

## Transcript: AI in Hospice: What Every Leader Needs to Know | Part Two

### Welcome And Part Two Setup

**Jeff Haffner** 0:00

Welcome to TCNTalks / Anatomy of Leadership. We continue our conversation in Part Two of AI and Hospice: What every Leader Needs to Know. With Ernesto Lopez. And now here's Chris Comeaux.

**Chris Comeaux** 0:18

So Ernesto, why Hospice and Why Now? I mean, yeah, I love the fact that you're doing this. I had no clue you were actually taking the class and love that we had some mutual friends that reached out and said, you need to reconnect with Ernesto. Like, he did what? He got a degree in what? And so why hospice and Why Now?

### What Hospice Native AI Means

**Ernesto Lopez** 0:36

Well, I think, you know, the first is obvious. I mean, I've I've spent almost 15 years um in working in hospice and I've experienced all the you know the highs and lows of and challenges of operations and and some of the challenges that that we have in our industry in order to meet those core principles that that you know I talked about. And so I think along the way, you know, when you when you learn about something as uh something new and exciting like artificial intelligence, and you start seeing how these tools have been applied over the last few years and other other industries and other businesses, and seeing the the positive outcomes of of you know those strategic decisions, I wanted to bring so yeah, I wanted to bring that same um opportunity to to to the hospice world. And and so, you know, being a part of it um all these years and and now learning um about these new technologies and and what what's possible, what's what's what we we can be able to create and bring in was really exciting to me. And you know, when we started our company, you know, we we we had a we had a primary goal of what we wanted to do. And we wanted to be auspitative, uh, we wanted to build something uh from the inside of of the hospice industry, which rarely, if ever, ever happens when it comes to technology. Usually we're, you know, we get technology from home health, you know, we get technology that was brought in and it was, you know, very successful in a different sector of healthcare. And then we try to retrofit it into hospice

workflows and we try to retrofit it into, you know, what we do uh in in hospice. And what happens is that we get, you know, typically uh, you know, uh discoordination. You get, you know, um, you get frustration because, you know, this works really well in home health, but it doesn't quite work the same way in hospice. And so now we're trying to figure out how we can close that gap. And so a native, you know, from the ground up um piece of technology uh that's built around, you know, hospice experience, not only just leadership, but clinical and operational and financial was on my goal is to be able to bring that type of experience to the table and and start looking for you know for challenges that that we can solve with with AI. And I think the the most the most uh um really impactful thing over the last few months is just talking to people and and talking to them about their you know their issues, their their hospice challenges, and and what are the gaps that they have and and the question of you know how can AI help you know with this specific problem? And that's that's what you know we've we've been able to not only collect and and get terrific feedback, but it's also laid the foundation for you know what we're we'll do next and and how what we're building today is going to evolve over time. But but specifically, you know, it's to me it's really neat to be able to say that we we started in hospice from the ground up and we're building to serve the hospice community so that um you know we can bring forward technology that's safe, that's that's grounded, that's trustworthy, and not just something slick that's gonna come in and uh you know be fancy and have all the all the different promises and and attributes that that you know you see when when new technologies um you know presented, but but have something that's really well grounded. And that that really is is our mission um and and everything that we're doing now.

**Chris Comeaux** 4:02

Well, I feel like you just answered this, but I want to, because people may not be familiar with that language of hospice native. And so you use words like AI 20, I'm sorry, 1520 AI is AI first, it's hospice native. What does that mean? And you know, when was that moment when you realized, you know, hospice really does need its own intelligence layer?

**Ernesto Lopez** 4:23

Well, you know, it happened uh a a while ago. I think I think within the first six months of of um you know going through um you know the training and learning, you know, it it hit me immediately. You know, it didn't start that way, but but I, you know, as I started seeing the tremendous benefits that uh other companies and other sectors were experiencing with with AI, you know, um I started connecting those dots, you know, connecting the dots of you know, how how do we how do we turn what's what's happening here in this sector and and create a benefit to to hospice because it's not there today. And so um that was kind of the you know the journey and and trying to um decide, you know, what why go here. And and I think for you know, hospice native means it's it's built on a

