

The Brazzell Report

Medicare Data for Market Analysis

2011 / 2012



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Why Leading Home Health Agencies Analyze Their Markets:

- Success is relative, and a rising tide raises all ships. The only way to know if your marketing strategy is truly successful is to know the movement of your market. For instance, suppose an agency is growing by 0% per year. One may want to completely change the marketing strategy. However, market analysis might show you that doctors in that area are making fewer home health referrals and that most agencies in that market have lost referrals. If the market is shrinking but one agency is staying the same, that agency is actually gaining in market share. In this case, the marketing strategy may be working in important ways. Changing its strengths would have been a mistake. Evaluating your marketing success requires an understanding of market share.
- When you know how many referrals your competitors are getting (in other words, how many referrals you are not getting), you can better predict the possible gains from different marketing strategies.
- Some marketing strategies don't work, some get a lot of attention, and a few generate referrals. If you are planning to copy or counter the marketing strategy of a competitor, it is helpful to also evaluate if the competitor's strategy is actually generating referrals or just generating a lot of attention.
- Leading agencies must be prepared to defend themselves against agencies that are rapidly grabbing market share. Without the actual data in hand, administrators often guess incorrectly about which competitors are growing and which ones are shrinking. Marketing directors must investigate the strengths of successful competitors, but first, they must know which agencies have strengths that are working as compared to which agencies are just making noise.
- Knowing your market can reveal important advertising opportunities. If your agency is the number one agency in the county (or even the agency making the most physical therapy visits), this can be worth advertising in some markets. If your agency goes to greater expense to provide more nursing visits, more aide visits, etc., The Brazzell Report can give you the data

you need to objectively declare your superiority in your sales and advertising.

Additional Management Metrics

The Brazzell Report also contains metrics that can be helpful for management planning. With The Brazzell Report, you may be able to see if other agencies are averaging higher reimbursement per visit, making more visits per episode, etc.

About the Brazzell Report

The Brazzell Report brings together the most current data from multiple government reports to give you the most cost-effective market analysis tool possible. This report combines key data from cost reports, 2011 billing records, and the U.S. Census Bureau.

Guaranteed Accuracy: Brazzell Marketing Agency guarantees that the data in your Brazzell Report accurately conveys the information in the government databases we use. If you suspect that a human error occurred at Brazzell Marketing Agency, please email us with your concerns: Results@BrazzellMarketing.com. We will investigate your question. If you help us discover an inaccuracy in the work of Brazzell Marketing Agency, we will produce a new, corrected report for you at no additional charge.

Guaranteed Inaccuracy: Much of the data used to create the Brazzell Report changed hands multiple times before becoming a government database. Most of the data was first produced by home health agency staff, then handled by a fiscal intermediary, and then handled by CMS. As an example, if an agency left the Title XVIII Unduplicated Census field blank on their 2009 cost report, they will show up as having zero Medicare patients. Other types of errors or omissions in the government databases include missing agencies and erroneous totals. While the vast majority of data in these databases is accurate, errors definitely exist. If these data sources are 97% correct, that means most reports for major metropolitan areas contain about three errors that would merit consideration in the human analysis of this data. While interpreting the data provided, be alert to data errors that will exist in some reports.

We have provided multiple measures that are

interdependent. In part, we did this so users of The Brazzell Report can cross check data to more quickly identify potential reporting errors. For instance, if an agency is ranked #35 in Medicare census but #3 in Medicare charges, this is a sign that one of those two measures may have been misreported on cost reports. Further cross checking with additional data in this report will help you decide which number you can disregard.

About Rankings Data: The Brazzell Report shows rankings and specific census, billing, and other data based on 2009 cost reports. **A very important strength of cost report data is that it reflects both Medicare and non-Medicare census.** Nationwide, non-Medicare patients make up 42% of home health patients. A meaningful market analysis must, at some point, consider the non-Medicare data.

