

NUCLEUS  
RESEARCH

ROI: 172%  
Payback: 8.4 Months

## ALAYACARE

# NORTH COUNTRY HOME SERVICES

### ANALYST

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## THE BOTTOM LINE

North Country Home Services deployed AlayaCare and achieved a 172 percent ROI, recovering its initial investment in the technology in under nine months. Previously utilizing another home care software for billing and patient related processes, the organization implemented AlayaCare due to its productivity improvements and strong compliance capabilities. Nucleus found that upon implementation of the solution, NCHS was able to reduce its coordinator headcount by two FTE's and increase its reimbursement rate for home visits up to approximately 95 percent.

## THE COMPANY

North Country Home Services (NCHS) is a Fully-Licensed Home Care Service Agency (LHCSA) in the state of New York. The private nonprofit organization was founded in 1982 and has expanded its services and reach over the last 40 years. NCHS currently has 213 employees across its four locations and provides clients with home health and personal care aides as well as community support services.

## THE CHALLENGE

Prior to implementing AlayaCare in 2021, NCHS relied on its previous platform for its Electronic Visit Verification (EVV), scheduling, and billing needs. Being an LHCSA, the organization is constantly subjected to new regulations and compliance standards. In early 2021, NCHS faced an incoming wave of new regulations that would require substantial changes to its previous solution. However, executives were not confident in the solution's ability to adapt to these changes and were concerned that further use would lead to compliance violations. The organization ultimately decided to implement a new solution rather than risk re-configuring its existing technology deployment.

**Cost : Benefit  
Ratio** | **1 : 2.5**

## THE STRATEGY

After assessing its needs, NCHS chose AlayaCare for its productivity improvements and proactive compliance management. The implementation process took approximately 130 work hours to complete and consisted of the directors of payroll, HR, and IT working with AlayaCare representatives to transfer data and audit the configuration of the solution. After completing the implementation, NCHS spent an additional 12 hours training its Registered Nurses and Patient Coordinators on the solution to ensure end-user adoption. Between the start of the implementation and the end of the training, the solution went live within two months.

## TYPES OF BENEFITS



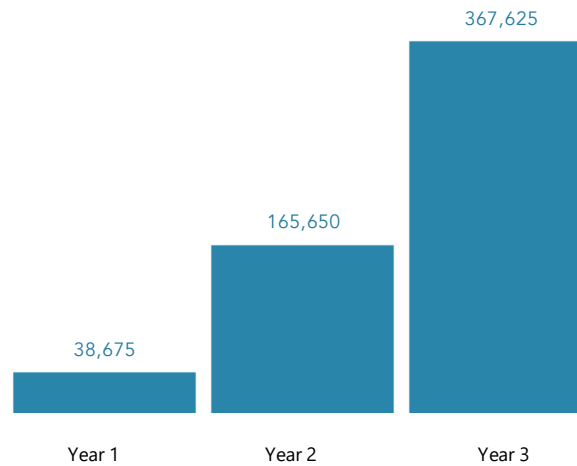
## KEY BENEFIT AREAS

Key benefit areas seen as a result of the AlayaCare deployment include improved productivity, improved compliance, and a reduction in bad debt.

- **Improved productivity.** With its previous solution, Nurses and Coordinators had to manage two separate systems as well as rely on paper forms for reporting processes during home visits. Due to the lack of mobile capabilities on the previous system, nurses would have to use paper forms as a means of recordkeeping during home visits and would later have to manually input the information into the previous solution once the visit was complete. Upon the deployment of AlayaCare, nurses and coordinators were able to utilize a single system for all processes and now have the ability to upload information directly from their mobile device. Nucleus found that the organization was able to reduce the amount of time spent on all patient-related processes by 10 percent, translating to more than \$78,000 in annual cost savings. By leveraging the time savings achieved from the deployment, NCHS was also able to reduce its coordinator headcount from ten to eight FTE's, representing more than \$100,000 in annual labor cost savings.
- **Improved compliance.** Due to the regulations governing LHCSA's in New York, organizations are required to use EVV's in order to be reimbursed by the state. Executives noted that the organization's reliance on paper forms and delayed manual data entry were subject to errors which ultimately lead to a significant portion of patient visits not being eligible for reimbursement. Since deploying AlayaCare, the organization can now keep an electronic record of every visit and has been able to substantially increase its eligibility for reimbursement. Nucleus found that the organization was able to increase the state reimbursement rate of its visits by 12 percent, resulting in a state reimbursement rate of over 95 percent. Revenue increases tied to this benefit were excluded from the report since the client preferred to keep the information confidential.
- **Reduced Bad Debt.** Prior to deploying AlayaCare, NCHS' reliance on its previous solution marred full visibility into billing processes. Executives noted that the platform was difficult to navigate, and the lack of visibility hindered administrators' ability to track outstanding invoices. This ultimately led to a yearly accumulation of bad debt that became commonplace. Nucleus found that since deploying AlayaCare

the organization was able to reduce its bad debt by 84 percent, representing an annual increase in revenue of \$19,000.

