moreno, RN
Clinical Manager	Brenda Kish, RN
Information Technology Clinical Manager	M. Donna McDonald, RN
Assistant Clinical Manager	Louise Plowman, RN
Information Technology Assistant Clinical Manager	Cathy Reifer, RN
Intake Nurse	Brenda Cloud, RN
Staff Nurses	
Rebecca Collins, RN	Julie Everhart, RN
Karen Glass, RN	Angela Gordon, RN
Crystal Harris, RN	Shiloh Horne, RN
Laura Hunter, RN	Jane Kees, RN
Tammy Lancaster, RN	Michele Maguire, RN
Johanna Mitchell, RN	Christa Negley, RN
Lisa Rowland, RN	Michelle Ruffner, RN
Alice Smith, RN	Angela Stauf, RN
Yoonsil Stowe, RN	Sandra Thomas, RN
Karen Thompson, RN	Dawn Zimmerman, RN
Physical Therapy Assistant	Frances Mason, PTA
Medical Social Worker	Glenna Sisk, BSW
Registered Dietician	Carolyn Sagle, RD
Certified Home Health Aides	
Linda Barney	Samantha Barth
Melissa Boyer	Kristi Bradley
Janet Fellers	Brenda Heller
Patricia Lawrence	Agnes Lutterodt

Finance and Administrative Services Division

Director of Finance	Craig Potter, CPA
Director of Resource Development	Christina Johnson
Director of Administrative Services	Karen Kisner
Computer Systems Manager	Andrea Scappini
Health Information Services Manager	Vicki Rohrer
Administrative Services Clerks Melanie Oliver	Deborah Klewe
Medical Records Clerk	Kathy Gochenour
Receptionist	Robin Hicks

Volunteer Division

Volunteers Patricia Clower Angela Lang Angela Payne Mary Pearl Weakley	Heather Eckenrode Varun Menon Jerry Weakley
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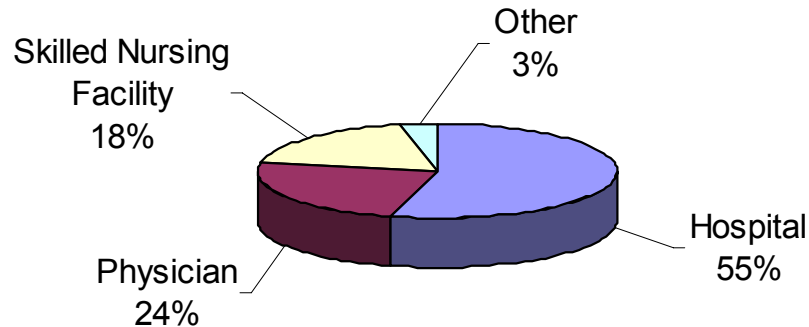
INDEPENDENT CONTRACTORS

Consultant Medical Social Worker	Donna Cobean, MSW
Occupational Therapy Katie S. Brinkley, OT Barbara Nahemow, OT	Laura DeWitt, OT Brent Sergent, OT
Physical Therapy Erica Banks, PT Tod Burke, PT Fitness Pathways, LLC Hull Physical Therapy, LLC	Suzanne Behrmann, PT Elite Rehabilitation Services, LLC Michele R. Godfrey, PT Jennifer Sampsell, PT
Speech Language Pathology	Dara Klug, SLP
Staff Nurse	Tracy Miller, RN

