

# **Nursing Homes: Pursuing Consumer Choice and Quality**

**Bernie Dana**



# Introduction

- ◆ **Bernie Dana, Chair of AHCA Quality Improvement Subcommittee**
- ◆ **American Health Care Association (AHCA)**
  - **11,000 facilities**
  - **Both for-profit and non-profit**
  - **Variety of care settings**

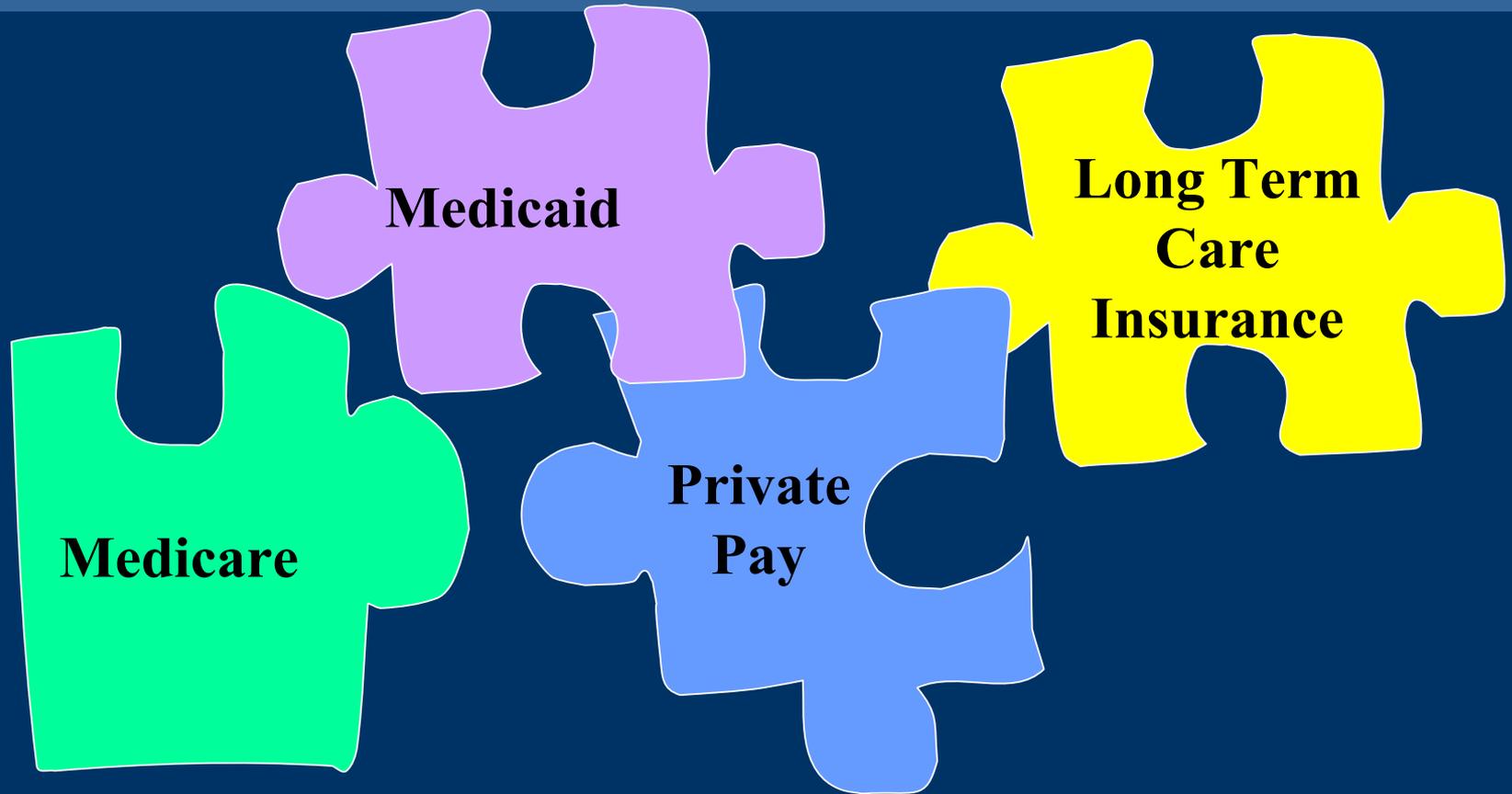
# About Our Customers

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- ◆ **Nursing home care – no one looks forward to it**
  - ◆ **Consumers not educated**
  - ◆ **Services continue to evolve and diversify**
  - ◆ **Primary customers – residents/families**

