IDC ExpertROI® SPOTLIGHT

Residential Home Health Drives Its Business and Improves Patient Care with Salesforce

Sponsored by: Salesforce

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Overview

Residential Home Health (Residential), which is majority owned by Graham Holdings Company, provides in-home nursing care and therapy services in 34 counties in Michigan and 6 counties in Illinois with a staff of 900 employees. Headquartered in Troy, Michigan, the company serves approximately 15,000 patients a year. As an independent for-profit company, Residential must be innovative, proactive, and efficient to succeed in the competitive and highly regulated healthcare industry.

Residential seeks technological solutions that support its business and enable it to best serve its patients. Even though it was successfully managing its business and care administration for already-admitted patients, Residential concluded that it needed a solution that would help it better develop patient leads and referrals and improve its admission rate for these potential patients. In addition, it wanted a solution that would provide companywide visibility and actionable information regarding current, past, and potential patients to support business decisions.

In 2009, Residential chose to invest in Salesforce's customer relationship management (CRM) solutions for the healthcare industry. It wanted to better manage patients throughout the care continuum, from referral through admission and discharge to subsequent readmission, if needed. David Curtis, president of Residential, credited Salesforce with improving the ability of his company to serve its patients and better its patient admission rate by providing needed visibility through automated workflows and dashboards. With Salesforce, information is transmitted across the company in near real time, ensuring that management has the information it needs to optimize business decisions and patient care and sales team members have the information they need to drive Residential's business.

Business Value Highlights

Organization: Residential Home Health

Location: Troy, Michigan

Challenge: Better track and reach out to potential patients, including former patients and referrals, and improve visibility into the status and care plans of these patients

Solution: Salesforce for Healthcare

Five-Year Cumulative Benefits:
- $3.18 million in business benefits
- ROI of 460%
- Payback in 4.2 months

Other Benefits:
- Admitting 200 more referrals as patients per year
- 43% less time spent reviewing patient charts
- 90% more efficient patient referral documentation

Curtis said that Salesforce has helped Residential become more proactive in handling leads and referrals for patients. As a result, it is converting a higher percentage of leads and referrals into patient admissions. In addition, Residential's sales team members and care coordinators have become more productive, thanks to automation and dashboards with Salesforce, and the company's intake department has handled growth in patient admissions without adding staff.

Curtis also values highly the visibility Salesforce provides, which helps Residential deliver the best quality care to its patients. As he explained, "It gives me real peace of mind to know that Salesforce gives us a way to push out reports to office and mobile users, which gets multiple sets of eyes for the same patient population." Enabling improved personalized care has earned Residential one of the highest customer satisfaction rates in the industry. The company is ranked in the top 5% nationally for patients who recover faster and have a higher quality of life and independence at home.

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To quantify the benefits of Residential's use of Salesforce, IDC interviewed Curtis as well as Director of Marketing Teresa Spencer and asked questions about Residential's business and operations before and after deployment of Salesforce. Based on data collected during these interviews, IDC calculates that Residential will achieve total business benefits of $3.18 million over five years through its use of Salesforce, resulting in a five-year ROI of 460% and a break-even time of 4.2 months.

Implementation

Residential was an early user of the cloud-based Homecare Homebase (HCHB) electronic records management (ERM) system, deploying it in 2005. As a care-based system, HCHB helps Residential manage patient care from admission through discharge. It also helps the company comply with the multitude of healthcare regulations involving in-home care.

However, as its business grew, Residential realized it needed a better means of tracking patient leads and referrals before admission and of maintaining contact with patients after their discharge. Its first experience with a hosted solution was a disappointment. It turned to Salesforce after hiring Spencer. She had previous experience with Salesforce's CRM solutions and knew Salesforce had the capabilities Residential needed. After a thorough evaluation, Residential decided to go with Salesforce in December 2009 and had fully deployed it by February 2010.

Residential immediately benefited from enhanced visibility with Salesforce through the automated creation of reports on current and discharged patients as well as referrals. It has since integrated Salesforce with HCHB, becoming the first healthcare company to do so, helping it achieve even better visibility and information flow. The company has developed dashboards with Salesforce to better serve its employees and patients and to give management teams the actionable data needed to make informed business decisions. It has also created a new Web site with a portal for submitting referrals.

In addition, the company has developed a mobile application, called CareForce Mobile, which referring physicians can download to their mobile devices to make it easier and faster to send referrals to Residential. Previously, referrals had to be manually written, signed by the physician, and faxed to Residential, a time-consuming and inefficient process. CareForce Mobile helps Residential ensure that it receives as many referrals as possible and that it has the information it needs to act on the referrals.