The 2009 cost reports are the most current data set available for home health care market analysis. Home health agencies must submit cost reports within five months of their fiscal year end. Then processing the reports to the point they become available for public analysis takes up to 12 months. Therefore, the most thorough set of cost report data typically becomes available for analysis 17 months after a calendar year end.

Agency Addresses, Counties, and Other Info: To avoid some of the confusion that can be created by the cost reports of chain home health agencies, we cross referenced the home health provider numbers in the 2009 cost reports with 2011 OASIS records to retrieve agency name, address, etc. from 2011 agency records. This provides the advantage of usually listing the local agency in each report (instead of a distant owner). If an agency moved or changed names between 2009 and 2011, the current address and name will be shown beside the 2009 cost report numbers.

The county for each agency was determined by the zip code in its address. Each zip code was correlated with one county (or other governmental border) based on U.S. Census Bureau data. In some states, cities are considered distinct from counties, so a small number of home health agencies are not assigned to a county but to their city. If the county / city distinction makes no sense to you, you are probably not in a state affected by this consideration.

Contents

The Brazzell Report features 11 pages per area that you have ordered:

1. Demographics
2. Market Leader Rankings
3. Agency Information
4. Main Data Overview
5. Percent of Total Medicare Charges
6. Percent of Total Census
7. Annual Census
8. Visit & Episode Ratios
9. Charge Ratios
10. Visit Counts
11. Episode Counts

Sample Report Agency has ordered The Brazzell Report for each of the following areas:

- Flower, MI County
- Beua, MI County

If you have ordered a report for more than one area, The Brazzell Report will also feature an additional section that aggregates your areas and treats them as one territory.

Flower County, MI

Flower County, MI

Demographics

	United States	Flower County, MI
Total Population	307,006,550	85,064
Age 65+ (%)	12.9%	13.5%
Age 65+ (#)	39,603,845	11,484
Number of active home health agencies <u>located</u> in the area, based 2009 Cost Report Data	8,777	6
Number of seniors per local home health agency* (Lower numbers suggest more competitive areas)	4,512	1,914
Number of agencies with patients in the area, but not necessarily located in the area. (Based on Medicare bills in past year)	11,020	18
Number of seniors per regional home health agency* (Lower numbers suggest more competitive areas)	3,594	638
Average Total Unduplicated Census (From 2009 Cost Report)	721	382
Persons Per Square Mile	80	125

In 2009, roughly 2.0% of the general U.S. population used home health. In any given month, an estimated 0.17% of the population will begin a home health episode. When advertising home health services, keep in mind that only one-fifth of one percent of a general population audience would start home health services within one month of receiving your ad.

Flower County, MI

Traditional Market Leaders

Below is a list of the traditional leaders for this area (up to 25 agencies per ranking method). There may be other agencies with many patients in this area who are not shown in this list because the agency is not located in this area.

