

Business minus the bottom line

by Kendra Hartmann



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morals, employees didn't seem to be valued very highly and the overall principles of the business didn't quite seem in line with making ailing patients a priority.

Kimsey, Nelson, Pawl and Robinson began to talk to each other, gradually discovering that they were not alone their individual assessments of the company and the actions of decision makers at the top.

"The company was owned by a private equity, so financial performance was the No. 1 motivating force," Kimsey said. "That became more amplified when a new COO was put in place who was driven by the bottom line. We were put in difficult positions where we were having to deliver the will of this COO that we disagreed with."

As they talked about how their company was doing business the wrong way, they began to wonder how they might do things differently. And the more they talked among each other, the more they realized their business values all lined up, and that perhaps starting a company of their own was a real possibility.

Though healthcare is a notoriously difficult industry to break into (obtaining a Medicare number is a seven-figure purchase alone, Kimsey said), the four jumped in, and when they found a floundering home-healthcare operation in San Marcos in 2009, they stepped in and took it over, vowing to mold the company into a poster child for businesses that value ethics over the bottom line.

Four years ago, Mark Kimsey, Amy Nelson, Kerry Pawl and Jennifer Robinson were all working for the same big home-healthcare provider, a Georgia-based giant that provided services in several states. They all worked in management in San Diego, making comfortable livings.

Something wasn't quite right, however. All four began to notice things about the company they weren't comfortable with. Policies seemed to conflict with their

"It was a huge leap of faith on our part," said Pawl. "We all left fairly comfortable livings at a company we didn't believe in any longer to do this, not knowing whether or not we were going to be able to get this done."

Taking over the broken-down operation proved to be a challenge from day one. The owner, who had been pocketing her employees' 401k money, owed thousands of dollars to the IRS and couldn't even keep the power on regularly, but didn't want to relinquish her hold on the company. The employees weren't getting paid, but due to the recession and the constant promises of better days ahead from their employer, they stuck around. The four pulled out every stop they could think of to keep the company above water.

"We would meet on payroll day with our check books in hand, knowing we weren't going to get paid and we had to make up the difference because the company was going under," Kimsey said.

Eventually, they arranged to buy the business outright from the IRS — a process that proved long and complicated, and required that they keep the company afloat in the interim. As such, the four worked overtime, performing virtually every job that existed in the company — from intake of new clients to treating to patients in their homes (three of them have backgrounds in physical therapy) to taking out the trash. And when the company finally did become theirs, they had knowledge of every aspect of running it, which proved invaluable.

Once they got off the ground, the four were able to put their business ethics to the test. They hired some employees and gave them top-notch health benefits. They took on patients anywhere in the county — relatively unheard of in the local home-health industry, because taking the time to travel to the far reaches of the county doesn't always make financial sense. They began to offer home-care services with no minimum time commitment, also unheard of because, as Kimsey said, "Those are a loser for us. We make no money on those short-term cases." But, as Robinson added, most home-care providers have a four-hour minimum, and at \$20 per hour, "the cost can be really prohibitive," and they weren't interested in shutting patients out.

The business began to take off, despite the fact that the founders weren't focusing on financial gain. What started with eight employees and 15 patients in 2009 now has 375 employees and 1,200 patients.

"The thing that separates us from everybody is we've improved our bottom line without focusing on it," Kimsey said. "We've focused on taking care of our patients. Even when a particular decision won't make us money or might even cost us a bunch of money, we do it anyway. It's proven to be the right way to operate."

Doing things the right way is made slightly easier when the company only has to get four people to agree to what the right thing is, as opposed to a bevy of shareholders.

"We can do it because we don't have anybody to answer to, no investors," Robinson said.

It also helps that the four share the same ideas about what constitutes ethical business, making for a very smoothly run boardroom.

"We all have the same foundational beliefs about doing the right thing. There's never any argument about that," Kimsey said. "Profit motive never comes into the discussion. The reality is that, among the four of us, we've never had to take a vote. There's a consensus before we even get to the point of raising our hands."

The most recent big decision just paid off in the form of a new division of the business: Mission Hospice. Though the opening of the new operation, which officially launched on March 11, couldn't have been better timed what with the recent downfall of San Diego Hospice, the process of establishing the hospice started nearly two years ago.

As for addressing the compliance issues that brought down San Diego Hospice — which was audited by Medicare for allegedly admitting patients to hospice care that did not meet the eligibility requirement defined as a patient who has six months or less to live — Mission's founders are unfazed. In fact, they welcome inspections by agencies like Medicare, which they say helps them stay compliant.

"We want higher regulation. We follow compliance to the letter of the law," Robinson said. "If you do that, there's no reason to fear compliance rules."