Benefits

The benefits being realized by Residential through its use of Salesforce stem from having companywide visibility in near real time about current, past, and potential patients. This positively impacts all aspects of Residential's business, including providing the best possible care to current patients, making better strategic business decisions, and admitting more patients by converting more patient leads and referrals. Curtis summarized the impact of Salesforce as follows: "Overall, we do a better job now of tracking our 15,000 patients than we did the 2,000 we had before deploying Salesforce."

By better tracking and following up on patient leads and referrals with Salesforce, Residential is able to readmit more former patients when they require additional care and convert a higher percentage of referrals into admissions. Residential needs to admit as many of these types of potential patients as possible because it has the benefit of having an existing relationship or a specific referral. According to Curtis, Salesforce has played an important role in helping Residential accomplish this critical business objective.

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Automated workflows and dashboards drive Residential's improved ability to track and stay in touch with former patients and to convert referrals into admissions. Before Salesforce, Residential relied on time-consuming and cumbersome Excel spreadsheets to track patients, which failed to provide the real-time information or visibility needed to manage relationships with these individuals.

As a result, many of the patients who had to be admitted to a hospital before their in-home care was completed never returned to Residential. However, with Salesforce, Residential's care coordinators can track and stay in touch with these patients on an ongoing basis to arrange further in-home care when needed. Rehospitalization details also go to the appropriate salesperson, who can then work with doctors to obtain referrals for patients needing additional in-home care.

Salesforce also helps Residential's care coordinators stay in touch with discharged patients, a substantial percentage of whom suffer a relapse and require further in-home care. Residential is in the best position to provide such care because it knows the patients and their prescriptions and other needs. To avoid losing such patients, Residential leverages Salesforce's capabilities to automatically send personalized messages, helping ensure that Residential is top of mind when patients realize further in-home care is required. As a result, up to 40% of Residential's current patients are former patients.

Residential is also converting more patient referrals to admissions with Salesforce. As Curtis explained, "With Salesforce, we better manage referrals who are slow to admit by allowing our distributed sales force to know what's going on with these referrals and by providing more timely information for doctors and nursing homes." Improved communication means that referred patients are less likely to be overlooked and that the average time between referral and admission has been shortened. As a result, Residential is converting approximately 1 percentage point more referrals into admissions per year and admitted a record 75% of the 20,000 referrals it received in 2014.

In terms of operational efficiencies, Spencer explained that Salesforce has substantially increased the productivity of the firm's 6 care coordinators and 23 salespeople by replacing time-consuming manual processes with automated processes. In addition, with Salesforce and associated dashboards, near-real-time patient information is readily available across the company, so salespeople and care coordinators have become valuable information resources for doctors and patients.

Further, by connecting processes, services, conversations, and patient data, Salesforce has become a valuable information resource for the company's internal staff as well as patients, hospitals, and physicians. Salesforce dashboards and reports also provide managers with the business intelligence needed for operational oversight and to make better-informed decisions.

Quantifying the Benefits

Based on interviews with Curtis and Spencer, IDC quantified the business benefits Residential is realizing from its use of Salesforce. When projected over five years, these benefits will average $917,500 per year (see Figure 1).

FIGURE 1

Average Annual Benefits

Total Average Annual Benefits: $917,500
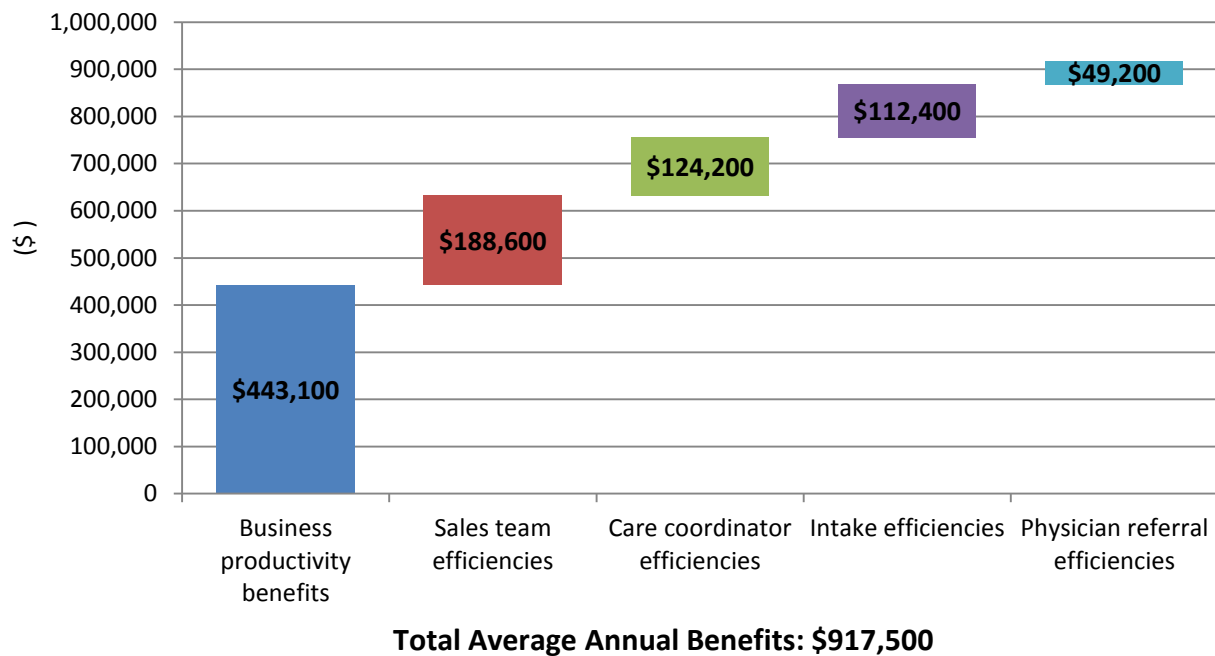
Source: IDC, 2015