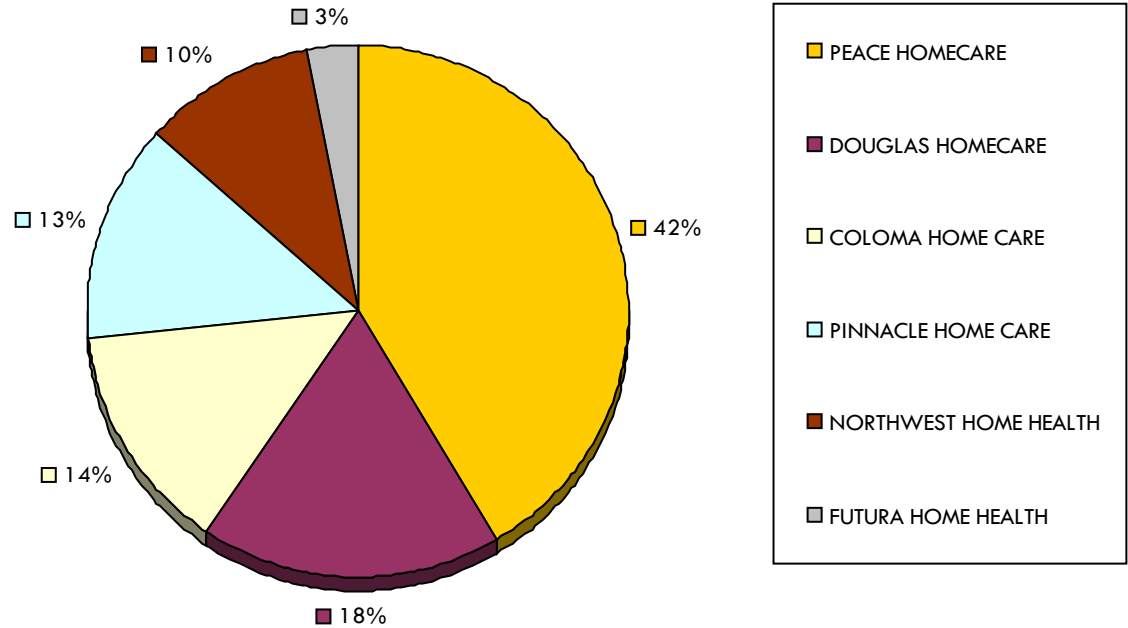
Medicare Charges		Total Census		Medicare Census	
Rank	Agency	Rank	Agency	Rank	Agency
#1	PEACE HOMECARE	#1	DOUGLAS HOMECARE	#1	DOUGLAS HOMECARE
#2	DOUGLAS HOMECARE	#2	PINNACLE HOME CARE	#2	COLOMA HOME CARE
#3	COLOMA HOME CARE	#3	COLOMA HOME CARE	#3	PINNACLE HOME CARE
#4	PINNACLE HOME CARE	#4	PEACE HOMECARE	#4	PEACE HOMECARE
#5	NORTHWEST HOME HEALTH	#5	NORTHWEST HOME HEALTH	#5	NORTHWEST HOME HEALTH
#6	FUTURA HOME HEALTH	#6	FUTURA HOME HEALTH	#6	FUTURA HOME HEALTH
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Flower County, MI

Percent of Total Medicare Charges

Total number of agencies located in this area: 6
Total charges by local agencies: \$7,334,675

Agencies listed below may have different service areas. The charge totals below are not limited to patients in the area shown above. Rather, the charge totals below reflect what an agency located in this area is capable of. If the agencies with larger service areas trend toward higher revenues, it is an indication that expanding the service area is a viable means for increasing revenues.



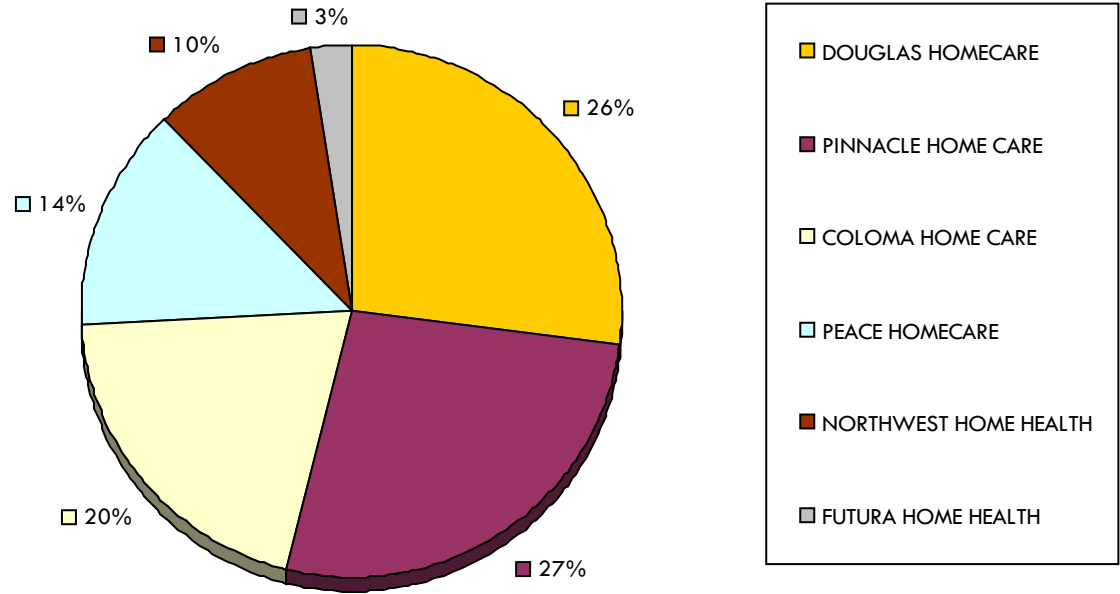
Agency	City	Annual Medicare Charges	Percent of Total
PEACE HOMECARE	DWELLER	\$3,043,477	41%
DOUGLAS HOMECARE	BALVERINE	\$1,323,025	18%
COLOMA HOME CARE	ALBION	\$1,011,927	14%
PINNACLE HOME CARE	HOBBS	\$980,436	13%
NORTHWEST HOME HEALTH	BRIGHTWALL	\$749,490	10%
FUTURA HOME HEALTH	BOWERSTONE	\$226,320	3%

