



Texas Association for
Home Care & Hospice
Leading ★ Advancing ★ Advocating

56th Annual Meeting
Wednesday, August 27, 2025
2:45pm-3:45pm

3d. The Bottom Line of Better Care: Budgeting Strategies for Financial and Operational Success

Presented by:

Mike Simione, MBA, VP of Post Acute Data Analytics, SimiTree

Thank you to our Sponsors:



The Bottom Line of Better Care: Budgeting Strategies for Financial & Operational Success

Texas Association for Home Care & Hospice Annual Conference

Michael Simone, MBA

VP Post Acute Data Analytics

August 27th, 2025

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Objectives

1. Define budgeting identify key elements, and realize common issues and challenges
2. Classify various budget stakeholders and distinguish two different types of budgets
3. Understand forecasting and the role it plays in the budgeting process
4. Recognize the value of a multi-variable budget model in the current landscape
5. Utilize industry data to set strategic organizational targets

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What is a budget?

Define budgeting identify key elements, and realize common issues and challenges



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What is a budget?

“An estimate of income and expenditures over a specified period of time and is usually compiled and re-evaluated on a periodic basis. Budgets can be made for a person, a group of people, a business, a government, or just about anything else that makes and spends money.”



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Purposes of Budgeting



Setting goals for financial performance



Facilitating coordination



Identifying areas needing attention



Allocating resources



Establishing metrics to measure performance



Instituting metrics to establish buy-in and create accountability

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Budget Elements

Three
Key
Elements

Volume

Revenue

Expenses

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Determine the key stakeholders:

- Who sets organizational goals?
- Who drives revenue and expenses?
- Who are your decision makers?
- Who holds employees accountable?

What information is required:

- Historical trends
- Strategic goals/targets
- Current volumes/staffing
- Industry benchmarks/best practice

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Common Issues & Challenges

1. Static budget

- “If a branch is too rigid, it will break.
- Resist, and you will perish.
- Know how to yield, and you will survive.”
- — Liezi, Lieh-tzu: A Taoist Guide to Practical Living



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Common Issues & Challenges

2. TOO simple

3. TOO complex

4. GL // EMR // budget details not matching

Too Simple	Too Complex	Mismatching
Lacking important granularity, like not differentiating visits by RNs vs. LPNs	Partial values (for example, shared employees) or complicated math may make the roll-up wonky or the whole process more error-prone	Tracking revenue by payor but not visits makes it hard to achieve objectives or conduct root-cause analysis

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Common Issues & Challenges

5. Budgeting by branch/location – building something for all locations and then changing the approach

- Pro tip: Perfect one before you replicate

6. Making the budget fit “the number”

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Common Issues & Challenges

7. Using weighted productivity

8. Assuming 100% of staff time as available for visits

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Budgeting Stakeholders

Classify various budget stakeholders and distinguish two different types of budgets



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Budget Stakeholders

Executive Management

- Revenue: market share growth, strategic partnerships, payor contracts, payor mix
- Expenses: strategic goals, project management investment, staffing

Business Development

- Revenue: referrals, admissions, referral partners, market share, payer mix, hospice level of care & location of care
- Expenses: staffing, incentive compensation, sales training

Budget Stakeholders

Clinical Operations

- Revenue: CMW, LOS, recertifications, Hospice LOC, VBP
- Expenses: staffing, productivity, visit utilization, contractors, ancillary usage

Finance/Revenue Cycle

- Revenue: payer contracts, billing & collections, contractual allowances, non-operating revenue
- Expenses: staffing, vendor contracts, cost containment



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Budgeting

Budgeting Approaches



Static



Flexible



Zero-Based



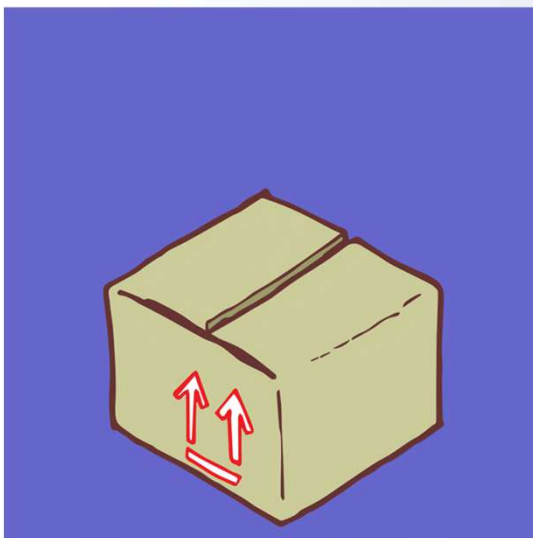
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Static vs. Flexible Budgeting