Schedule of Charges per Visit by Discipline

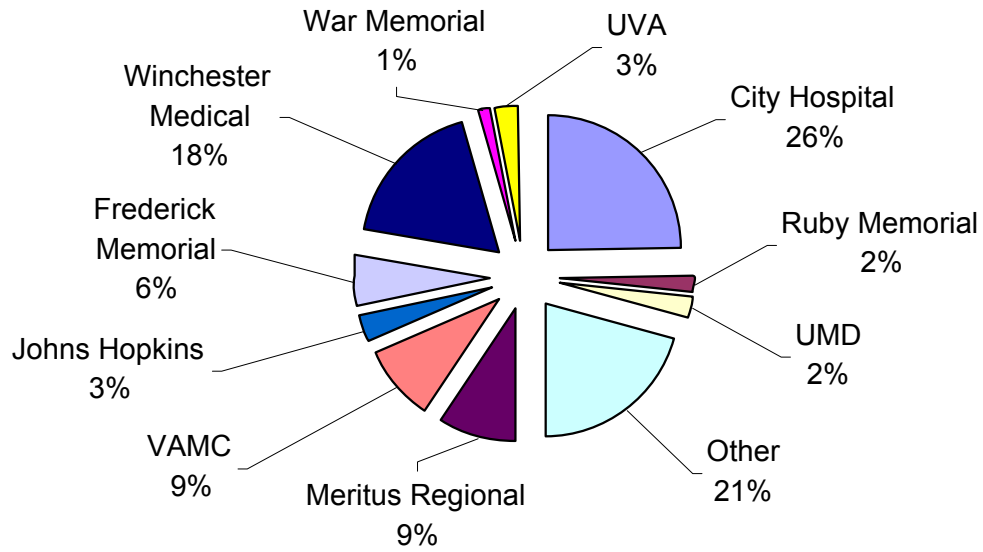
SN	PT	SLP	OT	MSS	AIDE
\$160.00	\$155.00	\$155.00	\$155.00	\$200.00	\$75.00

2010 Source of Referrals

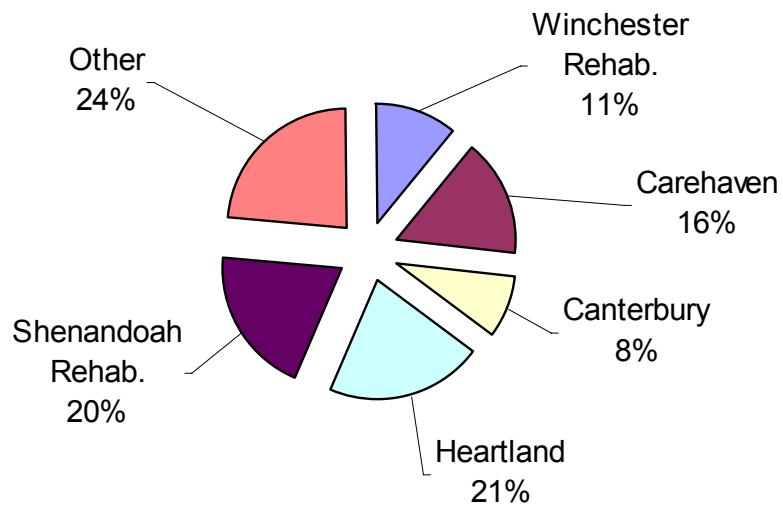


Referral Source	2010	2009	2008	2007
Hospital	851	837	772	973
Physician	379	289	278	265
Community Agency	6	17	15	23
Self/Family/Friend	21	32	45	39
Nursing Home	290	303	250	99
Insurance Case Manager	6	17	22	47
Vendor	8	54	41	20
Discharge/Readmit	8	7	14	-
Other	5	13	22	-
Total	1,574	1,569	1,459	1,466