Flower County, MI

Percent of Total Census

Total number of agencies located in this area: 6
Total number of patients seen by these agencies: 2,293

Agencies listed below may have different service areas. The census totals below are not limited to the area shown above. Rather, the census totals below reflect what an agency located in this area is capable of. If the agencies with larger service areas trend toward higher census, it is an indication that expanding the service area is a viable means for increasing census.



Agency or Owning Company	City	Total Census	Percent of Total
DOUGLAS HOMECARE	BALVERINE	621	27%
PINNACLE HOME CARE	HOBBS	613	27%
COLOMA HOME CARE	ALBION	468	20%
PEACE HOMECARE	DWELLER	310	14%
NORTHWEST HOME HEALTH	BRIGHTWALL	221	10%
FUTURA HOME HEALTH	BOWERSTONE	60	3%

Beua County, MI

Beua County, MI

Demographics

	United States	Beua County, MI
Total Population	307,006,550	165,208
Age 65+ (%)	12.9%	15.8%
Age 65+ (#)	39,603,845	26,103
Number of active home health agencies <u>located</u> in the area, based 2009 Cost Report Data	8,777	6
Number of seniors per local home health agency* (Lower numbers suggest more competitive areas)	4,512	4,351
Number of agencies with patients in the area, but not necessarily located in the area. (Based on Medicare bills in past year)	11,020	18
Number of seniors per regional home health agency* (Lower numbers suggest more competitive areas)	3,594	1,450
Average Total Unduplicated Census (From 2009 Cost Report)	721	3,291
Persons Per Square Mile	80	180

In 2009, roughly 2.0% of the general U.S. population used home health. In any given month, an estimated 0.17% of the population will begin a home health episode. When advertising home health services, keep in mind that only one-fifth of one percent of a general population audience would start home health services within one month of receiving your ad.

Beua County, MI

Traditional Market Leaders

Below is a list of the traditional leaders for this area (up to 25 agencies per ranking method). There may be other agencies with many patients in this area who are not shown in this list because the agency is not located in this area.

