

R.D. NETWORK NEWS

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TIONS, EDUCATION & HEALTH-
CARE

PROSPECTIVE PAYMENT SYSTEM

1. Implementation of a Prospective Payment System (PPS) means that Skilled Nursing Facilities will no longer be paid on the basis of their reasonable costs. Rather, reimbursement will be based on a per diem prospective case-mix adjusted rate applicable to all services furnished to a resident during a Part A Skilled Nursing Facility stay. Facilities will have to aggressively manage the care they furnish to residents.

2. The Prospective Payment System requires timely and accurate assessment of patients. Proper classification of residents depends upon disciplinary collaboration in completing the MDS 2.0. **

Since the start of the Prospective Payment System (PPS), Food and Nutrition Departments have undergone intense evaluation to determine ways to decrease costs while meeting all Clinical and Administrative requirements. But who is conducting these reviews and what is being evaluated? Today, one of the best authorities to turn to is a Consultant Registered Dietitian who is experienced in: Skilled Nursing Facilities, (both clinically and administratively); Medicare Regulations; and possesses the business background to evaluate systems, productivity, and statistics. What is the benefit of using a consultant R.D.? Consultants may be contracted for a one time audit and management report. Or, they may assist with the implementation and ongoing assessment of the required clinical and administrative system.

One issue many facilities have evaluated is the employment of a full time Dietetic Technician or Certified Dietary Manager in place of a full time R.D. A consultant R.D. is contracted to handle high acuity patients, act as staff relief, conduct presurvey reviews, and to develop policy and procedures. The cost of hiring a full time D.T. plus using an experienced consultant R.D. is cheaper than using a full time R.D. and yields more work hours. A facility may hire a new graduate R.D. but then the experience and skills are lacking thus reducing the cost effectiveness of the endeavor. Administratively, a consultant R.D. can help with food cost and labor control. A review of national primary vendor bids/purchasing programs for volume purchasing may save up to 4% on food costs. Labor and staffing may increase but use of convenience foods and preprepared items may offset the cost. Review of Production, Meal Services, Non-Meal food and beverage use, and Accounting are all aspects under review for potential cost savings.

If you need an authority to help you in your Food and Nutrition Department contact the R.D. NETWORK, INC for a qualified consultant R.D. in PPS.

** Federal Register, May 5, 1998
Description of Medicare Guidelines.

Cost Control Issues under Prospective Payment System

Clinical Points:

- ◆ MDS accurate evaluation of resident and timely charting
- ◆ Appropriate use of liquid supplements
- ◆ Appropriate nutrition related lab work requests
- ◆ Appropriate nutrition related medication requests

Administrative Points:

- ◆ Food Cost Control
Menus
Purchasing
Production
Accounting
- ◆ Staffing & control
- ◆ Additional Revenue

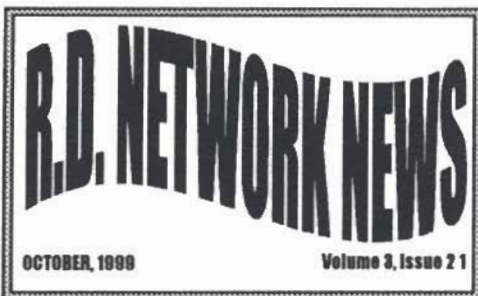
Wise Words

To follow, without
halt, one aim: There's the
secret of success.

Anna Pavlova

R.D. NETWORK, INC. NEW CLIENTS:

- ◆ Montage Foods, PA
- ◆ Alterra, Inc., NJ
- ◆ Epworth Manor, PA
- ◆ Good Samaritan Hospital, MD
- ◆ Asbury Village, MD
- ◆ Temple Lower Bucks Hospital, PA
- ◆ Ross Health Ctr, NY
- ◆ Stephen Smith Home for Aged, PA
- ◆ Mercy Douglass Human Services, PA
- ◆ Northeast Adult Day Care Center, PA
- ◆ St. Joseph's Hospital, PA
- ◆ Stonebridge Health & Rehab. Ctr., PA
- ◆ Delaware County Memorial Hospital, PA
- ◆ Mallard Bay Health Center, MD
- ◆ Carson Long Military Academy, PA
- ◆ Saunders House, PA
- ◆ Millennium Health Care, MD
- ◆ Belmont Center for Eating Disorders, PA
- ◆ First Home Care at Crossroads, MD
- ◆ Pottsville Hospital, PA
- ◆ Ohio Valley General Medical Center, PA
- ◆ Chancellor Gardens, NJ
- ◆ Philadelphia Nursing Home, PA
- ◆ Reading Hospital and Medical Center, PA
- ◆ Concord Hospital, NH



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Home Meal Replacement

Today, out of home purchased meals account for 35% of the consumer's food dollar. Those dollars are coming out of the consumer's grocery budget, out of the supermarket's sales, and, as a result, out of the packaged goods marketer's volume. Currently 77% of women work, the average time a consumer spends to make dinner is 15 minutes a night and, amazingly, at 4 P.M., 60% of consumers have no idea what they're having for dinner. Due to these facts the entire food industry marketing paradigm has shifted to the point where historical ways of doing business are no longer relevant.

Home meal replacement means selling prepared foods that can be eaten

at home. With these foods accounting for almost 50% of restaurant offerings since 1994, the National Restaurant Association predicts that Home Meal Replacement may become an \$80 billion to \$100 billion category by the end of this year.

Restaurants are not alone in going after the home-meal replacement market. While restaurants account for 75% of the ready to eat takeout business, supermarkets, healthcare and Business and Industry food service departments are entering the arena. Nearly 60% of consumers noted that they would buy dinner at an establishment if prepared entrees and side dishes were available. Ultimately, experts predict that food service establishments will create pre-

pared meal centers where cross-merchandising will be essential. This means condiments, beverages, and desserts will also be available.

What is certain is that the home-meal replacement industry is here to stay. R.D. NETWORK professionals can help transform the traditional food service department to a warm and friendly place that says to consumers, "come here with confidence and we'll help you put a delicious meal together." Menu development, food preparation, marketing and packaging strategy, feasibility studies, recipes, HAACP regulations, branding, staffing and pricing are some areas in which R.D. NETWORK consultants can provide assistance.

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