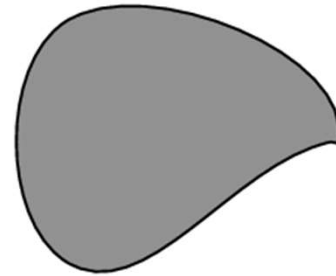
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- Static Budgeting
- Easy to implement and follow
- Gross and net margin forecasts
- Siloed budgeting process
- Budgeting in a vacuum
- Excludes industry and market changes
- Lacks flexibility to account for change
- Target KPIs are not revisited
- Does not allow for accountability

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Static vs. Flexible Budgeting

- Flexible Budgeting
 - Challenging to build
 - Dynamic approach for revenue and expenses
 - Diverse budget team
 - Multi-variable model
 - Adaptable for industry and market shifts
 - Flexible to account for internal changes
 - Monitoring of targets and KPIs
 - Tool for staff accountability



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Forecasting

Understand forecasting and the role it plays in the budgeting process

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Forecasting

Reality = there is a moving target

Today's reality = trying to hit a moving target while behind a brick wall

- Final rule annual changes
 - Hospice reimbursement
 - Hospice CAP
 - PDGM changes & behavioral adjustments
- Value-based purchasing
- Payer-mix changes (Medicare-Advantage)
- What is the solution?



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Forecasting

- How far back do you look?
 - Maximum- 36 months
 - Minimum- 18 months
 - More emphasis on last 3 months
- Historical trends versus what is happening in right now?
- Seasonal fluctuations – validate with more data?
- Long-term shifts vs. short-term variability
- Look at multiple variables and KPIs

Monthly Average for
One Year



Actual Monthly Values for
18 Months



Actual Monthly Values for
36 Months



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Forecasting

- Identify critical variables
- Determine which will be fixed and which will change in your forecast
- Balance complexity and thoroughness with practicality – this is a best guess to be able to objectively evaluate decisions and have some planning in place
- “Forecasting is a technique that uses historical data as inputs to make informed estimates that are predictive in determining the direction of future trends.”



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Multi-Variable Budget Model

Recognize the value of a multi-variable budget model in the current landscape

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Budget Variables- Baseline

2025 – 2026 Projections				
Locations	Admissions % Change	Length of Stay % Change	Case Mix Weight % Change	Current LUPA Rate
HHA 1	0.0%	0.0%	0.0%	7.7%
HHA 2	0.0%	0.0%	0.0%	8.7%
HHA 3	0.0%	0.0%	0.0%	6.9%

Locations	2025 Revenue Annualized (MM)	2026 Revenue Projected (MM)	\$ Change (MM)	% Change
HHA 1	\$4.8	\$4.1	-\$0.7	-14.0%
HHA 2	\$34.8	\$32.5	-\$2.3	-6.6%
HHA 3	\$7.3	\$6.3	-\$1.1	-15.2%
Total	\$46.9	\$42.9	-\$4.1	-8.7%

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Budget Variables- Target

2025 – 2026 Projections				
Locations	Admissions % Change	Length of Stay % Change	Case Mix Weight % Change	LUPA Rate
HHA 1	0.0%	+2.0%	+4.0%	6.9%
HHA 2	+2.0%	0.0%	+1.0%	7.5%
HHA 3	+5.0%	+3.5%	0.0%	6.5%

Locations	2025 Revenue Annualized (MM)	2026 Revenue Projected (MM)	\$ Change (MM)	% Change
HHA 1	\$4.8	\$4.4	-\$0.4	-8.1%
HHA 2	\$34.8	\$33.5	-\$1.2	-3.6%
HHA 3	\$7.3	\$6.8	-\$0.6	-7.9%
Total	\$46.9	\$44.7	-\$2.2	-4.7%