foundation. The technology and the experience and competencies of hospice are merging in that you know development of this tool. It's not something that we we're taking from another sector or another you know part of healthcare and saying, okay, we've we've done this here and now we're gonna bring it here, and now we're gonna retrofit it and realign it so that it we can say it's it it works in hospice. And like I said before, there are just a lot of tools out there that were designed that way. And and we felt that we wanted to be one of the first. Um, I know that there are other, you know, other companies that are trying to also uh or are currently also building um hospice native types of tools, but we wanted to to be able to lead the charge and and be able to do something from day one that's uh completely built around hospice. And so our team is, you know, we have a we have a balanced team of tremendous and talented technologists and and and just uh some pretty incredible um uh experience in in our hospice industry, which which really coming together. It it really not only is it coming together from a technology perspective, but it's coming together from a people perspective as well. So it's a great balance in in building any type of tool that's that's gonna be native.

**Chris Comeaux** 6:24

Well, now we're gonna get a little bit more into maybe 1520 AI specifically, but what problem are you envisioning solving with 1520 AI for hospice leaders going forward?

## Shortening The Feedback Loop

**Ernesto Lopez** 6:35

So our our main focus, day one, we wanted to really address um what I believe um is is if not the biggest issue or challenge that we have in hospice is is the the ongoing um and inconsistent um challenge and risk around um audits, um Medicare contractor audits and and the stress and duress, financial duress that that happens when, you know, when when you you're an audit and you're you're having to you know pay back dollars that have already you've already been paid for, and and now um have to go through a transition of time of appealing and putting more more expensive resources to defend it. And you know, and and at the end, you know, some hospices do great. They they come away and they get, you know, they they get all their dollars paid back with with interest and and others don't. And um, you know, the the Medicare contractors are designed to be able to find uh issues and challenges. And and I think the other, you know, sort of uh driving um force behind this is that you know CMS is already using AI and they've they've published it, they've said it. I mean, why do you think they, you know, they pop in and and you know already have all this information when they come to you with, you know, we we we have X number of of charts or of claims that we feel that you shouldn't have been paid for. I mean, they didn't just pull it out of a hat. You know, they're using AI, they're leveraging AI

to look for patterns, specific measurements that they're seeing in the data and the records that you know leads them to think, hey, there's there's a there's a gap here. This is a flag. We need to pull these records and and and look at them and say, no, these need to be paid back. And so that was really the the initial um mission for us is to to build an AI that allows hospices to create defensibility defensibility with their medical records. Um for me personally, you know, in my time, every organization that I've been with in hospice has you know always had an audit, always gone through, you know, this process. And you know, the the the workflow in addressing those those issues was always the same. You know, you you you call your your your quality, your quality team internal if you have one, is and you bring in an outside quality expert, you call your attorney and you start the appeal process. And so that you know, that journey could take, you know, a year, a year and a half. And and hospices don't budget for that, they don't prepare for that. And so, you know, you're you're basically having to um, you know, account for that expense with a hope that you're gonna get paid back at some point. And if you don't get paid back, then that's that's real, real dollars lost. And and so hospices are are continuously dealing with these challenges and it's gonna continue to evolve and and get more complex and it's gonna increase in numbers. And I feel like we we have as an industry, we have to have a you know, uh, a counterbalance to that. You know, if they're using technology to to identify, you know, in their mind, opportunities, we have to be able to use technology to stay ahead of them. And it's not a, you know, it's not meant to, our tool's not meant to, you know, um uh defend in the in the way that you would think that, okay, you know, what we have this tool and we're gonna be able to fight, you know, these audits. It's a proactive tool. It's meant for hospices to to really understand what their medical records look like today, every day, and and be able to um identify gaps, identify documentation components. I mean, the easy ones are really the technical, you know, the technical uh pieces of of a hospice admission. You know, those are elements that either they're there or they're not there. The signatures are there, they're not there, they're not dated correctly. Uh, you know, um the the starts of care don't match. You know, those things are easy to be able to identify with AI. What we're building is is really neat because it's it's more on the qualitative side. So you get past that first gate of technical um uh approval or acceptance uh of that admission, and then and then you move over to you know the the the same gate that the auditors are gonna cross, right? They're gonna go in and say, okay, do you do you have all the documentation that you needed to admit this patient? Is the patient eligible, yes or no? And do you have enough supporting documentation to, you know, to sub, you know, to basically uh support that position? But then when the patient comes onto service and if all those pieces pass that test, they're gonna start looking at qualitative components. You know, did we really provide the care that the patient needed? Was this patient, you know, this level of care, was it appropriate based on the symptoms that are documented? Is, you know, was this patient uh admitted to early because we there's no evidence that there were any anything related to symptom