## CUMULATIVE NET BENEFIT



## KEY COST AREAS

The largest cost area of the AlayaCare deployment is the annual subscription cost. Other cost areas include the time spent by NCHS staff configuring the solution and the time spent training nurses and coordinators. Due to executive's prior knowledge of key vendors in the market, NCHS did not incur any external consulting costs and had no other additional costs related to the deployment.

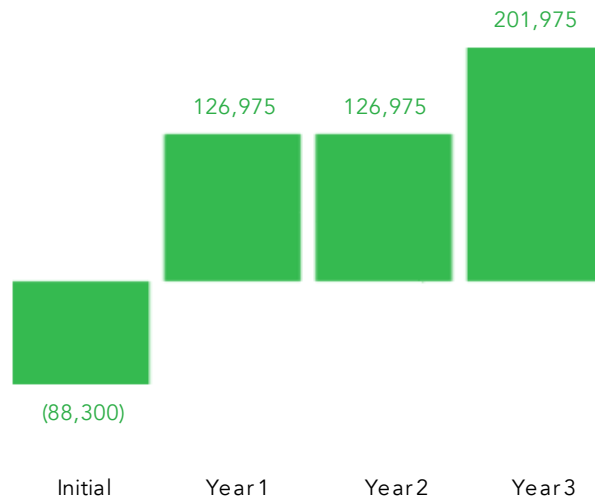
## LESSONS LEARNED

This deployment highlights how a lack of mobile capabilities can inflate costs and lead to avoidable errors, especially when managing field workers. While there are not many solutions tailored specifically to the in-home care industry, the organization's previous home care solution was outdated, and led to inconsistencies that ultimately reduced revenue and forced it to invest in redundant resources. Upon the implementation of AlayaCare, these errors were eliminated almost entirely.

Executives attributed the success of the deployment to the time spent by the NCHS team in the configuration stage of the implementation. Business leaders stressed that users should dedicate significant time to data transfer efforts as it substantially reduces the amount of time spent conducting manual data entry post-implementation. This deployment also

underscores the importance of taking time to train end-users on a solution to improve adoption rates. NCHS' dedication to ensuring that nurses and coordinators were comfortable with using AlayaCare enabled it to achieve the full range of benefits.

## NET CASH FLOWS



## CALCULATING THE ROI

Nucleus Research analyzed the costs of software, hardware, personnel, professional services, and user training over a three-year period to quantify NCHS' total investment in AlayaCare technology.

Direct benefits quantified include avoided hires and reduction in bad debt.

Indirect benefits quantified include time savings on patient-related processes. The indirect benefit is multiplied by a correction factor to account for the inefficient transfer of time between time saved and additional time spent working.

Benefits not quantified include revenue increases from improved state reimbursement rates.

# FINANCIAL ANALYSIS

## NCHS

**Annual ROI: 172%**

**Payback period: 0.7 years**

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	123,000	123,000	123,000
Indirect	0	78,975	78,975	78,975
<b>Total per period</b>	<b>0</b>	<b>201,975</b>	<b>201,975</b>	<b>201,975</b>

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

COSTS - DEPRECIATION	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
<b>Total per period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	75,000	75,000	75,000	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	5,500	0	0	0
Training	7,800	0	0	0
Other	0	0	0	0
<b>Total per period</b>	<b>88,300</b>	<b>75,000</b>	<b>75,000</b>	<b>0</b>

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(88,300)	126,975	126,975	201,975
Net cash flow after taxes	(48,565)	69,836	69,836	111,086
<b>Annual ROI - direct and indirect benefits</b>				<b>172%</b>
Annual ROI - direct benefits only				83%
Net Present Value (NPV)				168,380
<b>Payback period</b>				<b>0.7 years</b>
Average Annual Cost of Ownership				79,433
3-Year IRR				142%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.