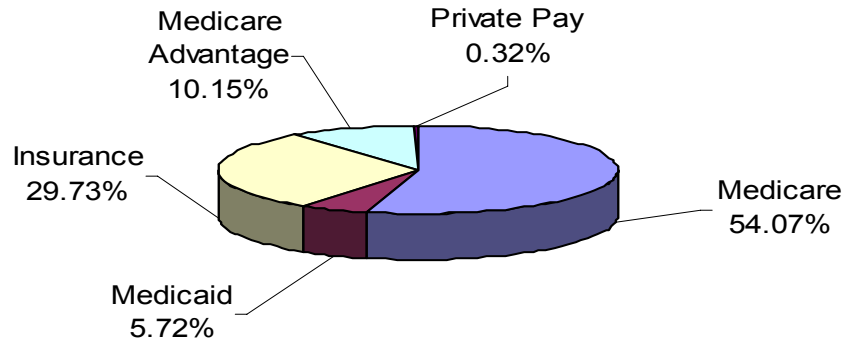
2010 Hospital Referrals



2010 Skilled Nursing Facility Referrals

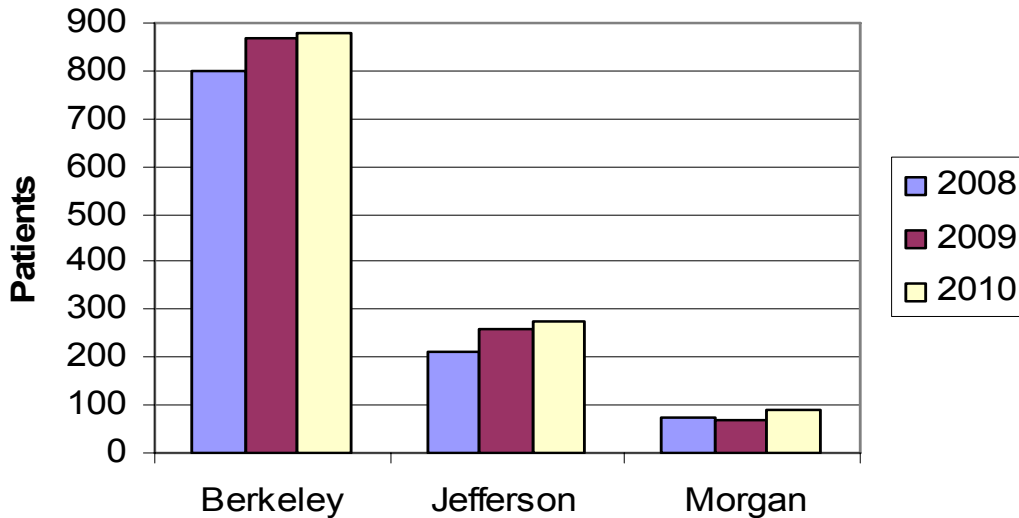


2010 Patients Served by Pay Source



Pay Source	2010	2009	2008
Medicare	671	655	688
Medicaid	71	56	61
Insurance	369	353	330
Medicare Advantage	126	124	-
Private Pay	4	8	7
Total	1,241	1,196	1,086

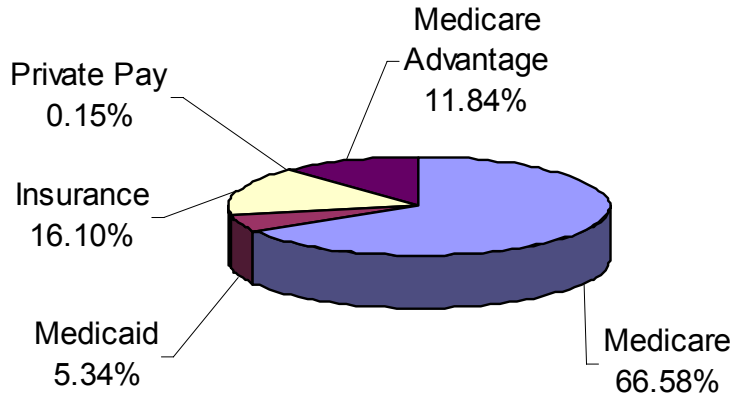
Patients Served by County



Year	Berkeley	Jefferson	Morgan	TOTAL
2006	748	210	76	1,034
2007	821	193	87	1,101
2008	800	213	73	1,086
2009	868	260	68	1,196
2010	877	274	90	1,241