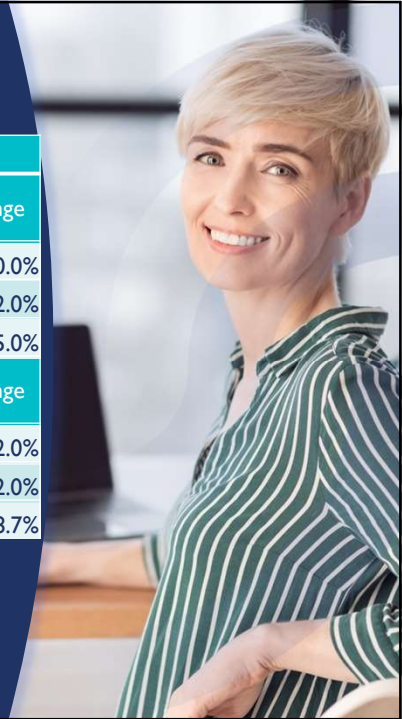
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Budget Variables- Target

2025 – 2026 Projections			
Locations	2025 Admissions Annualized	2026 Admissions Projected	Admissions % Change
HHA 1	1,796	1,796	0.0%
HHA 2	13,490	13,760	2.0%
HHA 3	3,002	3,152	5.0%
Locations	2025 Periods Annualized	2026 Periods Projected	Admissions % Change
HHA 1	2,102	2,144	2.0%
HHA 2	16,524	16,854	2.0%
HHA 3	3,302	3,588	8.7%
Locations	2025 CMW	2026 CMW Projected	
HHA 1	1.15	1.20	
HHA 2	1.11	1.13	
HHA 3	1.13	1.13	



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Strategic Goals Utilizing Market Data

Utilize industry data to set strategic organizational targets

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Home Health – Bexar Co.

Trended Market Share

Provider	2021		2022		2023		2024 Q1 - Q4	
Provider	Position	Share	Position	Share	Position	Share	Position	Share
CHRISTUS VNA HOMECARE SAN ANTONIO - 457777	3	8%	1	11%	1	10%	1	8%
PRIME HOME HEALTH, LLC - 453194	15	2%	10	3%	3	5%	2	6%
ENCOMPASS HOME HEALTH OF CENTRAL TEXAS - 679044	1	8%	2	7%	2	6%	3	5%
ACCENTCARE HOME HEALTH OF TEXAS - 679174	7	4%	8	3%	6	4%	4	5%
BROOKDALE HOME HEALTH SAN ANTONIO - 679424	6	4%	5	4%	5	4%	5	4%
CAPITOL HOME HEALTH - 747928	5	4%	6	3%	4	4%	6	4%
BEYONDFaith HOMECARE & REHAB OF SAN ANTONIO - 747518	107	0%	39	1%	15	2%	7	3%
HOME NURSING AND THERAPY SERVICES - 457251	13	2%	12	2%	11	3%	8	3%
KINDRED AT HOME - 679074	2	8%	3	5%	7	4%	9	3%
THERACARE HOME HEALTH - 677248	14	2%	13	2%	12	3%	10	3%

Data source: SimiTree MAP, build on Medicare claims

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Hospice – Bexar Co.

Hospital Referrals

%	1. METHODIST HOSPITAL - 450388	2. BAPTIST MEDICAL CENTER - 450058	3. METHODIST HOSPITAL STONE OAK - 670055	4. CHRISTUS SANTA ROSA MEDICAL CENTER - 450237	5. UNIVERSITY HEALTH SYSTEM - 450213
Hospice Name ↑					
1. VITAS HEALTHCARE OF TEXAS LP - 451591	11%	9%	11%	9%	16%
2. GENTIVA - 451682	8%	1%	22%	1%	4%
3. TRINITY HOSPICE - 741591	2%	10%	11%	3%	%
4. FOUR SEASONS HEALTHCARE OF TEXAS - 741631	2%	12%	4%	1%	3%
5. HOLY SAVIOR HOSPICE - 741552	2%	2%	3%	4%	17%
6. EMBRACE HOSPICE - 671676	2%	3%	1%	1%	20%
7. OPUSCARE OF TEXAS - 741589	2%	6%	1%	%	1%