Furthermore, because Mission offers care meeting different needs and at different levels of health, it doesn't run the risk of having nowhere to turn if, for example, a hospice patient suddenly takes a turn for the better and is no longer eligible under the six-month requirement.

"Because we have all three levels of care, if someone isn't meeting hospice requirements at some point, we can put them back on home health," said Nelson. "We can provide that continuity of care."

The launch of a new hospice, meanwhile, is good not only for the counties patients, but also for its workforce. Just days before Mission Hospice officially opened, the company hired 45 new employees, and between the company's San Diego and Riverside County operations and a San Bernadino satellite planned for later this year, the founders hope to create as many as 2,000 new jobs in the next 18 to 24 months. And to prove their commitment to the region's workers and patients, the founders said they don't put their own success ahead of the company's.

"We talk about our financial success, but if you look at the top 20-25 earners in the company, none of us are on that list," Kimsey said. "We've never taken another penny off the table in terms of profit. We've reinvested every cent into our expansion and growth, with new offices, new employees, new physicians — and it's paid off."

The founders hope that the changes they've brought to Southern California will eventually resonate in the industry at large. Most importantly, they hope home healthcare will start to gain increased visibility on the national healthcare stage.

"At the congressional level, we feel like in-home services should have an expanded scope of the types of patients we can take care of," said Nelson. "Right now, we can only take care of home-bound patients. We could offer this service to a wider variety of patients out there and reduce healthcare expenditures. For example, if someone [being discharged from the hospital] needs help at home with their IV at 8 p.m. and someone can't or won't see that patient at home, that person has to stay in the hospital another day, which is thousands of dollars for one night, compared to our \$50 a day."

To ensure that their way of business endures — at least through Mission's legacy — the founders wrote into the company's bylaws that Mission could never be sold, and the four plan to pass it down through generations to come.

"We don't ever want that profit motive to be something that drives what happens here on a daily basis," Kimsey said.

"We think this message is not about Mission," he added. "It's bigger than that, and people who are in roles of responsibility in any business can take parts of this example and other examples to know that there are great companies that do great things. In our experience, it had a lot to do with not being focused on our short-term goals. We view our organization and its reputation as a generational responsibility. It's not about today, it's about 150 years from now."

Mission Healthcare offers three types of care, all tailored to a patient's unique needs. Home Health: Services include healthcare management from skilled nurses and therapists, including IV administration, wound care, diabetes and other chronic illness management, Alzheimer's and dementia care, medication management, physical therapy, speech therapy, occupational therapy and nutrition counseling. A skilled clinician will arrive in the patient's home within 24 hours of referral, or on the same day when necessary.

Home Care: Offers non-medical services like help with planning and preparing meals, light housekeeping, transportation for shopping or doctor's visits, companionship, live-in caregivers and respite for family caregivers, travel accompaniment and temporary or long-term care. Visits by Home Care professionals have no minimum time requirement, and caregivers will arrive in the patient's home to assess needs within two hours of the initial referral.

Hospice: Provides end-of-life care for patients with six months or less to live. Hospice allows patients to stay at home, if they wish, with services like physician and skilled nursing care, chaplain services, bereavement support and volunteer services, for which volunteers run errands, help around the house and provide respite for family caregivers. Mission Hospice personnel respond in the patient's home within 24 hours of referral, instead of the 48 hours required by Medicare.

For more information, visit homewithmission.com or call (888) 871-0766.

Notes from the field:

Judy Gailey, a behavioral health nurse who works in La Jolla, Point Loma and other areas of the county, talks about her experiences working in Mission's Home Health division helping home-bound patients deal with behavioral issues like depression, grief, loss of independence and stress management.

"I've been doing this for four years here in San Diego. It seems to be a very popular service, and there's such a need for it. I see a lot of patients who have recently moved into assisted living and they may have depression because of a feeling of losing their independence. It's very hard on the self esteem and we help them transition."

"I've seen really good changes happen from working with these patients. The patients I have in La Jolla have the same types of needs as every place else. There's a stigma about mental illness. It has always been shrouded in mystery, as if it's something to be embarrassed about. I have to concentrate on that when building a rapport with a patient. I assure them that life throws us curve balls. What we [behavioral health nurses] do is intangible, but we've seen some really great things happen. I have seen people who don't want to get out of bed, and then they progress and completely change."

"The biggest challenge is when we determine the patient doesn't need the service anymore and we have to discharge them. It's a difficult transition, and sometimes there are tears, but we try to be rational and make sure they have some support system when we leave, and that they know that, down the line if things change, they can always call us back. It's important for them to believe they can manage things on their own."