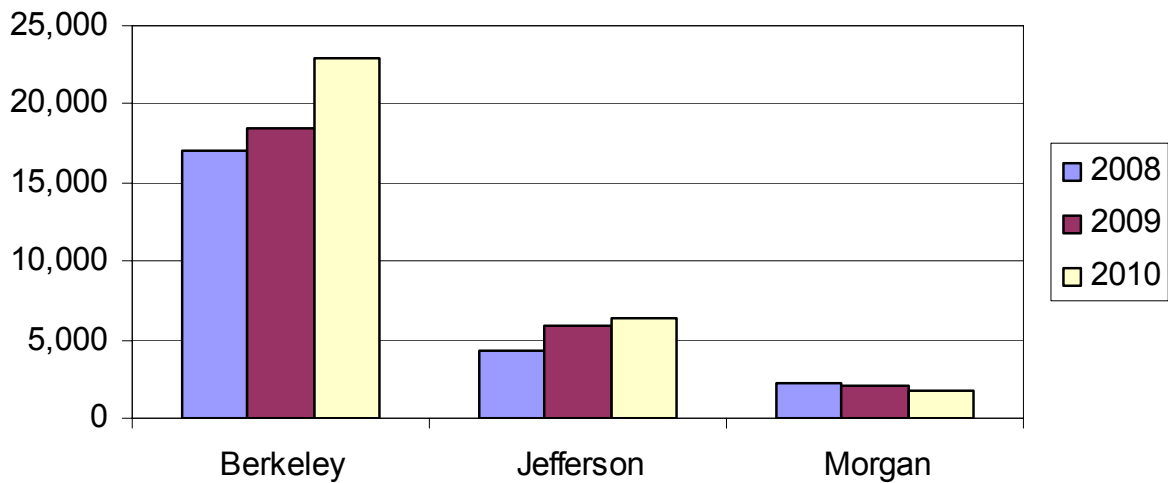
*Number of patients served reflects an unduplicated census

2010 Billable Visits by Pay Source



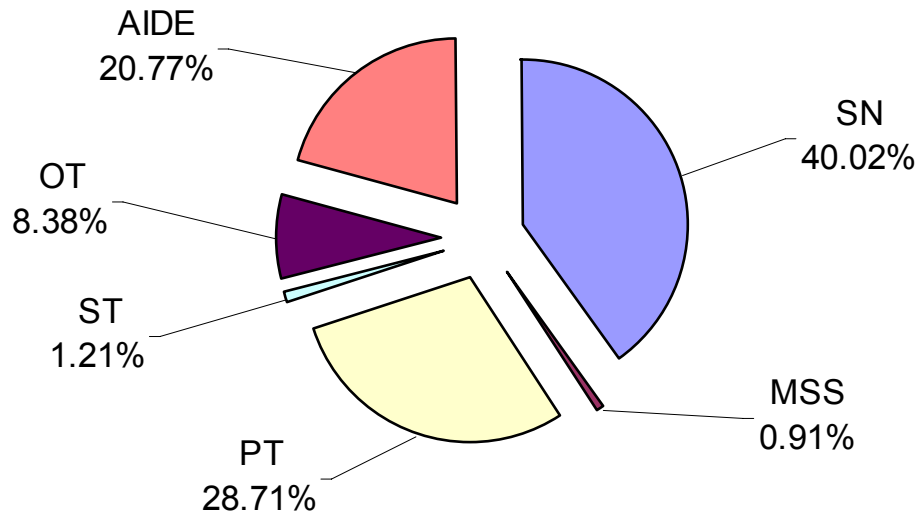
Pay Source	2010	2009	2008
Medicare	20,616	19,036	18,399
Medicare Advantage	3,665	2,259	-
Medicaid	1,652	1,424	866
Insurance	4,986	3,564	4,284
Private Pay	46	54	119
Total	30,965	26,336	23,668

Billable Visits by County



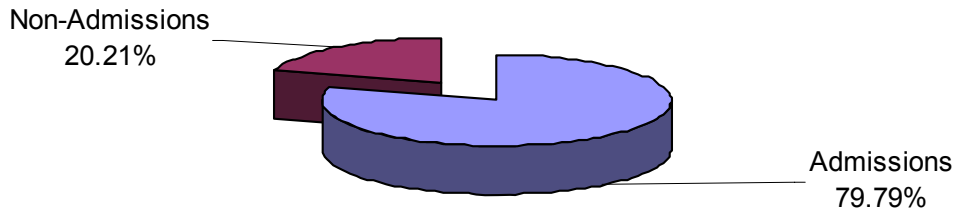
	2010	2009	2008
Berkeley	22,917	18,393	17,112
Jefferson	6,299	5,910	4,365
Morgan	1,749	2,033	2,191