Business Productivity Benefits

Residential is leveraging Salesforce to enable its business by doing a better job of tracking and following up with previous patients. This helps it readmit more former patients when they require additional care. In addition, automated workflows, improved information sharing, and ease of providing referrals with Salesforce are helping Residential convert more referrals to admissions by making its follow-up efforts more effective. These efficiencies have driven the ability of Residential to grow its business in a very competitive market. IDC projects that Residential is realizing business productivity benefits worth an average of $443,100 per year over five years by growing its business with Salesforce.

Staff Productivity Gains

Salesforce has changed how Residential's sales team members work and has made them much more productive. Previously, sales leads were tracked through an Excel spreadsheet, forcing sales team members to spend time ensuring they had the most up-to-date information about leads and referrals. With Salesforce, leads are assigned and referral status reports are emailed automatically to sales team members, and these reports are updated dynamically. Sales staff can access this information at any time on their mobile devices, replacing the need to wait for manually generated updates that were emailed each night. As a result, sales team members are spending less time seeking and wading through information and more time doing their jobs. When projected over five years, these efficiencies translate to a productivity gain of an average of $188,600 per year.

Salesforce has also increased the efficiency of Residential's care coordinators by providing near-real-time status reports of patients who are pending, non-admits, or on hospital holds. Previously, the coordinators had to look up static Excel-based reports, whereas updated reports on the status of patients are available instantaneously with Salesforce. In addition, care coordinators spend over 40% less time reviewing patient charts as a result of more efficient management of care plans. Further, the coordinators no longer need to manually enter patient details into Excel spreadsheets because Salesforce creates the reports automatically, complete with notes on actions taken and follow-up needed. Together, these productivity gains average $124,200 per year over five years.

Further, Residential's intake department is able to admit many more patients without having to add staff, thanks to efficiencies realized with Salesforce. This translates to an efficiency benefit worth an average of $112,400 per year over five years. Finally, the convenience and time-saving features of CareForce Mobile mean that physicians and their staff are sending 30% more referrals and spending less time writing referrals manually. This equals a productivity gain worth an average of $49,200 per year.

Return on Investment

IDC calculates that Residential will achieve discounted benefits worth $3.18 million over five years through its use of Salesforce's CRM solutions for the healthcare industry compared with a discounted investment of $0.57 million. IDC projects that as a result, the healthcare provider will earn a five-year ROI of 460% on its investment in Salesforce and will break even on its investment in 4.2 months (see Table 1).

TABLE 1

Five-Year ROI Analysis

Benefit (discounted)	$3.18 million
Investment (discounted)	$0.57 million
Net present value (NPV)	$2.61 million
Return on investment (ROI)	460%
Payback period	4.2 months
Discount rate	12%

Source: IDC, 2015

IDC conducted interviews with Curtis and Spencer to discuss Residential's use of Salesforce and to gather the information needed to quantify the benefits and investment associated with the company's use of Salesforce and created an ROI analysis from the results.

IDC calculates the ROI and payback period in a three-step process:

1. Measure the financial benefits directly resulting from the solution, including decreased IT infrastructure costs, increased IT staff and user productivity, revenue enhancements, and operations cost reductions since deployment.
2. Ascertain the total investment.
3. Project the investment and benefit over five years and calculate the ROI and payback period. The ROI is the five-year net present value (NPV) divided by the investment. Payback period (expressed in months) is the time required to pay back the initial investment and establish a positive cash flow. To account for the time value of money, IDC bases the ROI and payback period calculations on a 12% discounted cash flow.

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