

# THE GREEN HOUSE PROJECT



## The Green House Project

A Proven Prescription for  
Success

# Agenda

- ❑ GH Model Core Values
  - ❑ Meaningful Life
  - ❑ Empowered Staff
  - ❑ Real Home
- ❑ The Green House Effect: Kalkaska's Story
- ❑ Research & Regulations
- ❑ The Business Case
- ❑ Questions

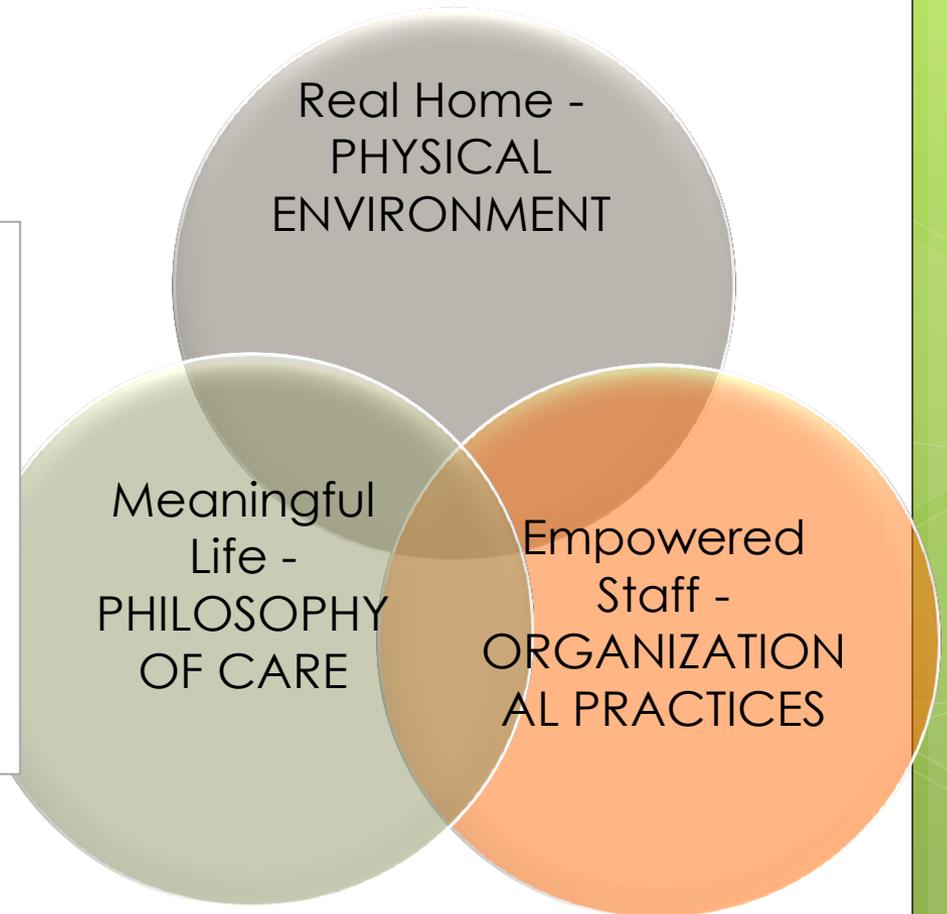


# What Would I Need?



# The Green House Model – Core Values

All areas of the organization are changed to fully embody Meaningful Life, Real Home and Empowered Staff. Each key aspect: physical environment, philosophy of care and organizational practices work in concert with one another to create the maximum benefit for the Elders and staff.