management, you know, early on. Does the diagnoses and treatment and patient care match what the initial uh you know certificate of terminal illness says? And so those pieces are the components that are that we're building to try to cross-reference and and really provide hospices a real clear view of where their risk or potential gaps exist. And so if you're running, you know, if you're running this, you know, our tool and you're and you're going in and identifying these gaps, you know, you haven't submitted these claims. These patients are still under your care and service. So it gives the hospice an opportunity to really make the changes or you know, uh improve the content or focus on the things that the team needs to focus on in their documentation in order to be better prepared so that in the future, when those audits come, and they will come, that the hospice has a clear, 100% vision and and knowledge of what really is in those medical records and can feel confident that even if they they you know they go through an audit that they're gonna come out and and and be able to avoid these very painful paybacks that that are occurring.

**Chris Comeaux** 12:32

You're actually you're you're making me be nostalgic and thinking back. So I grew up in manufacturing, I don't know if you knew that to the earlier part of my career. And it was actually a perfect time. I'm now seeing this, look into the rearview mirror. I don't know if it's totally accurate to say it was the golden age of quality, but it certainly was becoming. So picture like the company I worked for was a conglomerate. They made all sorts of things, including plum hammers. So picture this roll of steel on the front end going down the conveyor belt, and you want to make sure that that hammer meets spec. So it's taking pictures, it's taking weight, does it meet the spec? And then there's the person in the quality department that's hammering the hammer to make sure the hammer actually meets the quality. It's actually a beautiful metaphor for what you actually just described. The problem is in in hospice is if you go all the way through and you're at an ALJ level and you win or you lose, the feedback loop is years in many cases. And so what you're trying to do is as people are doing the work, bring technology, making sure does it come up to those standards, does it meet quality and bringing that as close to where the action is. In fact, I was in a meeting right before you and I kind of got in the green room for today. And one of our compliance people was lamenting of we're frustrating these clinicians because first off, it does seem like some of the auditing people are a little arbitrary, like one thing this, one thing that, which that makes it difficult. So then what are the what is the task that we're actually teaching to? And then how do you bring that back to the nurses so they can learn real time and not you're not bringing them back to them six, seven, eight months later. Um, you know, the best way you always create learning is when you bring it closer to where the action happens. And so does that feel accurate that that's

what you're aspiring with this technology is to bring it a lot closer to when they're actually doing the documentation and helping it meet a standard?

## Where Eligibility Breaks Down

**Ernesto Lopez** 14:17

100%. I, you know, the the one thing that comes to mind is, you know, the another challenge that we have in in hospice is that turnover staff, training and education, you know, you you're bringing a lot of times, you're bringing folks that are in healthcare, they have experience. If they haven't worked in hospice before, maybe they're on another EMR, maybe they, you know, maybe they haven't been trained, you know, the way they should have from the very beginning. And, you know, they might have some habits in how they document and they may have, you know, specific things that they focus on that they, you know, that they should be focusing on different things. And so to me, you know, as hospices, we we don't, you know, we really don't have the the workforce to be able to manage that on a on a consistent basis. And and I would say in general, you know, most hospices don't have that infrastructure, they don't have those resources to do so. And I go back to you know, sort of the basics of you know, what AI really does. It's it's a workforce multiplier and and you know, it's an accelerator, right? And and I think that if you create tools like the ones that like like the one that we're creating, it allows you to offset the need for additional resources, the you know, manpower to be able to audit and go through records and to educate staff and and to you know uh bring people up to that competent competency level, whereas now you have a tool that can organize that for you, can you know, drill down to the user, to the individual documenter, uh look at trends. You go back and look at documentation trends and things that you know that could be part of those habits, and then you know be very proactive in helping you know these folks uh be better at this. You know, uh clinicians, they they want to they hey they they want to take care of their patients, they want to provide amazing care. Um and and they also you know they want to do things the right way. And and for a lot of a lot of people, a lot of clinicians, they they also want to take care of their organization. They want to make sure that they want to be proud of you know of the quality work that they're doing. And so being able to have tools like this allows phosphics to maximize that immediate feedback and that immediate feedback loop to the clinician. And to me, that you know, what we're doing ultimately is it's helping improve you know the quality of care because not just about documentation, you know, it's it's also looking at treatment trends and response to symptoms and you know, patients that maybe are slowly starting to decline. You know, are we um are we consistent with getting the right number of visits out there to see that patient? Um, has anybody noticed that? Is it you know, has it been three or four days and and we're seeing that decline over time and there hasn't been any action from the