2010 Billable Visits by Discipline



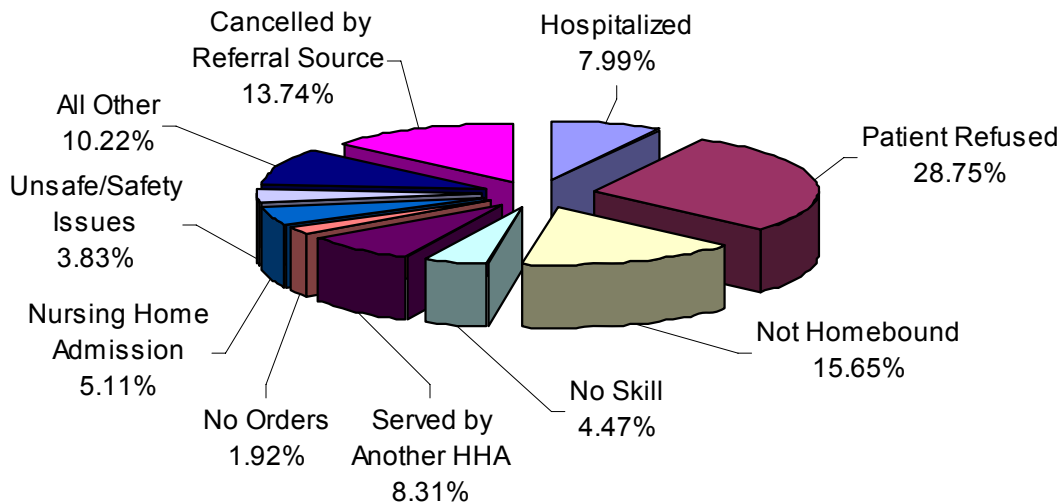
Discipline	Visits		
	2010	2009	2008
Skilled Nurse (SN)	12,392	10,860	9,647
Physical Therapy (PT)	8,890	6,869	6,962
Speech Therapy (ST)	374	349	230
Occupational Therapy (OT)	2,594	2,382	1,770
Medical Social Services (MSS)	283	225	98
Home Health Aide (AIDE)	6,431	5,651	4,961
Registered Dietician (RD)	1	-	-
Total	30,965	26,336	23,668

2010 Admissions and Non-Admissions



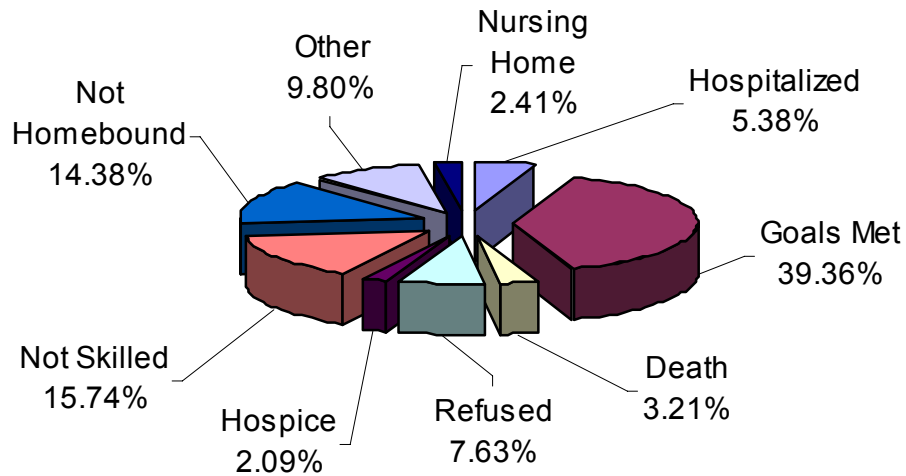
	2010	2009	2008
Number of Admissions	1236	1196	1051
Number of Non-Admissions	313	352	403

2010 Reasons for Non-Admission



	2010	2009	2008
Hospitalized	25	9	20
Patient Refused	90	84	79
Not Homebound	49	60	66
No Skill	14	19	37
Served by Another HHA	26	9	12
No Orders	6	12	5
Nursing Home Admission	16	13	10
Unsafe/Safety Issues	12	10	24
Cancelled by Referral Source	43	104	-
All Other	32	32	150
TOTAL Non-Admissions	313	352	403