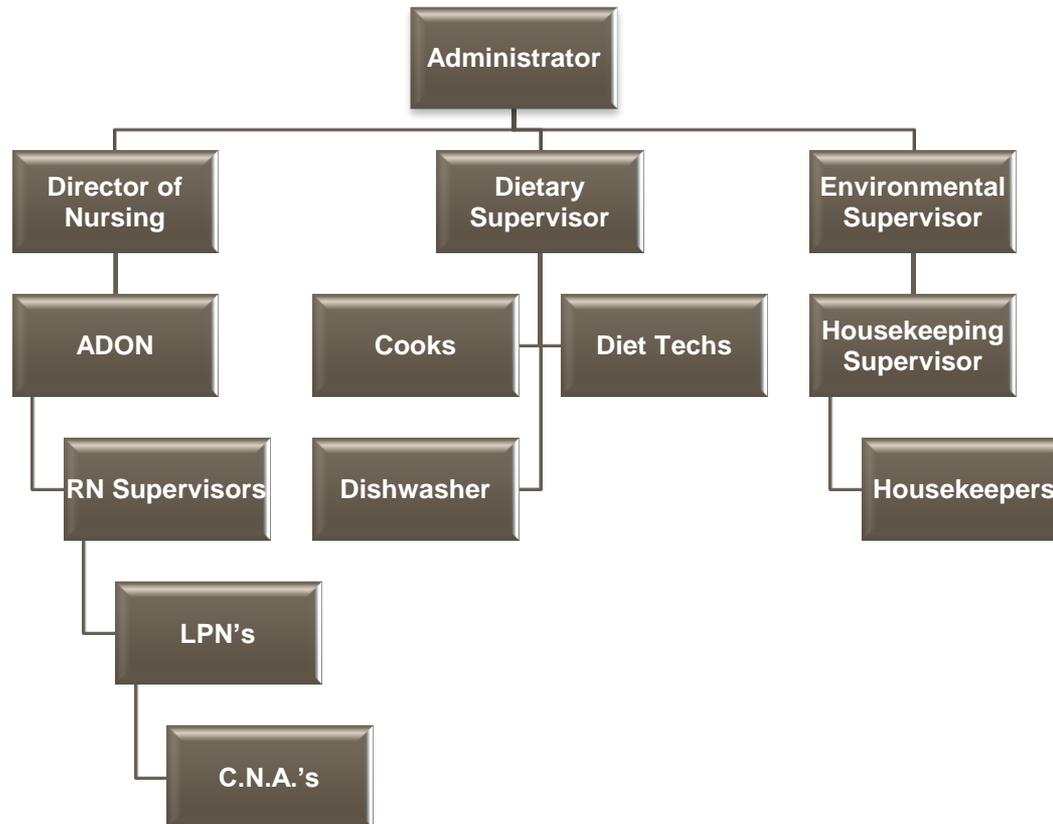
# The Green House model Core Value: *Meaningful Life*



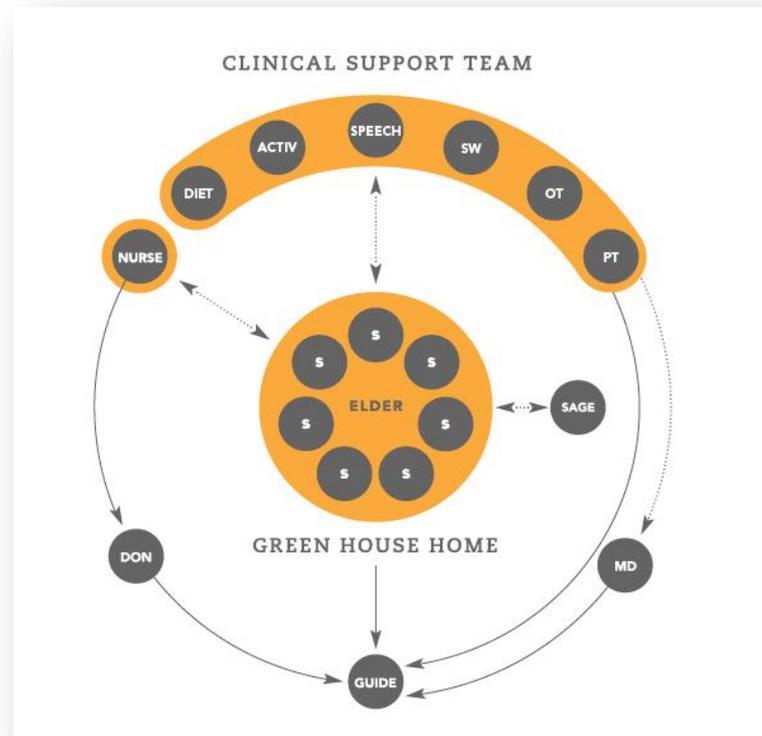
# The Green House Model Core Value: Empowered Staff



# Organizational Transformation



# Organizational Redesign



# The Green House Model Core Value: Real Home



# Similar to Surrounding Community





# OUR GREEN HOUSE JOURNEY



# Kalkaska Memorial Health center

- Looked at Best Approach to Improving our Residents Quality of Life
- Found Eden Alternative
  - Began Implementing the Principles in our Home
  - Obtained all Ten Stars in our Eden Tree