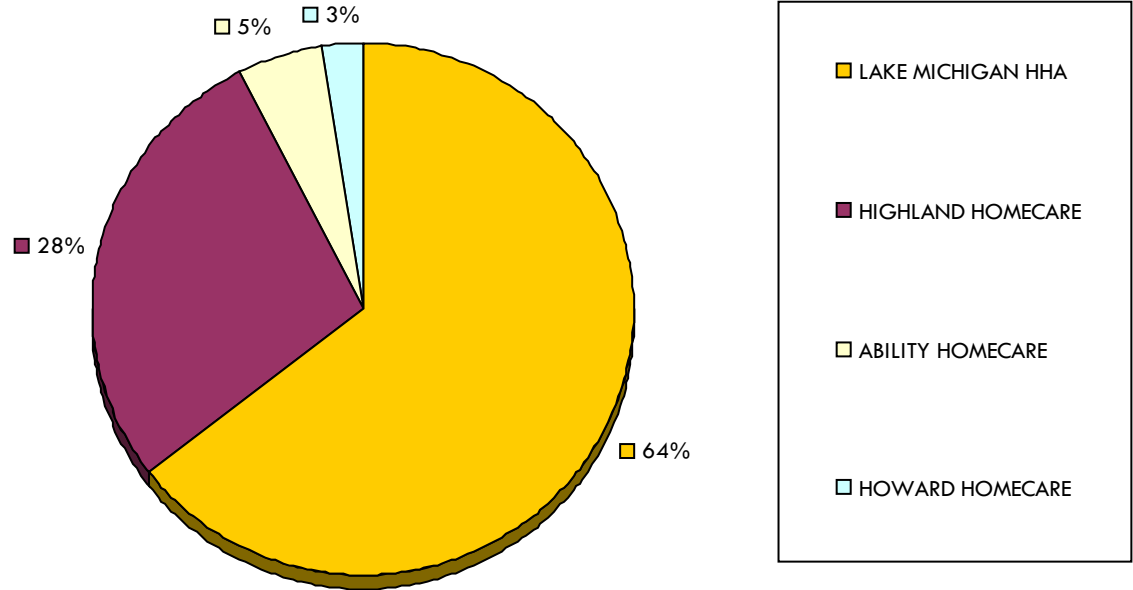
Medicare Charges		Total Census		Medicare Census	
Rank	Agency	Rank	Agency	Rank	Agency
#1	LAKE MICHIGAN HHA	#1	LAKE MICHIGAN HHA	#1	LAKE MICHIGAN HHA
#2	HIGHLAND HOMECARE	#2	HIGHLAND HOMECARE	#2	HIGHLAND HOMECARE
#3	ABILITY HOMECARE	#3	HOWARD HOMECARE	#3	HOWARD HOMECARE
#4	HOWARD HOMECARE	#4	ABILITY HOMECARE	#4	ABILITY HOMECARE
#5	AVONDA HOME CARE	#5	AVONDA HOME CARE	#5	AVONDA HOME CARE
#6	EVEREST HOMECARE	#6	EVEREST HOMECARE	#6	EVEREST HOMECARE
#7		#7		#7	
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Beua County, MI

Percent of Total Medicare Charges

Total number of agencies located in this area: 6
Total charges by local agencies: \$34,522,081

Agencies listed below may have different service areas. The charge totals below are not limited to patients in the area shown above. Rather, the charge totals below reflect what an agency located in this area is capable of. If the agencies with larger service areas trend toward higher revenues, it is an indication that expanding the service area is a viable means for increasing revenues.