# Marketplace and Consumer Choice

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- ◆ **Health planning: limit supply and usage**
  - ◆ **Certificate of Need laws**
  - ◆ **Consumer choices limited**
  - ◆ **Providers assured high occupancy rates**
  - ◆ **Little incentive to compete**
  - ◆ **Alternative services reduced demand**
  - ◆ **Consumer choice returns**

# Financing Patchwork



# Consumer Choice - Ability to Pay

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- ◆ **Medicaid and Medicare as payment source**
  - ◆ **Medicaid is for the poor**
  - ◆ **Medicare is federal health insurance**
  - ◆ **65% of Nursing Home residents are Medicaid eligible**
  - ◆ **Less than 10% qualify for Medicare**
  - ◆ **Remainder pay from own resources**

# How Consumers Become Informed

- 
- ◆ **Print, media and web supplement personal contact with referral agents**
  - ◆ **Positive relations with residents, families, and staff for word-of-mouth advertising**
  - ◆ **Visits by potential customers**
  - ◆ **Medicaid allowable advertising cost is limited**

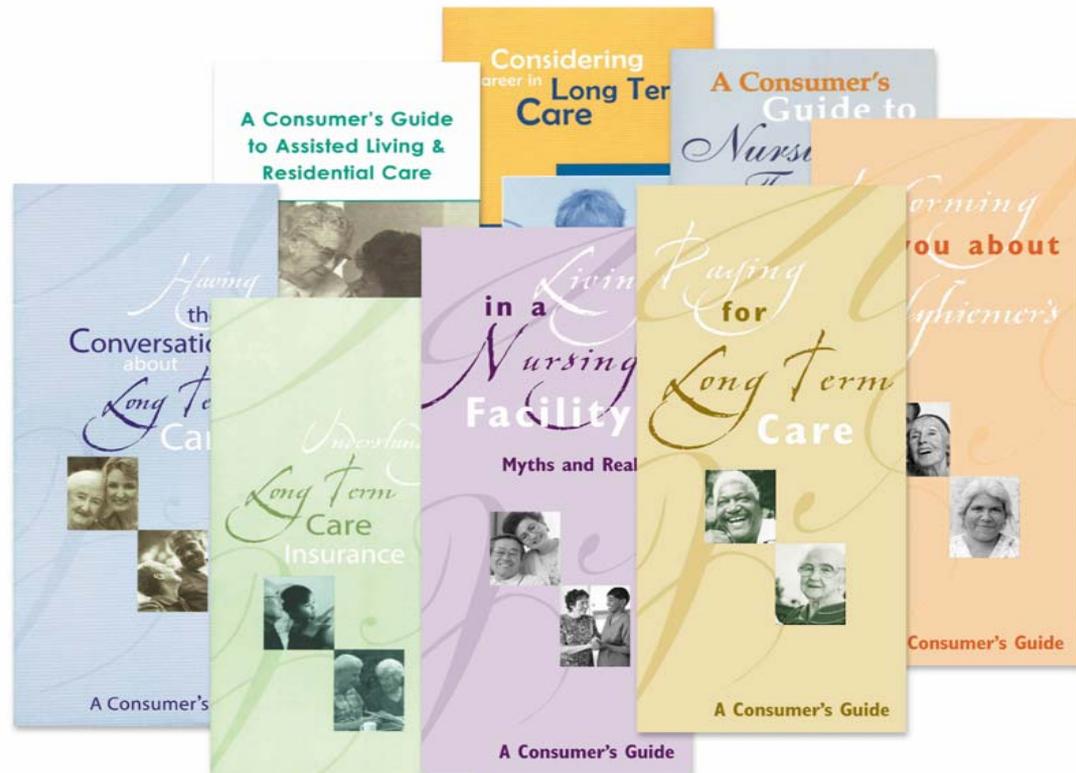
# Print and Media Ads



- ◆ **List services and facility features**
- ◆ **Quality claims usually limited**
  - **Quality award announcements**
  - **Resident/family testimonials**
- ◆ **Identify licensure level (Skilled Nursing Facility, Nursing Facility, Assisted Living)**

# Consumer Resources

AHCA produces free pamphlets for consumers – tools to educate and clear up common misconceptions



Available at [www.longtermcareliving.com](http://www.longtermcareliving.com)