# Barriers to Eden Home

- Language
- Assignments
- Schedule
- Medication Times

# Next Step to Reinvent our Nursing Home

- Research
- Investigation
- “Right Fit”
- Best for our Residents

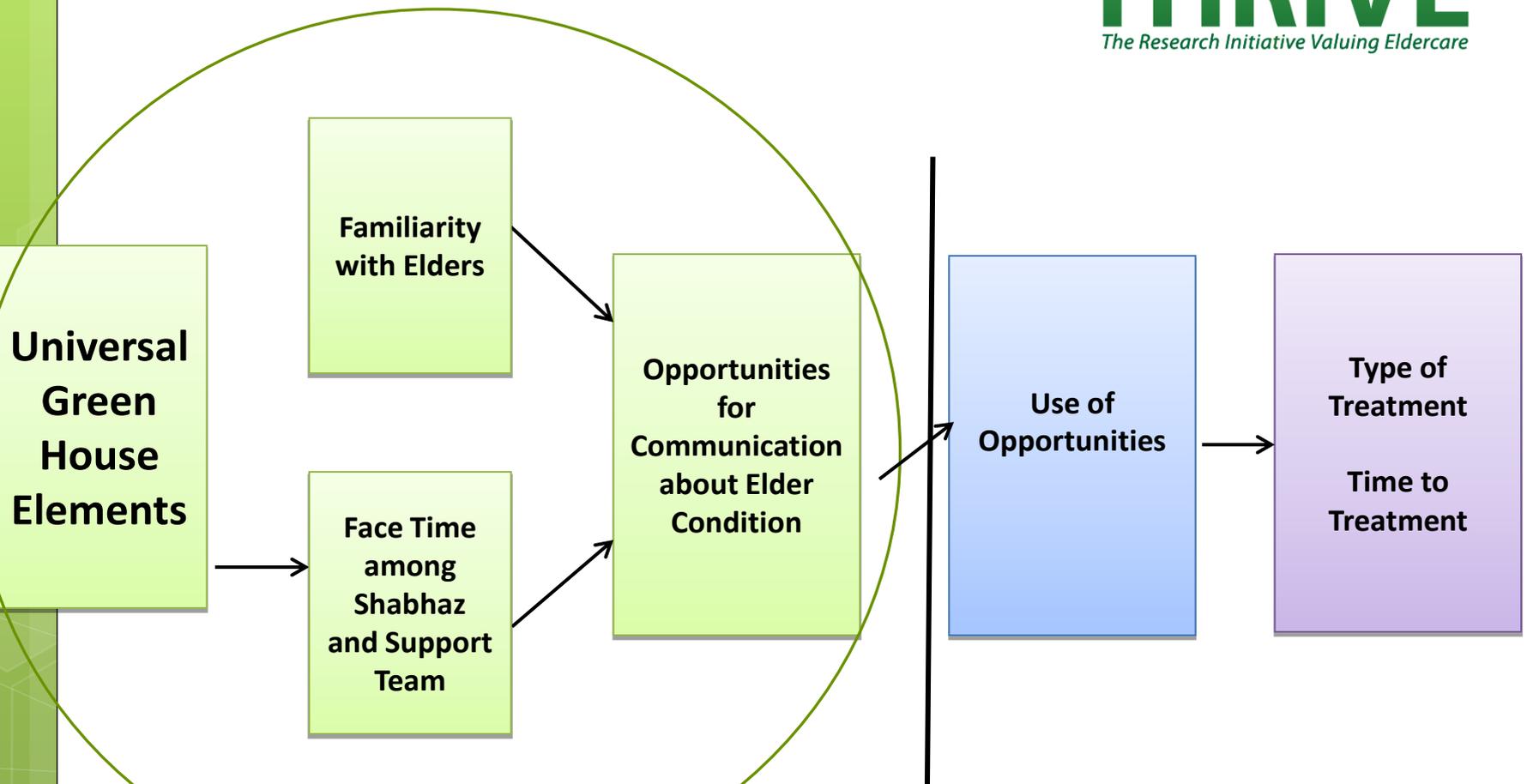
# Satisfaction and Clinical Research

- **Kane: JAGS 2007 – Satisfaction and Clinical**
  - Significant improvements in elder, family, and staff satisfaction
  - **Better clinical outcomes**
- **Sharkey: JAGS 2011 – Staff Time and Clinical**
  - Same or better clinical outcomes
  - ½ hour **more** direct care time
  - 4 times **more** engagement between staff and elders
- **Bowers: Working Paper – Nursing Care Quality**
  - Qualitative research at GH homes
  - Seamless communications and deep relationships
  - Nursing care as good or better than traditional