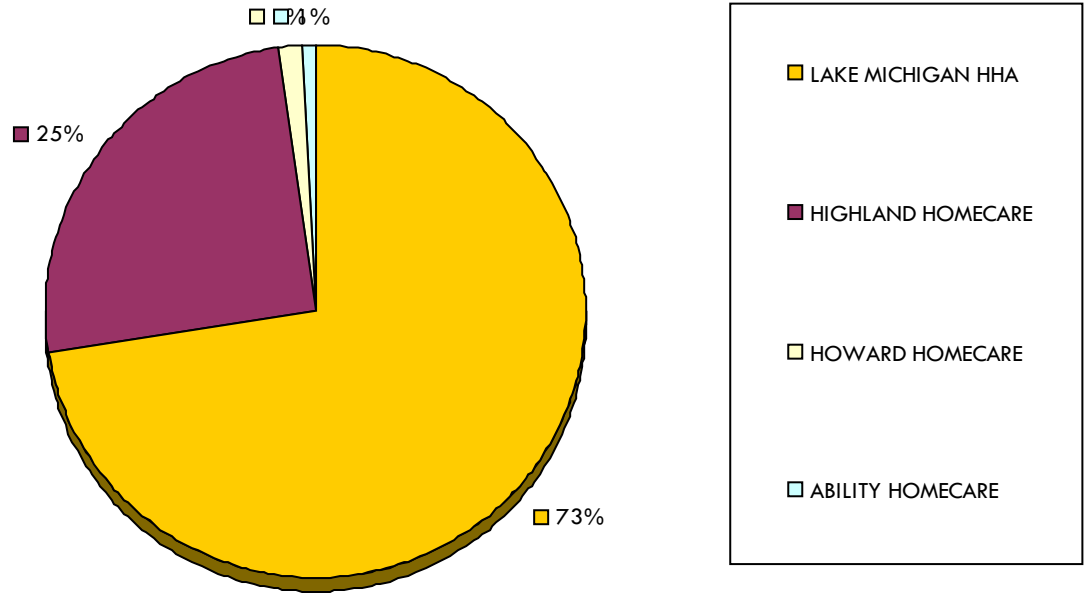
Agency	City	Annual Medicare Charges	Percent of Total
LAKE MICHIGAN HHA	ANDREW	\$22,252,990	64%
HIGHLAND HOMECARE	BAY HARBOR	\$9,719,632	28%
ABILITY HOMECARE	LANCER	\$1,647,130	5%
HOWARD HOMECARE	WINSTON	\$902,329	3%
AVONDA HOME CARE	VINCENT		0%
EVEREST HOMECARE	ANDREW		0%

Beua County, MI

Percent of Total Census

Total number of agencies located in this area: 6
Total number of patients seen by these agencies: 16,457

Agencies listed below may have different service areas. The census totals below are not limited to the area shown above. Rather, the census totals below reflect what an agency located in this area is capable of. If the agencies with larger service areas trend toward higher census, it is an indication that expanding the service area is a viable means for increasing census.



Agency or Owning Company	City	Total Census	Percent of Total
LAKE MICHIGAN HHA	ANDREW	11,949	73%
HIGHLAND HOMECARE	BAY HARBOR	4,144	25%
HOWARD HOMECARE	WINSTON	214	1%
ABILITY HOMECARE	LANCER	150	1%
AVONDA HOME CARE	VINCENT		0%
EVEREST HOMECARE	ANDREW		0%

Combined Areas Flower, Beua

Flower, Beua

Demographics

	United States	Selected Region
Total Population	307,006,550	250,272
Age 65+ (%)	12.9%	15.02%
Age 65+ (#)	39,603,845	37,587
Number of home health agencies located in the area	8,777 (submitting 2008 Cost Reports)	12
Number of seniors per local home health agency* (Lower numbers suggest more competitive areas)	4,512	3,132
Average Total Unduplicated Census (2008)	721	1,875

In 2009, roughly 2.0% of the general U.S. population used home health. In any given month, an estimated 0.17% of the population will begin a home health episode. When advertising home health services, keep in mind that only one-fifth of one percent of a general population audience would start home health services within one month of receiving your ad.

Flower, Beua

Traditional Market Leaders

Below is a list of the traditional leaders for this area (up to 25 agencies per ranking method). There may be other agencies with many patients in this area who are not shown in this list because the agency is not located in this area.