hospice? So to me, those are quality of care issues. They're they're also, you know, um family and patient experience challenges that, you know, a tool like this, it's very proactive. It's a GPS, you know, can give you direction and can help you get in front of these problems so that that patients and families have the right transition and the right experience of care in hospice that they deserve. And, you know, um, I don't believe that any any hospice, you know, um clinician or operator, they they don't do any of this on purpose. Like you don't you don't go in and not want to provide great care. It sometimes it's just the you know, the the volume of challenges and priorities, the you know, the directions that that people are being pulled from, you know, it's very easy to miss gaps or miss you know flags that that and trends that are popping up. And and that's ultimately what you know what what I think um a tool like this can do for hospices.

**Chris Comeaux** 17:47

Let me ask you kind of a weedy question, because I know we've got some compliance people that are faithful listeners to the podcast. And so they might be listening to this going, yeah, but so where do most hospices get eligibility wrong technically versus clinically? And in your experience as operators, where do most hospices get exposed? Is it the missing technical elements? Is it a weak narrative, maybe unclear decline prognosis documentation?

**Ernesto Lopez** 18:13

So I think I think the majority and you know compliance uh folks will agree is that technical failures are are typically the from a volume perspective where where hospices um you know fail and and it's that first gate. And you would think that that would be the one that everybody would get right. You know, you you you need you need signatures, you need a consent, you need you need to have all these pieces, you need eligibility. But a lot of times in the in the compliance process, you know, hospices um have gaps and inconsistencies. And part of it, I would say I would attribute that to the fact that you have so many hands in the pot, right? You're you know, you you could have in that workful process, you can have multiple people that are touching, you know, that patient before they even get admitted into hospice. And so I think that's one component that, you know, there's there's a there's a a constraint, a potential constraint or a gap in failure when you're handing this off to different folks. And, you know, you're handing off the responsibility for follow-up, you're handing off the responsibility to document something specifically. And a lot of times, you know, whether it's lack of communication, whether it's, you know, staffing resources shortages, you know, those those kind of gaps pop up. And I think from an auditing perspective, those are easy. Those are the ones that, you know, like you can't defend that. It's either there or it's not there. If, you know, if you pass those gates, the qualitative component is fascinating because I think a lot of the cases that go, you know, uh up to an administrative law judge, you know, they're really around the

qualitative component. You know, we don't believe this patient was eligible for hospice surrounding. It's fine that, you know, this hospice provided care. And this is why. And when they start looking at those layers, you know, they're saying, okay, this patient was admitted with XYZ diagnoses, and you know, the plan of care was started off, you know, aligned with that, but then the patient's symptoms change over time, and then now the patient has other symptoms, and and you know, there's no real evidence that the hospice is really documenting to the management of those symptoms. And so if a patient really gets into this, you know, sort of cycle of of stagnant, you know, support where the teams are, you know, obviously they're they're they're doing their visits, they're you know, documenting, they're having IDG, and there's no real depth to what's happening, then it's easy for an auditor to say, well, this patient, you guys are just keeping this patient on service just to keep them on service. So we know evidence of continued support or adoption or adaptation to any of the symptoms that are happening. The other area that I think also is an area of focus that that hospices have to be careful. You have to look at what happens on weekends and at nights because a team may do a great job during the week, and then all of a sudden you start getting calls and you start getting patients that are having symptoms, and you have folks that are going out and seeing these patients. And it's that transition from, okay, we went out, we saw the patient, but then what happens when the team starts on Monday? And now the you know, the primary uh RN case manager, you know, what what's the response to these new incidents or events have happened with this patient over the weekend or at night? And I find that hospices, you know, aren't consistently demonstrating that in the documentation. And those are some of the components that you know auditors love to find. And and actually point out that, you know, yeah, you you didn't demonstrate evidence that you know there was um continuity and and support, or there's no evidence that anything has changed with this patient since you admitted them. And so therefore, we don't think that you know this patient should have been in hospice. And so it's that piece that, you know, um that's more complex to defend. And, you know, even though the patient may be eligible, even though you did all the right things and you provided great care. and and all those things align. But if the documentation doesn't match, if it doesn't match that timeline of care and that that cross-referencing the you know the the cause and effect of of the patient's symptoms and the management of the symptoms to to what the team is actually doing, that's where hospices um get get hooked. And and unfortunately um that represents um you know a pretty significant portion of what what what um these appeals that eventually if they they get you know if they get upheld it's it's typically because of that.