# The Green House Model Creates Opportunities

**THRIVE**  
*The Research Initiative Valuing Eldercare*





## OBRA 1987 –

*To help each resident attain or maintain the highest practicable level of well being.*

# The Green House Project

- Barriers
- What we have learned

**The most significant  
innovation in long term  
care during the last 20  
years is . . .**



**But ... the urban legend persists ...**



# NIC Article - Financial Benefits (2011)

- **Development Costs:**
  - Equivalent or less than similar culture change models
- **Operating Costs:**
  - Comparable in costs to traditional nursing homes
- **Occupancy increases:**
  - GH homes average 96%
  - National average 85% and falling
- **Private pay occupancy increases:**
  - GH homes increased private pay days by 24%
  - Nationally, NHs lost 8% private pay days in same period
- **Private pay rates increase with private rooms**
- **Short-term Medicare, HMO occupancy increases with all private rooms**



## Financial Survey of Operating GH Homes -- 2013

- Revisit development costs assumptions:
  - Actual costs to build
  - Funding/financing GH homes
- Review operating costs:
  - Payor mix across projects
  - Private pay rates/increases
  - Occupancy rates vs legacy



# What we know

- Green House Homes and Adopters
  - 70 % licensed as skilled nursing
  - 28% licensed as assisted living
  - 2% licensed as adult family care
  - 95% non-profit
  - 5% for profit



# Green House Finance Survey – What We're Learning

## Development Costs

- Variables
  - Where** you're building
  - What** you're building
    - Amount SF (10 vs 12 elders)
    - Urban vs single family
    - LEED certification?
    - FFE/Finishes
  - Range:
    - \$166 - \$505/sf



# Develop

- Most common financing vehicles
  - Tax exempt bonds
  - Conventional
  - USDA



# Development Costs Conclusions

- General Observations:
  - Ability to gain access to financing not generally available to everyone (tax exempt bonds, USDA, NMTC)
  - Ability to support debt
    - Efficient operations
    - % private pay/Medicare rates (based on mission and market)
    - Control development costs
  - Ability to do fundraising



## What we know

- Operating Costs – Model assumptions:
  - Reduction in clinical/admin time
  - Cost shifting
  - Flexibility/Efficiency



# Operating Costs – Private Pay

- Private pay rates –
  - Range: \$178-\$495
  - Private pay premium: 0% - 55%
    - Average 11%



# Operating Costs -- Medicaid

- Average % Medicaid Legacy
  - Range 0% - 80%
  - Average 37.8%
- Average % Medicaid (GH)
  - Range 0% - 72%
  - Average 42.1%



## The THRIVE Collaborative

- Four interrelated research projects to learn about and compare Green House and other nursing homes
- Researchers from Harvard, University of North Carolina, University of Wisconsin, Health Management Strategies, Institute for Clinical Outcomes Research, and the Pioneer Network
- Data collection 2011-2014 and analysis of national data
- Funded by the Robert Wood Johnson Foundation