# Quality Information



- ◆ **Results of federal inspections**
  - **Surveyor inconsistencies**
  - **Subjective process focused on paperwork**
  - **Consumers can access results**
  - **Confusing and misinterpreted**

# Nursing Home Compare Website

**CONFUSING  
FOR  
CONSUMERS**



The screenshot shows the Medicare website interface. At the top, there is a navigation bar with links for 'Screen Reader Version', 'Español', '中文', 'Home', 'Glossary', 'Help', and 'Frequently Asked Questions'. Below this is a search bar and a 'Search' button. The main content area is titled 'Nursing Home Compare' and includes an 'Overview' section. The overview text states: 'Welcome to Nursing Home Compare. The primary purpose of this tool is to provide detailed information about the past performance of every Medicare and Medicaid certified nursing home in the country. **Important Information on Nursing Home Compare** and other resources, including the **Guide to Choosing a Nursing Home**, and **Nursing Home Checklist** are also available to help you with your nursing home choice. Use these tools, along with the information you gather during your visits to the nursing homes you are interested in to make your best choice. **Begin Nursing Home Search** Nursing Home Compare contains the following sections of detailed information: 

- **About the Nursing Home:** including the number of beds and type of ownership.

# Nursing Home Compare Website

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- ◆ **Federal inspection data - annual**
  - ◆ **Quality measures – quarterly**
  - ◆ **Quality measures are flawed**
    - **Don't reflect respect, responsiveness, living environment and quality of life**
  - ◆ **Dubious value for choosing nursing home**
  - ◆ **Must be supplemented with personal visits**

# Solutions

- 
- ◆ **State-wide consumer guide examples**
    - Michigan
    - West Virginia
    - Ohio
  - ◆ **Consumers prefer satisfaction results**

# Tellis-Nayak Research



- ◆ **11,715 families in 504 nursing homes**
- ◆ **Family & staff satisfaction measure facility's quality and performance**
- ◆ **Family satisfaction links to:**
  - **Quality of care**
  - **Stability and devotion of staff**
  - **State survey results**
  - **Overall operation of facility**

# SAMPLE:

## Model Consumer Guide

(1) Facility	(2) Type	(3) Services	(4) Payments Accepted	
Lincoln Living Center 123 Lincoln Avenue 577	130 SNF 15 ALF Private Own Multi-facility	Physical Therapy Occupational Therapy Speech Therapy IV Therapy Alzheimer's Unit Sub-acute	Private pay Medicaid Medicare	
Report Period	(5) Family Satisfaction		(6) Employee Willingness to Recommend	
	Overall Satisfaction	Willingness to Recommend	Willingness to Recommend	
<b>This Facility:</b>				
Current	94%	96%	89%	
1 <sup>st</sup> Prior Year	92%	93%	88%	
2 <sup>nd</sup> Prior Year	91%	93%	86%	
Current State Average	86%	87%	84%	
Report Period	(7) Average Length of Employee's Service in Yrs.	(8) Compliance with 311 Federal Requirements		
		Percentage Compliance	Number of Deficiencies	
<b>This Facility:</b>				
Current	2.9	99%	4	
1 <sup>st</sup> Prior Year	2.8	99%	3	
2 <sup>nd</sup> Prior Year	2.9	97%	8	
Current State Average	2.2	98%		
Was this facility cited, according to the Federal government's definition, with substandard care or immediate jeopardy two or more times within the past three years?		NO	<a href="http://www.medicare.gov/Nhcompare/home.asp">www.medicare.gov/Nhcompare/home.asp</a>	
<p><b>(9) Facility Comments:</b> Lincoln Living Center (LLC) renovated the resident dining and recreation areas in 1999 to include carpet and wall vinyl. Six (10%) of our employees have been with us for 15 or more years and 18 (30%) have worked at LLC for 5+ years. Our Administrator and Director of Nursing have both been at LLC for over 4 years. We are privately owned and operated by Birchwood Care Services. Birchwood operates 8 nursing facilities in Iowa.</p>				

# AHCA Model Consumer Guide

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- ◆ **Encourage state affiliates to develop Consumer Guide**
  - ◆ **Reports three year trend for:**
    - **Overall satisfaction of families**
    - **Families' willingness to recommend**
    - **Staff's willingness to recommend**
    - **Inspection data**

# A Covenant for Healthy, Affordable and Ethical Long Term Care

# Quality First

Quality First

Quality First

Quality First

Quality First



AAHSA, AHCA & the Alliance sign covenant



## A COVENANT FOR HEALTHY, AFFORDABLE AND ETHICAL LONG TERM CARE

The American Association of Homes and Services for the Aging (AAHSA), the American Health Care Association (AHCA), and the Alliance for Health, Reform, Access, Care and Accountability (Alliance) are committed to ensuring the quality of care and services for able, aging and vulnerable populations. We recognize that conditions on the part of consumers and public entities in helping care have been created. We are committed to taking bold and effective steps to ensure the participation and leadership of consumers. We believe that the ability to live well and to maximize the quality of life for those who are frail, vulnerable, and unable to care for themselves is one of the most important and basic rights of all people.