2010 Reasons for Discharge



	2010	2009	2008
Goals Met	490	508	525
Not Skilled	196	150	110
Not Homebound	179	166	146
Death	40	22	34
Pt. Refused	95	63	41
Hospice	26	26	25
Nursing Home Placement	30	21	-
Hospitalized	67	68	58
Other	122	139	140
TOTAL	1,245	1,163	1,079

Length of Stay	2010	2009	2008
1 – 30 Days	45% (555)	51% (596)	42% (456)
31 – 60 Days	39% (485)	35% (403)	39% (422)
61 – 90 Days	3% (45)	5% (54)	6% (60)
91 – 180 Days	9% (110)	7% (81)	10% (109)
Over 180 Days	4% (50)	2% (29)	3% (32)

Medicare PPS Data

Number of Episodes			
Episode Type	2010	2009	2008
Full	970	917	809
LUPA	123	148	129
PEP	17	16	6
Outlier	8	1	1
TOTAL	1,118	1,082	945

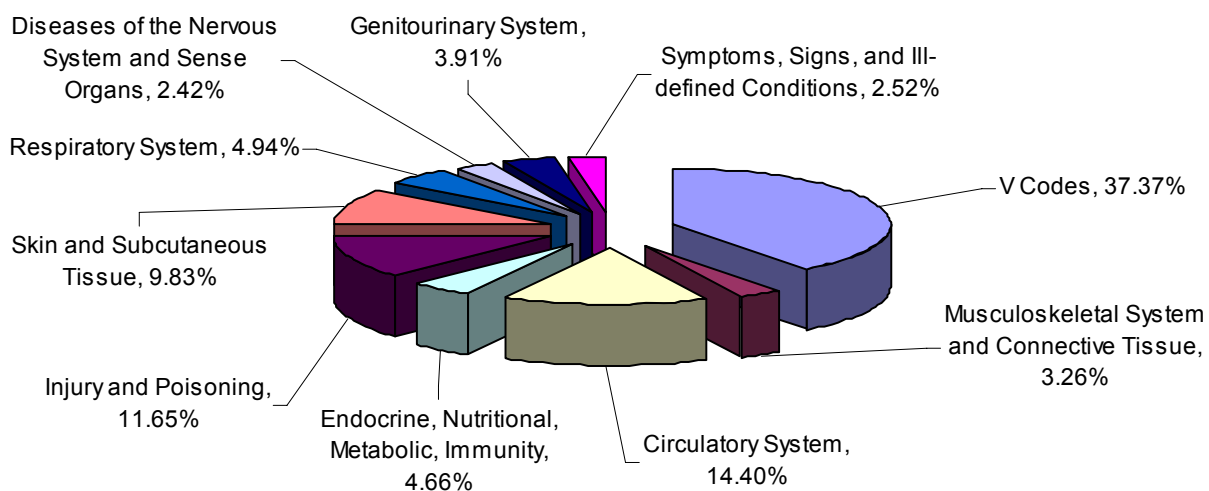
Revenue by Type of Episode			
Episode Type	2010	2009	2008
Full	\$3,356,984.59	\$3,004,132.94	\$2,685,929.55
LUPA	\$43,154.42	\$49,800.99	\$40,607.20
PEP	\$16,268.09	\$15,479.82	\$8,032.38
Outlier	\$35,518.48	\$2,133.25	\$4,445.91
TOTAL	\$3,451,925.58	\$3,071,547.00	\$2,739,015.04

	2010	2009	2008
Average Cost Per Episode	\$2,787.40	\$2,581.45	\$2,740.47
Average Revenue Per Episode	\$3,087.59	\$2,838.77	\$2,898.43
Average Profit Per Episode	\$300.19	\$257.32	\$157.96
Average Supply Cost Per Episode	\$52.07	\$43.28	\$79.64

Average Number of Visits Per Episode

	SN	PT	OT	ST	MSW	AIDE	Total
2010	8.01	6.06	1.8	0.23	0.21	5.47	21.79
2009	7.48	5.06	1.86	0.20	0.16	4.75	19.51
2008	7.01	5.91	1.52	0.14	0.08	4.91	19.55