**Chris Comeaux** 22:34

Let me bring you out of the weeds and bring you back up to the AI level. So um for a hospice leader who doesn't understand AI well if you were advising them and they want to bring AI into their organization responsibly what might a 90 day plan look like should

they policy maybe some training uh vendor selection data cleanup identify a use case Chris all of the above all of the above I mean you nailed it it's all of the above but I think I think the first thing you want to do is identify the use case right what is it that you want to solve and if if you want to identify you know a specific element that that you feel is not only important but you think can you know really help you know raise the level of quality raise productivity create efficiencies whatever that you know that problem is that you want to fit you know make sure that that you that everyone in the organization understands you know that this is this is the the use case and and now you try to find somebody that can do that.

## Picking Trusted Vendors And ROI

**Ernesto Lopez** 23:35

And you know that the selection of of a vendor or a technology company to come in and do this if it's a custom type of you know uh engagement where they have a unique problem they want somebody to come in and build that for them then obviously do all your research make sure that these companies are you know um they're solid that they they have great um data management and and data security infrastructures and that you know they're that they're committed to to being with you across across this this this journey not only in the development but then in the follow-up in long-term support if you're talking to hospice companies that already have products or have AI functionality that you want to leverage or you want to deploy then then I mean I would use the same you know methodology you know make sure that you understand you know how they built this AI and and uh what kind of protections that you know you have what are you exposed to you know some AI companies don't have insurance you know and so that that's one of the things that you want to make sure that they have if something goes wrong you know um are you the only one who's liable meaning the hospice you know you have to make sure that they're skin of the game with uh these technology companies so that if something goes wrong you have a partner that'll work together to try to address you know the issue or or you know the incident. And so I think those are all really important components. And and again I would be just weary of you know fly by night um companies that are coming into the space that they may have great technologists that are you know really leading edge and they're you know they're building they have resources to build and design things but ultimately is what's the commitment to the industry to hospice? What's the commitment to you, the the provider and are these folks really going to be here long term for in your journey? And so to me those are probably the most important things that I would evaluate and tell you know a hospice colleague to to make

sure they do before they decide to you know um identify a specific hospice use case and and identify you know a partner that that will be able to help them bring that to life.

**Chris Comeaux** 25:41

I feel like the word that keeps coming to me Ernesto is this is a time for trusted a trusted partner or trusted partners. You know, throughout the history of mankind you've always had kind of snake oil salesmen. But the potential impacts and transformation of artificial intelligence in particular, the the panacea of promise it's it's pretty high of what it of what it potentially could do. So therefore it's very susceptible to hyperbole, over promise, under deliver, but expose you to lots of risk. And so I think what I take away from what you just said, this is a time for very smart trusted partner or partners um and be careful that every panacea that comes along you've got to be you got to have someone who you trust to be able to vet that to know that you're not getting exposed in ways you do just you know none of us were raised or most of us weren't raised Ernesto is one of the few that's gone and get gotten another degree in this most of us are raised as nurses or social workers or accountants. We've not been raised on the IT side of the house and the risk in this is somewhat substantial compared to things we've seen in the past. Would you push back on that?