This national agreement is a commitment to a common goal. The goal is to ensure the achievement of the highest quality of care, and the highest quality of care. The agreement is a commitment to a common goal. The goal is to ensure the achievement of the highest quality of care, and the highest quality of care.

1. Consumer Quality Assessment and Quality Improvement
2. Public Transparency and Accountability
3. Regulatory Reform
4. Public Input and Community Involvement
5. Ethical Practices, and
6. Financial Sustainability

Each of these principles will be supported by specific and measurable goals that will be agreed to within the covenant. Appropriate committees will report progress towards achieving these measures. Progress will be reported annually to the House of Representatives and the Senate of the United States and the American Association of Homes and Services for the Aging. There are currently established indicators of performance for working forces, which are referenced in the following sections.

**EXPECTED OUTCOMES BY 2015**

1. There will be continued improvement in compliance with federal regulations
2. There will be demonstrable progress in providing financial integrity and promoting transparency of funds
3. There will be demonstrable progress in the quality of direct care services and provision of individualized care programs
4. There will be measurable improvements in all areas for Wellness and Health and Behavioral Assessment (Quality Improvement measures)
5. High rates of consumer satisfaction services will include increased consumer satisfaction with services
6. There will be demonstrable improvements in employee retention and turnover rates

An underlying theme of this covenant is the commitment to ensure that the highest quality of care is provided and that the highest quality of care is provided. The covenant is a commitment to a common goal. The goal is to ensure the achievement of the highest quality of care, and the highest quality of care.

William L. Miller, Jr., D.M.A.  
President and CEO, American Association of Homes and Services for the Aging



Charles W. Bushman II, M.D.  
President and CEO, American Health Care Association



Michael R. Walker  
Executive Director, Alliance for Health, Reform, Access, Care and Accountability

