



**2026 ANNUAL  
CONFERENCE & EXPO**  
Celebrating 60 Years  
Then. Now. Next.

**Optimize revenue diversification to drive profitability  
and reduce concentration risk for your agency**

June 23, 2026

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**About the Presenter**



**Thomas Rose** is CEO & President of 21st Century Health Care Consultants. A former Army Special Forces Officer (Green Berets), his business experience includes a successful leadership track in the General Electric companies, encompassing Director 6 Sigma Quality, Director Sales, Sr. Director FP&A, VP Operations and culminating as Chief Financial Officer of GE's \$2B asset management company. Following GE, Thomas focused his career on growing PE-backed, lower middle market businesses as their company President or Executive Vice President in a variety of sectors, from automotive, manufacturing, facilities maintenance, and healthcare.



Thomas' Fortune 500 C-level expertise combines with over nearly two decades of business leadership. Thomas received his undergraduate B.S. Degree in Management from Methodist University, MBA from Webster University, and Private Equity, M&A and Corp. Development Certificates from The Wharton School of Business. Thomas is a certified Six Sigma Master Black Belt and Lean Six Sigma Quality Certifier.

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**Session Description and Learning Objectives**

- **Session Description:** This session discusses the importance of diversifying your agency's payor sources and measuring and tracking them individually for their respective profitability. This session will provide a high-level overview of the payor sources available to homecare agencies, some of the benefits and challenges of each.
- **Learning Objectives:**
  - Learn and become familiar with the various payor sources available to your agency
  - Learn how to understand and monitor profitability by payor source
  - Learn how to optimize your payor source mix and how to monitor it for optimal profitability

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### Government Payor Sources



- Medicare
- Medicaid
- Home- and Community-Based Services (HCBS) Waivers
- Self- (or Patient)-Directed Care
- Veterans Affairs (VA)
- TRICARE

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### Private Payor Sources

- Medicare Advantage (MA) Insurance
- Private Insurance
- Long-Term Care Insurance
- Federal or State Worker's Compensation Insurance
- Managed Care Organizations (MCOs)
- Private Pay



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### Medicare – Largest Source of Funds

- **Coverage:** Medicare covers 100% of home health medical costs
- **Rates:** Medicare pays a national standardized rate
- **Covered home health services include:** Medically necessary part-time or intermittent skilled nursing care
- **Additional ADL Support:** Part-time or intermittent home care ADL support available
- **Medicare Certification:** Agencies must be Medicare certified



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### Medicaid – State Run Federal Program

**State Medicaid Programs:** Depending on the state, Medicaid applies to Skilled Home Health agencies that are Medicare certified.

**Home Health services may include:**

- Home Health visits (skilled nursing and home health aide) for Medicaid recipients ages birth through end of life
- Private duty nursing and personal care services for Medicaid recipients under 21 years old.

**Typical Services:** home health care and more



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### Home and Community-Based Services (HCBS) Waivers

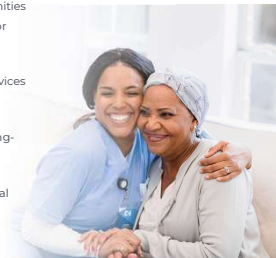
**Home and community-based services (HCBS):** Provide opportunities for Medicaid beneficiaries to receive services in their own homes or communities rather than institutions or other isolated settings.

**1915(c) Programs:** Provide a combination of standard medical services and non-medical services.

**1915(i):** Adds a combination of acute-care medical services and long-term services.

**1915(j):** Self-directed personal assistance services (PAS) are personal care and related services.

**1915(k):** Community First Choice. Available in CA, MD, MT, OR and TX



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### Self or Patient Directed Care

**Self-directed Medicaid Services:** Means that participants have decision-making authority and take direct responsibility to manage their services.

**Guidelines:** Each Medicaid funding authority has different guideline.

**Support broker/consultant/counselor** must be available to each individual who elects the self-direction option.

**Financial Management Services (FMS)** must be available to assist individuals in exercising budget authority.



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### Veterans Affairs (VA)

The VA provides various benefits to eligible veterans, including home health care under certain circumstances.

**Homemaker and Home Health Aide Care (H/HHA) program:** Helps veterans remain independent while they continue to live in their own homes.

**Aid and Attendance Pension:** An additional monetary benefit—for eligible wartime veterans and their surviving spouses.

