



How a New Pricing Model Increased Revenue by 12%

By Susan Saldibar

How many thousands of dollars in un-recouped service costs eat away at your bottom line profits each year? Do you know? Do you want to know?

There are two major areas where billing for services tend to be less than accurate, or not billed at all: 1) when a resident's needs necessitate a move to a higher level of care and 2) charges incurred for non-standard services, performed on an ad hoc basis.

There are other areas with billing issues as well, but these are the ones often mentioned as being particularly hard to button down; even tougher when multiplied out to additional locations, each "doing their own thing".

What would you do with a 12% annual revenue increase?

You might recall last month's success story concerning Welcov Healthcare, who partnered with [PointClickCare](#) (a Senior Housing Forum partner) to basically turn a group of disconnected communities into a smooth, integrated network of care, gaining not only continuity, but a 12% annual revenue increase!

How did they do it?

According to Heidi Elliott, VP of Operations for Assisted Living, there were three things they were looking to accomplish, using PointClickCare's platform, namely:

1. Consistency through all communities to create operational efficiencies.
2. Objective data (accounts receivable, revenue, level of care) to help look at trending and identify training needs throughout the community. To enable compliance opportunities to better manage the business side.
3. An acuity score to align every element of care to a price. To be able to look at things like "change of function" with residents. To enable a conversation with families and be able to say, "These are the levels of care; this is the objective data from our assessments and this is tied to the price change that your loved one or you, as a resident, are going to have."

For Heidi Elliott, by achieving the above, a critical loop was closed, catching all billable events and providing solid data to back each one up. "One thing we measured when we introduced our new pricing model was the impact on revenue as an organization. The end result for us was a revenue increase of 12 percent annually for our Assisted Living division," she reported.

Why is all this important for senior living community operators? In an industry reluctant to bring technology through its doors, the Welcov Healthcare story encourages a second look at technology through the lense of real revenue generation. Once you are able to do that, you can build out an ROI that is meaningful.

So, what could your community do with an added 12% of revenue? At the very least, perhaps afford the technology to get you there.

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