2010 Top Ten Diagnosis Categories



2010 Top Ten Diagnosis Category – Specific Diagnosis		
V-Codes		
	PT or other Rehab.	36.5%
	Joint Replacement	24%
Circulatory System		
	CHF	33%
	Late Effects of CVA	23%
Endocrine/Metabolic		
	Diabetes	79%
Injury & Poisoning		
	Non-healing Surgical Wound	28%
	Post-Op Infection	15%
Skin & Subcutaneous Tissue		
	Pressure Ulcers	49%
Musculoskeletal System and Connective Tissue		
	Muscle Weakness	30%
Respiratory System		
	Pneumonia	34%
	COPD	42%
Nervous System		
	Multiple Sclerosis	54.5%
Genitourinary System		
	Urinary Tract Infection	55%
Signs & Symptoms or Ill-defined Conditions		
	Debility or Malaise/Fatigue	30%

PANHANDLE HOME HEALTH, INC.
BALANCE SHEETS
December 31, 2010 and 2009

ASSETS	2010	2009
Current Assets		
Cash and cash equivalents	\$942,642	\$661,969
Patient accounts receivable, net of allowance for doubtful accounts and contractals of \$50,500 in 2009 and \$85,500 in 2008	440,008	509,369
Inventory	26,364	16,027
Prepaid expenses and other assets	15,664	16,701
Total current assets	<u>1,424,678</u>	<u>1,204,066</u>
Property and Equipment		
Land	275,408	275,408
Building	1,167,086	1,167,086
Furniture and equipment	119,549	119,549
Computer software	141,422	133,578
	<u>1,703,465</u>	<u>1,695,621</u>
Less accumulated depreciation and amortization	(217,905)	(138,477)
Total property and equipment	<u>1,485,560</u>	<u>1,557,144</u>
Total assets	<u><u>\$2,910,238</u></u>	<u><u>\$2,761,210</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts Payable	\$ 11,357	\$ 6,790
Accrued pension	31,122	28,933
Accrued compensated absences	78,908	70,770
Other accrued expenses	62,367	52,079
Copier lease payable (current portion)	2,489	2,393
Note Payable (current portion)	22,320	20,805
Total current liabilities	<u>208,563</u>	<u>181,770</u>
Long-term Liabilities		
Copier lease payable (net of current portion)	5,606	8,095
Note payable (net of current portion)	917,852	944,359
Total long-term liabilities	<u>923,458</u>	<u>952,454</u>
Total liabilities	<u>1,132,021</u>	<u>1,134,224</u>
Net Assets – unrestricted		
Undesignated	<u>1,778,217</u>	<u>1,626,986</u>
Total unrestricted net assets	<u>1,778,217</u>	<u>1,626,986</u>
Total liabilities and net assets	<u><u>\$2,910,238</u></u>	<u><u>\$2,761,210</u></u>

PANHANDLE HOME HEALTH, INC.

**STATEMENTS OF OPERATIONS AND
CHANGES IN NET ASSETS**

For the years ended December 31, 2010 and 2009

	2010	2009
Operating revenue:		
Net patient service revenue	\$4,300,831	\$3,710,288
Other operating revenue	578	1,009
Total operating revenue	<u>4,301,409</u>	<u>3,711,297</u>
Operating expenses:		
Salaries and benefits	2,485,310	2,257,317
Contractual services	893,982	642,318
Supplies and other expenses	643,581	588,135
Occupancy	35,123	33,507
Depreciation and amortization	79,427	77,833
Interest	56,970	64,118
Total operating expenses	<u>4,194,393</u>	<u>3,663,228</u>
Income (loss) from operations	<u>107,016</u>	<u>48,069</u>
Nonoperating revenue:		
Contributions	22,880	31,220
Fundraising	19,557	13,824
Interest income	1,778	3,878
Total nonoperating revenue	<u>44,215</u>	<u>48,922</u>
Excess (deficiency) of revenues over expenses and changes in unrestricted net assets	151,231	96,991
Net assets, beginning of year	<u>1,626,986</u>	<u>1,529,995</u>
Net assets, end of year	<u><u>1,778,217</u></u>	<u><u>1,626,986</u></u>