**Program of Comprehensive Assistance for Family Caregivers (PCAFC):** Benefits for the Primary family caregiver.

**Veteran Directed Care (VDC) program**



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### Military TRICARE

**TRICARE** is a health care program for uniformed service members, retirees, and their families.

**TRICARE** covers active and reserve duty military members, spouses and family.

**TRICARE for Life** covers retired and some post service military members, spouses and families and survivors.

**Home Health Care:** The services covered under TRICARE are the same as those covered by Medicare.

**Extended Care Health Option (ECHO):** ECHO provides financial assistance to beneficiaries with special needs.



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### Medicare Advantage

- **Medicare Advantage**, also known as "Part C", is a type of health plan offered by private companies that provides all the benefits of Original Medicare
- **Medicare Advantage** plans are managed by private insurance companies that contract with Medicare.
- These plans must cover all the same services as Original Medicare (hospital stays and medical services)
- Many companies offer MA plans
- MA plans reimburse up to 40% less than Medicare



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### Private Insurance

Private insurance plans typically cover skilled nursing care, therapy services, and personal care assistance.

**Credentialing:** Agency must often become a credentialed provider

**Verification:** It's crucial to verify the specific coverage to understand what services are eligible for billing.

**Important Considerations:**

- Coverage variations
- Medical necessity
- Patient consent
- Compliance with Regulations
- Accurate billing



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### Long-Term Care Insurance

Long-Term Care Insurance policies can cover a wide range of benefits.

**The Client Requires Help with Specific Daily Activities**

**The Client is Diagnosed with Severe Cognitive Impairment**



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### Workers Compensation Insurance

**Federal:** The U.S. Department of Labor's Office of Workers' Compensation Programs (OWCP) administers the Federal Employees' Compensation Act (FECA).

**State:** Each state in the U.S. handles its own workers' compensation rules.

**Private insurance companies:** These companies set their own prices and approve or reject customers.

**State-funded workers' compensation insurance:** If a private carrier can't provide coverage, a state fund can help.

**Competitive state-funded workers' comp:** In this case, the state offers coverage from both a private carrier and a state program.



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## Managed Care Organizations (MCOs)

**Managed Care** is the primary delivery system for Medicaid enrollees in most states.

**MCOs are contracted organizations** that provide Medicaid health benefits and other services to state Medicaid agencies.

**General Requirements:**

- Home Care/Home Health Agency licensure (state dependent) is required
- Some states require accreditation (e.g. ACHC, CHAP, TJC) for Medicaid approval or credentialing
- In states without licensure or accreditation proceed directly to the application



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## Private Pay

**Private Pay:** A person or their family may pay for long-term care and home healthcare services on their own.

**Funding Sources** Agencies Should Discuss with Clients:

- Private funds
- Home Equity loans
- Life Insurance Conversions
- Older Americans Act (OAA)
- Social services block grant programs
- Community organizations
- Veterans Administration



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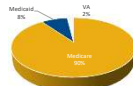
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## Why The Need for Diversification?

**1. Risk Mitigation**

Payor concentration creates risk because it positions the agency to lose a significant revenue source if that payor is lost.

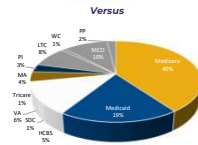


**4. Caregiver Retention**

Caregiver satisfaction and retention are critical in our industry. An agency's ability to offer higher pay rates and varying opportunities supports retention.

**2. Competitive Advantage**

The more payors an agency can accept creates market opportunities otherwise unavailable.



**5. Increased Referrals**

The more payor sources an agency accepts, allows for a more diverse array of referral sources.

**3. Higher Profitability**

Optimizing higher margin payors and clients creates higher profits so long as support costs are understood and managed.

**6. Business Stability**

As payor sources shift and government rules change, a broader mix of payors minimizes disruption.



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**Key Metrics and Why**

- **Payer mix** refers to the proportion of revenue generated by different types of payers
- **Payer mix analysis** allows healthcare organizations to evaluate their financial performance, identify areas of improvement, and make informed decisions to optimize their revenue.
- **Identify Trends and Opportunities for Improvement**
- **Develop Strategies for optimizing payer mix**
- **Key Metrics to Evaluate:**
  - *Payer Mix Percentage*
  - *Payer Mix Shift*
  - *Payer Mix Margin*
  - *Denial Rate*