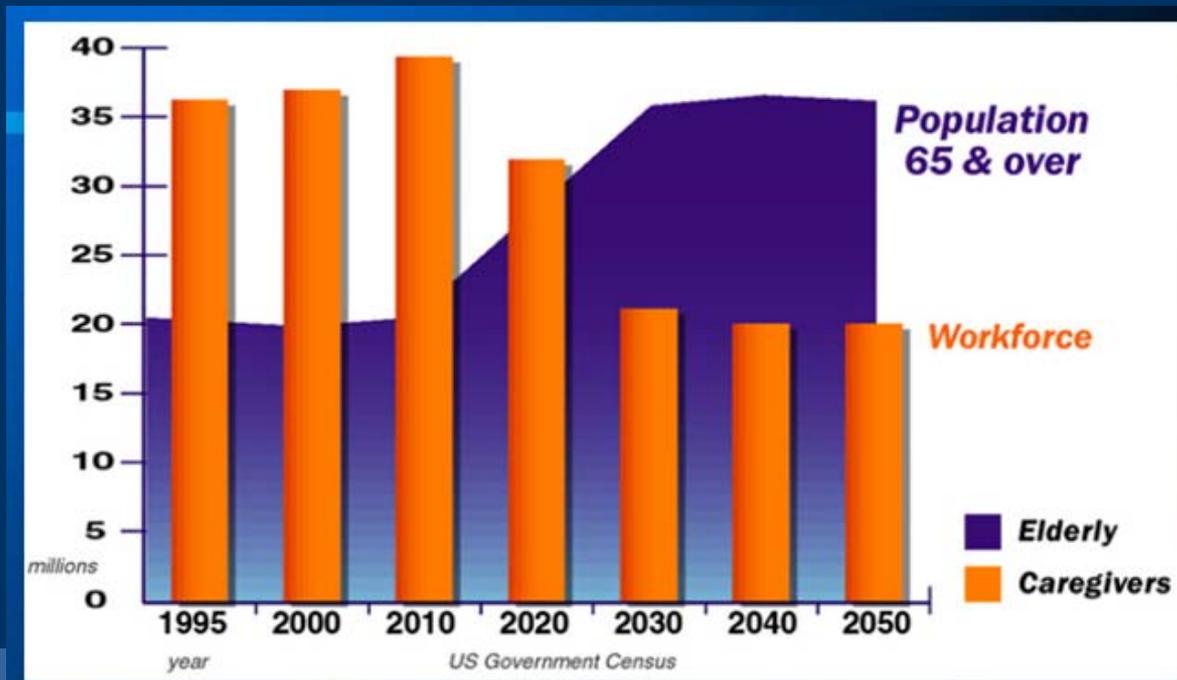


# Quality First Initiative

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- ◆ **Launched July 2002**
  - ◆ **Partnership between**
    - **American Health Care Association (AHCA)**
    - **American Association of Homes and Services for the Aging (AAHSA)**
    - **Alliance for Quality Nursing Home Care**
  - ◆ **Committed to healthy, affordable, and ethical long-term care**
  - ◆ **Rooted in seven principles and six outcomes**
  - ◆ **National Commission**

# Nursing Home Challenges

- ◆ Staff Shortage – immediate need for 52,000 nursing assistants
- ◆ Exponential growth in 85+ age group

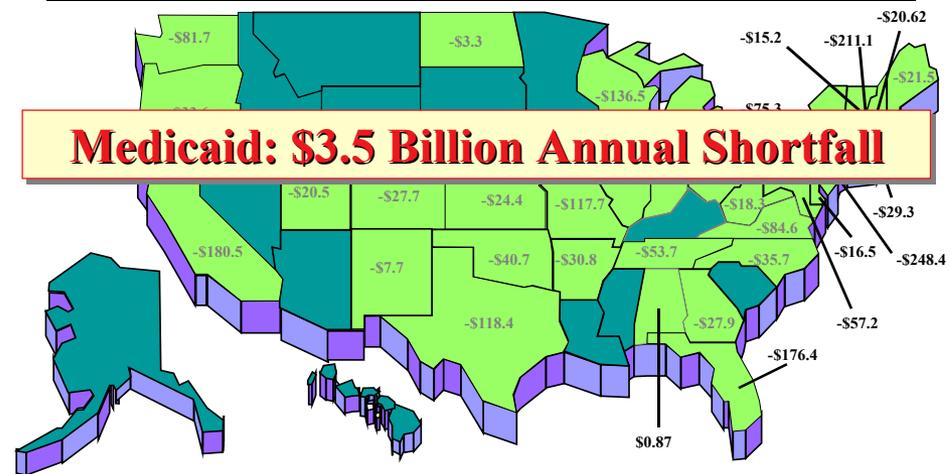


# Nursing Home Challenges

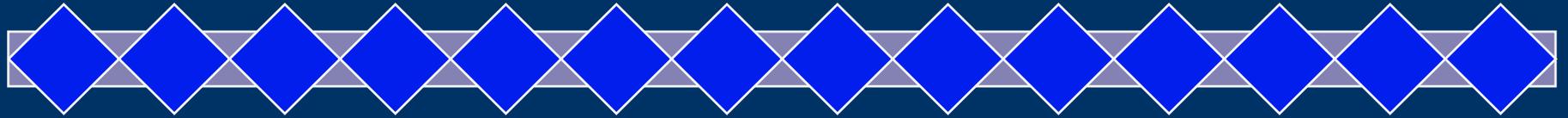
- ◆ Funding crisis for Medicare and Medicaid
  - \$3.5 billion annual Medicaid shortfall
  - Nursing homes in financial straits

## Disparity By State Between Total Medicaid Revenue and Total Allowable Medicaid Costs (In Millions)

Unreimbursed Medicaid Allowable Costs \$3.5 Billion For All 50 States



Source: State-specific databases of nursing facility rates and costs compiled by BDO Seidman, LLP. The amounts represent the difference between Medicaid rates and allowable Medicaid costs for each facility weighted by the facility's annual Medicaid days. It is not the average disparity between Medicaid rates and costs for only those facilities experiencing shortfalls in Medicaid reimbursement. If this were the case, the shortfalls would be much higher.



**Providers Are  
Seeking Solutions**

# Informed Choices



- ◆ **Committed to provide consumers:**
  - **Reliable, valid, and timely information**
  - **Ability to make informed choices**
- ◆ **Intent on hearing the voice of our customers**

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