Data source: SimiTree MAP, build on Medicare claims

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Hospital Referral Trends

Providers	'21 Q1 - '21 Q4		'22 Q1 - '22 Q4		'23 Q1 - '23 Q4		'24 Q1 - '24 Q4		
HHA	Admit %	Count	Admit %	Count	Admit %	Count	Admit % ↓↑	Count	
▼ Hospital: 1. METHODIST HOSPITAL - 450388									
1. BROOKDALE HOME HEALTH SAN ANTONIO - 679424	5%	61	16%	227	21%	305	24%	257	
11. KINDRED AT HOME - 679074	8%	99	4%	51	4%	59	7%	77	
3. ACCENTCARE HOME HEALTH OF TEXAS - 679174	8%	104	6%	87	6%	93	7%	70	
9. CAPITOL HOME HEALTH - 747928	7%	89	7%	102	7%	96	6%	64	
2. CHRISTUS VNA HOMECARE SAN ANTONIO - 457777	5%	60	6%	89	8%	118	6%	61	
4. ENCOMPASS HOME HEALTH OF CENTRAL TEXAS - 679044	8%	105	6%	82	7%	101	5%	50	
6. AMEDISYS HOME HEALTH - 679002	8%	104	6%	87	9%	127	5%	49	
5. PRIME HOME HEALTH, LLC - 453194	1%	13	2%	30	2%	36	4%	47	
12. CHRISTUS HOMECARE - 747361	4%	52	4%	55	3%	42	4%	40	
10. BEYONDFaITH HOMECARE & REHAB OF SAN ANTONIO - 747518	%		0%	<11	1%	17	3%	31	

Data source: SimiTree MAP, build on Medicare claims

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Hospital Referral Trends

Providers	'21 Q1 - '21 Q4		'22 Q1 - '22 Q4		'23 Q1 - '23 Q4		'24 Q1 - '24 Q4		
Hospice	Admit %	Count	Admit %	Count	Admit %	Count	Admit % ↓↑	Count	
▼ Hospital: 1. METHODIST HOSPITAL - 450388									
1. VITAS HEALTHCARE OF TEXAS LP - 451591	20%	129	16%	98	12%	69	11%	52	
2. GENTIVA - 451682	5%	35	9%	56	8%	44	8%	38	
8. HEART TO HEART HOSPICE OF SAN ANTONIO LLC - 671533	17%	111	11%	68	9%	49	7%	32	
14. CHANGING SEASONS HOSPICE - 741740	0%	<11	2%	13	2%	12	4%	20	
12. METHODIST HOSPICE AND FAMILY CARE - 671700	1%	<11	3%	19	6%	31	3%	16	
17. ELEGANT HOSPICE - 971573	1%	<11	0%	<11	2%	<11	3%	15	
7. OPUSCARE OF TEXAS - 741589	2%	<11	1%	<11	1%	<11	3%	14	
4. FOUR SEASONS HEALTHCARE OF TEXAS - 741631	4%	25	1%	<11	2%	<11	3%	14	
15. GENTIVA HOSPICE - 451563	3%	17	4%	24	4%	20	3%	14	
19. ALTUS HOSPICE OF SAN ANTONIO LP - 741642	1%	<11	4%	22	3%	16	3%	14	

Data source: SimiTree MAP, build on Medicare claims

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Hospital Discharges – Bexar Co.

Hospital Discharge Disposition

Provider	Expired			Home/Self Care			SNF			HHA			Hospice			2024 Disch.
Provider	2022	2023	2024 Q1 - Q4	2022	2023	2024 Q1 - Q4	2022	2023	2024 Q1 - Q4	2022	2023	2024 Q1 - Q4	2022	2023	2024 Q1 - Q4	Total
BAPTIST MEDICAL CENTER - 450058	4%	3%	3%	38%	38%	37%	17%	19%	19%	18%	16%	18%	7%	7%	8%	9,253
CHRISTUS SANTA ROSA MEDICAL CENTER - 450237	3%	3%	3%	32%	37%	38%	15%	15%	18%	26%	22%	19%	7%	6%	6%	5,480
METHODIST HOSPITAL STONE OAK - 670055	2%	2%	2%	42%	42%	41%	11%	12%	13%	18%	19%	21%	6%	6%	6%	4,973
UNIVERSITY HEALTH SYSTEM - 450213	3%	3%	3%	54%	52%	53%	12%	14%	12%	13%	13%	12%	5%	5%	5%	4,255
WARM SPRINGS REHAB HOSPITAL OF SAN ANTONIO LLC - 453035	<11%	<11%	<11%	13%	14%	15%	15%	16%	13%	56%	55%	57%	2%	2%	2%	2,549

Data source: SimiTree MAP, build on Medicare claims

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