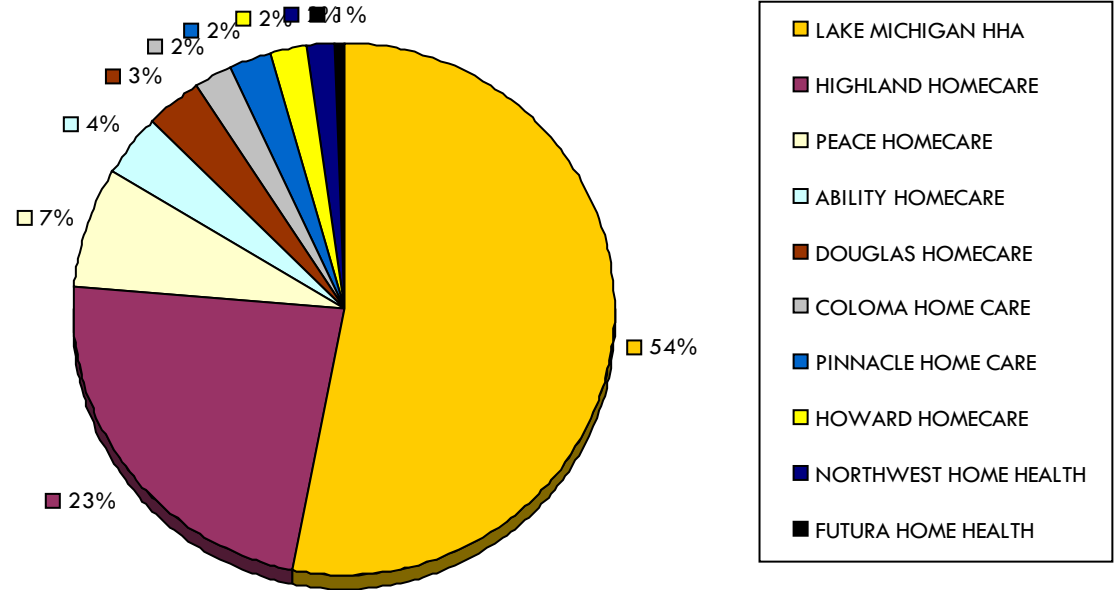
Medicare Charges		Total Census		Medicare Census	
Rank	Agency	Rank	Agency	Rank	Agency
#1	LAKE MICHIGAN HHA	#1	LAKE MICHIGAN HHA	#1	LAKE MICHIGAN HHA
#2	HIGHLAND HOMECARE	#2	HIGHLAND HOMECARE	#2	HIGHLAND HOMECARE
#3	PEACE HOMECARE	#3	DOUGLAS HOMECARE	#3	DOUGLAS HOMECARE
#4	ABILITY HOMECARE	#4	PINNACLE HOME CARE	#4	COLOMA HOME CARE
#5	DOUGLAS HOMECARE	#5	COLOMA HOME CARE	#5	PINNACLE HOME CARE
#6	COLOMA HOME CARE	#6	PEACE HOMECARE	#6	PEACE HOMECARE
#7	PINNACLE HOME CARE	#7	NORTHWEST HOME HEALTH	#7	HOWARD HOMECARE
#8	HOWARD HOMECARE	#8	HOWARD HOMECARE	#8	NORTHWEST HOME HEALTH
#9	NORTHWEST HOME HEALTH	#9	ABILITY HOMECARE	#9	ABILITY HOMECARE
#10	FUTURA HOME HEALTH	#10	FUTURA HOME HEALTH	#10	FUTURA HOME HEALTH
#11	AVONDA HOME CARE	#11	AVONDA HOME CARE	#11	AVONDA HOME CARE
#12	EVEREST HOMECARE	#12	EVEREST HOMECARE	#12	EVEREST HOMECARE
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Flower, Beua

Percent of Total Medicare Charges

Total number of agencies located in this area: 12
Total charges by local agencies: \$41,856,756

Agencies listed below may have different service areas. The charge totals below are not limited to patients in the area shown above. Rather, the charge totals below reflect what an agency located in this area is capable of. If the agencies with larger service areas trend toward higher revenues, it is an indication that expanding the service area is a viable means for increasing revenues.