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**Payor Mix Percentage**

	Medicaid	VA	Insurance	Private Pay	Total
<b>Gross Revenues</b>	<b>\$ 200,000</b>	<b>\$ 50,000</b>	<b>\$ 150,000</b>	<b>\$ 25,000</b>	<b>\$ 425,000</b>
Billable Hours	7,500	1,200	4,200	450	13,350
Non-Billable Hours	225	60	420	5	660
<b>Total Hours</b>	<b>7,875</b>	<b>1,260</b>	<b>4,620</b>	<b>455</b>	<b>14,210</b>
Hrs/Week/Client	35	16	10	40	
Census	214	75	420	11	
Rev/Billable Hrs	\$ 27	\$ 42	\$ 36	\$ 56	\$ 160
Rev/Total Hrs	\$ 25	\$ 40	\$ 32	\$ 55	\$ 153
<b>Caregiver Cost \$15/hr</b>	<b>118,125</b>	<b>18,000</b>	<b>63,300</b>	<b>6,818</b>	<b>\$213,143</b>
Gross Margin Bill Hrs	41%	62%	54%	73%	50%
Customer Acq. Cost/Ea	\$ 5	\$ 15	\$ 12	\$ 25	
Customer Acq. Cost Total	\$ 1,871	\$ 1,125	\$ 5,040	\$ 281	
Office Processing Hours/Client	0.5	0.25	1	0.1	
Office Processing Hours \$15/hr	\$ 1,687	\$ 281	\$ 6,300	\$ 17	\$ 8,205
<b>Total SG&amp;A</b>	<b>\$ 2,679</b>	<b>\$ 1,406</b>	<b>\$ 11,340</b>	<b>\$ 298</b>	<b>\$ 15,723</b>
<b>Net Profit</b>	<b>\$ 79,196</b>	<b>\$ 29,694</b>	<b>\$ 69,360</b>	<b>\$ 17,884</b>	<b>\$196,135</b>
<b>Net Margin</b>	<b>40%</b>	<b>59%</b>	<b>45%</b>	<b>72%</b>	<b>46%</b>



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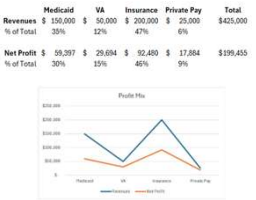
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**Payor Mix Shift**

	Medicaid	VA	Insurance	Private Pay	Total
<b>Gross Revenues</b>	<b>\$ 150,000</b>	<b>\$ 50,000</b>	<b>\$ 200,000</b>	<b>\$ 25,000</b>	<b>\$ 425,000</b>
Billable Hours	5,825	1,200	5,600	450	12,875
Non-Billable Hours	281	60	560	5	906
<b>Total Hours</b>	<b>5,906</b>	<b>1,260</b>	<b>6,160</b>	<b>455</b>	<b>13,781</b>
Hrs/Week/Client	35	16	10	40	
Census	161	75	560	11	
Rev/Billable Hrs	\$ 27	\$ 42	\$ 36	\$ 56	
Rev/Total Hrs	\$ 25	\$ 40	\$ 32	\$ 55	
<b>Caregiver Cost \$15/hr</b>	<b>88,504</b>	<b>18,000</b>	<b>82,400</b>	<b>6,818</b>	<b>\$206,711</b>
Gross Margin Bill Hrs	41%	62%	54%	73%	51%
Customer Acq. Cost/Ea	\$ 5	\$ 15	\$ 12	\$ 25	
Customer Acq. Cost Total	\$ 804	\$ 1,125	\$ 6,720	\$ 281	
Office Processing Hours/Client	0.5	0.25	1	0.1	
Office Processing Hours \$15/hr	\$ 1,205	\$ 281	\$ 6,400	\$ 17	\$ 9,903
<b>Total SG&amp;A</b>	<b>\$ 2,009</b>	<b>\$ 1,406</b>	<b>\$ 15,120</b>	<b>\$ 298</b>	<b>\$ 19,833</b>
<b>Net Profit</b>	<b>\$ 59,397</b>	<b>\$ 29,694</b>	<b>\$ 92,480</b>	<b>\$ 17,884</b>	<b>\$199,455</b>
<b>Net Margin</b>	<b>40%</b>	<b>59%</b>	<b>46%</b>	<b>72%</b>	<b>47%</b>



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**Accurate Analysis and Tracking**


**Key Performance Indicators (KPIs)**

- Payer mix by admissions & revenue
- Payer mix by marketers and referral sources
- Visits by Discipline
- Episodic
- PDGM metrics
- Pay per Visit
- Visits per patient
- Visit volumes by location
- Visits with latency tail to determine latency of revenue cycle



**Key Performance Indicator Considerations**

- PDGM versus MA Pay per Visit (PPV) Providers
- What were the differences?
- Moving from a predominately PDGM Home Health agency, to an MA provider
- Shift in focuses around KPIs
- Contracts: Episodic, Pay per Visit or Hybrid



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**Thank You!**

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