



Good for Residents, Good for Business: Partnering with Onsite Specialty Providers to Contain Costs and Build Value

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Financial viability is the bedrock of business health and the ability to sustain organizational mission. Today's skilled nursing facilities face accelerating headwinds in the post-pandemic economy as they pursue financial strength.

Staffing challenges are intensifying, the number of residents with complex medical conditions is increasing, and operating margins are under pressure as inflation reigns and reimbursement continues to tighten. Particularly glaring is the nursing shortage. The national vacancy rate for nurses is estimated at almost 16%.¹ A recent report by the ratings agency S&P observed that compensation increases across healthcare organizations have created "sustained labor costs" that will "long remain part of the expense base."² Compounding these challenges are state and federal mandates, including from the Centers for Medicare & Medicaid Services (CMS), which will impose significantly increased minimum staffing requirements.

In short, skilled nursing facilities today face four business imperatives that are critical for future sustainability: control costs to achieve sound financial health, enhance the value of resident programs, be able to expand, and balance it all with increasingly stringent and well-monitored federal regulations.

Offering the kind of onsite ancillary services provided by Aria Care Partners – such as dental, vision, hearing, and podiatry – can help meet these goals by reducing certain costs and avoiding others altogether. Multiple opportunities exist.

What skilled nursing facilities can gain

Perhaps the most obvious savings reaped through onsite ancillary services are in transportation costs. When residents need medical attention for dental, vision, or hearing issues, including routine checkups, they frequently need to go to specialists outside the facility. Over the course of a year, the direct costs of providing transportation can be considerable. Onsite services can meaningfully reduce the frequency of transporting residents to appointments and thereby decrease the dollars spent.

Across the skilled nursing industry, staffing shortages mean facilities are contending with current workers carrying heavier and heavier loads. Eliminating time spent on avoidable issues paves the way for increased productivity on more essential tasks that are vital to quality care. These efficiency gains are a welcome

prospect for time-pressed caregivers.

A closer look reveals that contractual, ongoing, consistent onsite care programs offer a practical means to greater efficiency. Highlighted below are several ways staff time can be saved, and costs avoided:

- **Accompanying residents to outside appointments.** A trip to and from an offsite dental, vision, or audiology provider can take several hours, causing significant downtime.
- **Performing nutrition-related tasks.** Maintaining good oral health empowers residents to eat regular foods on their own. That independence can reduce or eliminate the need for staff time devoted to preparing mechanically altered foods, administering supplements, and encouraging residents to take them. Additionally, the direct cost of the supplements can be reduced.
- **Attending to daily living needs.** Vision and hearing problems often create difficulties for residents in dressing, personal hygiene, mobility, feeding, and more. Decreased resident independence translates into a greater responsibility on staff time to assist with these activities.
- **Overcoming communication barriers.** When residents experience dental pain or hearing issues, communication becomes more difficult. As a result, nurses and other onsite staff frequently need to take added time to communicate with patients facing such issues. This slows the cadence of daily caregiver activity and reduces productivity. Notably, these communication barriers often also give rise to missed care opportunities that can incur added costs.

The added value of onsite ancillary care

Onsite ancillary care programs provide many short- and long-term benefits beyond the cost avoidance, direct savings, and productivity enhancements already discussed. Routine exams by trained specialists help identify problems that should be addressed before they compromise resident health and safety. Falls, infections, and depression-related functional decline that are tied to oral, vision, and auditory health concerns can be mitigated, and emergency room visits reduced. That improves the skilled nursing community's overall care profile.

Regular onsite ancillary care also helps improve quality of life. If residents are proud of their smiles, see the world clearly, and hear with acuity, they'll be able to engage more socially, participate in activities, and better voice their needs. Morale may not be something directly related to profit or efficiency, but happier residents are a win for everyone.

A final word

The financial opportunities that can be realized through Aria Care Partners offer skilled nursing facility leaders an important tool. In total, the identified avenues of savings and cost avoidance present a viable means for increasing economic strength, enabling facilities to optimize value for residents, enhance reputation, and generate a business advantage for growth.

References

¹Nursing Solutions, Inc., 2023 NSI National Health Care Retention & RN Staffing Report, March 2023.

²N. Thomas, "Nonprofit Healthcare Will Likely Take Years to Recover, S&P Says," *Becker's Hospital CFO Report*, January 3, 2023.