## **Final Warnings Plus Closing Quote**

**Ernesto Lopez** 26:53

Not at all. I think 100% I think that um you know the that there's already great examples there's a great study um and I I'm trying to recall who who published it but there was a a poll that was um um that this specific study referenced and and they basically asked uh and I think it was specific to Fortune 500 companies so a big study and they asked uh the CEOs of of every company two questions as you know um do you you know are are do you actively have an AI strategy that you're you're implementing or you've implemented in your organization and then the second question was you know did did you achieve the return on investment that you were seeking and it was an interesting you know the percentages were really fascinating so almost 80% of of those businesses or companies had some type of AI strategy either in development or already in in implemented and about 32 I think percent of companies actually said yeah we we got our uh you know return on investment and and so you know the overpromise you know and under deliver is real and some of it is because people get excited or they don't want to get left behind they they you know they see their competitors are are are starting to develop AI and uh I mean there's examples of it everywhere but you know does the AI really work? Does it does it really do what it's supposed to do or is it just you know is it just flash you know you you want to say you have AI but then you know it's really not AI it's it's it's something

different. It's you know uh but but you know you're you're kind of being sold that you know your your tools or your product is now has that kind of kind of functionality. And so we're you're gonna start seeing more and more of that everywhere every type of business not even in how not just in healthcare. So so yeah there there's that that's a very important element you know ensure that you you have a good you know uh use case and and that you have if you're gonna if you're gonna invest resources into doing this that you get those resources you know you get the the return that that you're looking for because to waste resources on something that in a year doesn't do anything, you know, doesn't do what you thought it would do. I mean you you're basically you know you're not being a good steward of your resources, right? And you know for for hospices that that you know have a limitation in in what they you know what they can spend on on things like this, they have to be just really mindful, really careful as as they you know as as they decide to embark on these types of types of journeys.

**Chris Comeaux** 29:24

Final thoughts

**Ernesto Lopez** 29:26

final thoughts uh I would say that you know it's an exciting time um there's going to be you know uh a lot of um different innovations that are gonna evolve uh in the next you know 12 months um there's gonna be disruption um there are gonna be things that you know um that uh we're accustomed to you to to using or or you know ways of functioning that are gonna be affected by artificial intelligence but just be mindful be careful um this is one time where being an early adopter can can have real consequences um but if you are an early adopter you know do your homework and do your research and understand that um ai will not solve all your problems it's not you know the the fantasia that that it's made out to be uh but it's it they're incredible tools it's technology that's evolving so fast every day that um there's gonna be a great value and impact to hospices we just need to make sure we we um we do it the right way and that we we we ensure that we're getting that that return on investments that many other firms you know um have not been able to achieve

**Chris Comeaux** 30:32

wow well I thank you for that the fact that you and your team are on this I think it's pretty profound that you know full circle where you've grown up being an RN, all the incredible turnaround situations you've been a part of and now you're the guy kind of on the AI scene. I think this is a time for trusted people and trusted partners. And so love the fact that you guys are in this space. And thanks for doing this Ernesto I know there's a lot of questions of leaders out there. I really wanted a podcast that could be educational just

help them start getting to some of the just foundation principles so they can start to navigate this well. And I think you did that well. So thank you.

**Ernesto Lopez** 31:05

Thank you Chris I appreciate being here and and obviously if any of the listeners have any questions or love to reach out to me, you know, um I'd love to have a have a conversation.

**Chris Comeaux** 31:15

Yeah we'll we'll include a link to your contact information and then also 1520AI's uh website as well. To our listeners, we want to thank you at the end of each episode we always want to share a quote a visual the idea is to create a brain bookmark a thought about our podcast subject further your learning and we're hoping that it sticks like a brain tattoo. Be sure to subscribe to our channel we don't want you to miss an episode. You could always check out my book The Anatomy of Leadership again we're gonna have those links to our NESO and 1520 AI. You know it's easy for us to rail against the world and be frustrated by things let's be the change that we wish to see in the world. So thanks for listening to TCN talks / Anatomy of Leadership and here's our Brain Bookmark for to close today's show.

**Brain Bookmark / Jeff Haffner** 31:55

"AI is not the future of Hospice. It is the accelerator of what Hospice already does well use it wisely covered never technology."

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