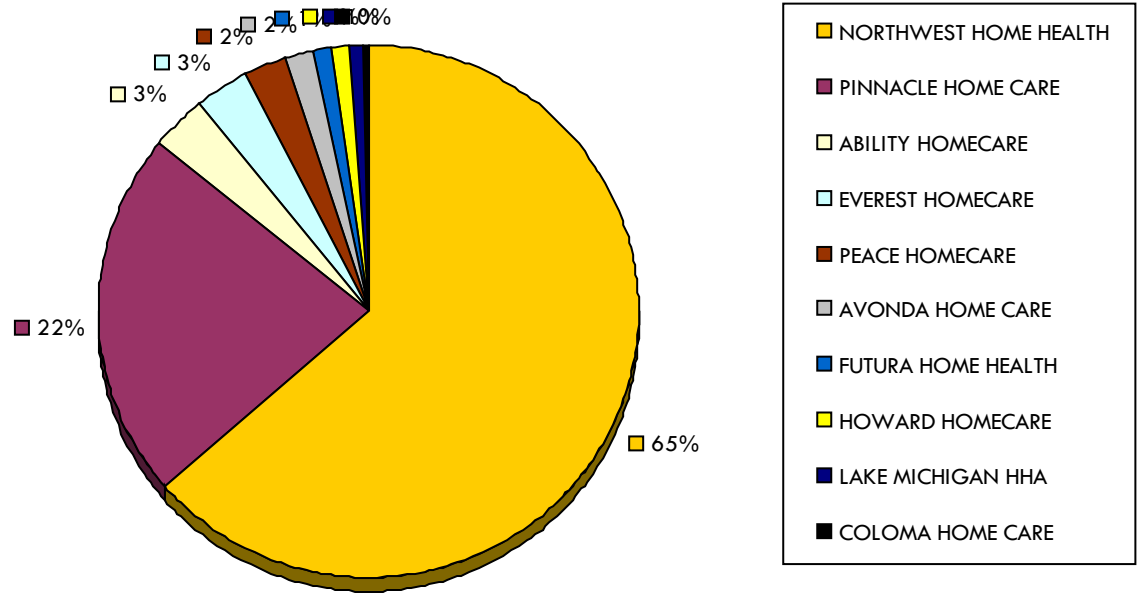
Agency	City	Annual Medicare Charges	Percent of Total
LAKE MICHIGAN HHA	ANDREW	\$22,252,990	53%
HIGHLAND HOMECARE	BAY HARBOR	\$9,719,632	23%
PEACE HOMECARE	DWELLER	\$3,043,477	7%
ABILITY HOMECARE	LANCER	\$1,647,130	4%
DOUGLAS HOMECARE	BALVERINE	\$1,323,025	3%
COLOMA HOME CARE	ALBION	\$1,011,927	2%
PINNACLE HOME CARE	HOBBS	\$980,436	2%
HOWARD HOMECARE	WINSTON	\$902,329	2%
NORTHWEST HOME HEALTH	BRIGHTWALL	\$749,490	2%
FUTURA HOME HEALTH	BOWERSTONE	\$226,320	1%
All Others	Flower, Beua	0	0%

Flower, Beua

Percent of Total Census

Total number of agencies located in this area: 6
Total number of patients seen by these agencies: 18,750

Agencies listed below may have different service areas. The census totals below are not limited to the area shown above. Rather, the census totals below reflect what an agency located in this area is capable of. If the agencies with larger service areas trend toward higher census, it is an indication that expanding the service area is a viable means for increasing census.



Agency or Owning Company	City	Total Census	Percent of Total
NORTHWEST HOME HEALTH	BRIGHTWALL	11,949	64%
PINNACLE HOME CARE	HOBBS	4,144	22%
ABILITY HOMECARE	LANCER	621	3%
EVEREST HOMECARE	ANDREW	613	3%
PEACE HOMECARE	DWELLER	468	2%
AVONDA HOME CARE	VINCENT	310	2%
FUTURA HOME HEALTH	BOWERSTONE	221	1%
HOWARD HOMECARE	WINSTON	214	1%
LAKE MICHIGAN HHA	ANDREW	150	1%
COLOMA HOME CARE	ALBION	60	0%
All Others	Flower, Beua	0	0%