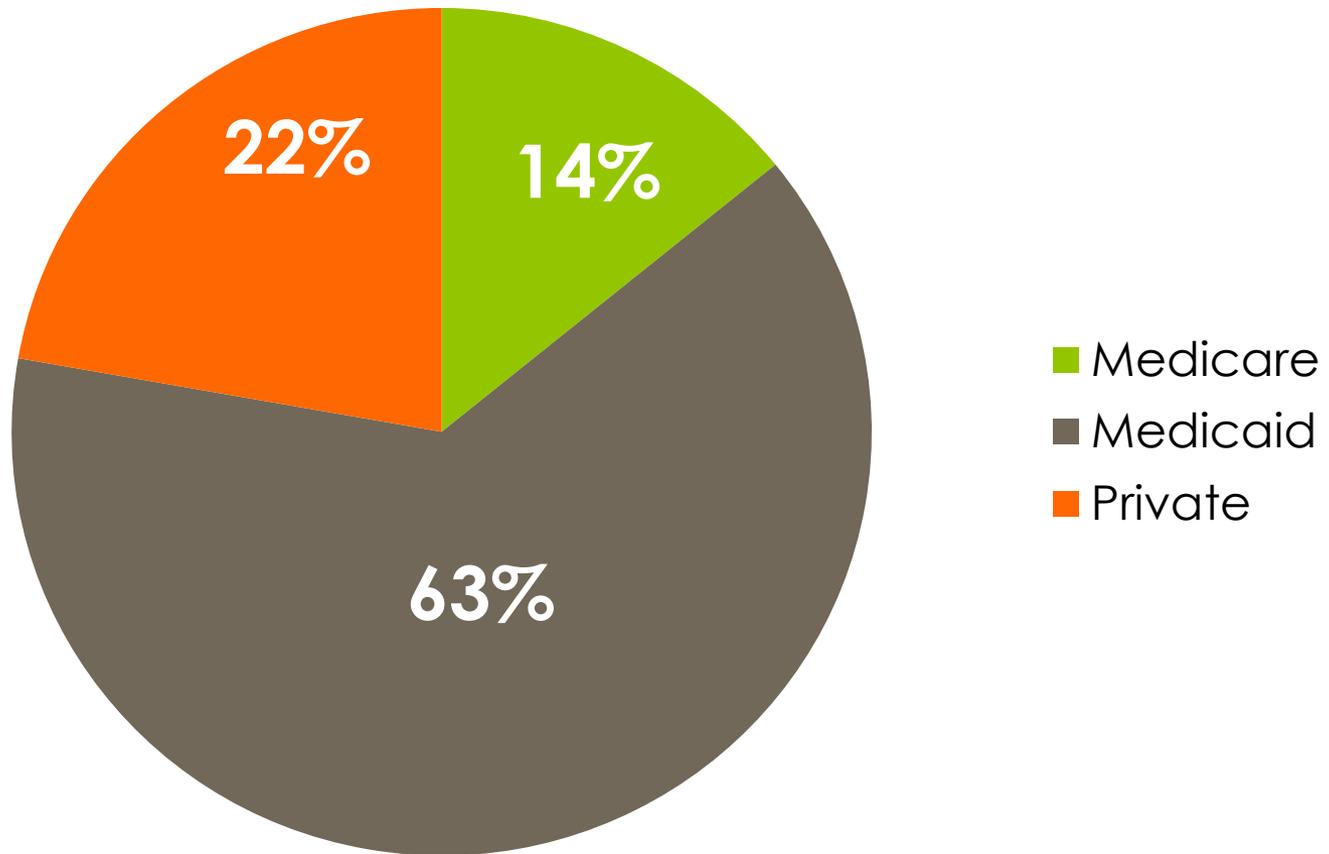
## GH -- Case-Mix, Rate

|                              | Green House<br>Nursing Home<br>(Range) | Legacy<br>Nursing Home<br>(Range) |
|------------------------------|--|-----------------------------------|
| Medicaid residents/elders    | 38%<br>(0%-78%)                        | 54%<br>(23%-75%)                  |
| Private pay residents/elders | 61%*<br>(15%-100%)                     | 44%<br>(20%-77%)                  |
| Private monthly room rate    | \$7,668*<br>(\$5,100-\$15,060)         | \$7,588<br>(\$5,100-\$12,020)     |

\* Significantly different from legacy (p<.05)

## National Data, 2011

### Primary Payer



# Operating Costs -- Occupancy

- Occupancy Legacy Building
  - Range 65% - 98.5%
  - Average 87.9%
- Occupancy GH
  - Range 90-100%
  - Average occupancy 98.1%



# Achieving Success ... *living the values*



- **Meaningful Life -- It's all about relationships** – *Relationship based care*
- **Empowered Staff -- It's all about leadership** -- *Establishing a coaching culture*
  - Fully empowered SMWT → HIGH PERFORMING TEAMS
    - Disseminating information
    - Coordinator roles and role ownership
    - Balancing support and accountability
- **Real Home – The power of normal**

# ROI



- Quality of life
- Quality of care
- Increased occupancy
- Increased private pay rates
- Enhanced payor mix
- Relieve pressure on existing space

# Market Response

**THE WALL  
STREET  
JOURNAL.**

*Rising Challenger  
Takes on Elder-Care  
System*

**PARADE**

*Where We Live As We  
Age*

**SmartMoney.com**

*Home Sweet (Rest)  
Home*

**Provider**

*Culture Change Goes  
Mainstream - Green House  
Homes, Considered the  
Pinnacle of the Movement,  
Spread to 26 States*

**n p r**

*Reformers Seek To  
Reinvent Nursing  
Homes*

**FAST COMPANY**

*Old Age Homes That  
Old People Actually  
Want To Live In*

**AARP<sup>SM</sup>**

*Green House'  
Homes: A Model for  
Aging That Promotes  
Growth*

**The New York Times**

**Kiplinger**

*A Nursing Home  
You Can Call  
Home*

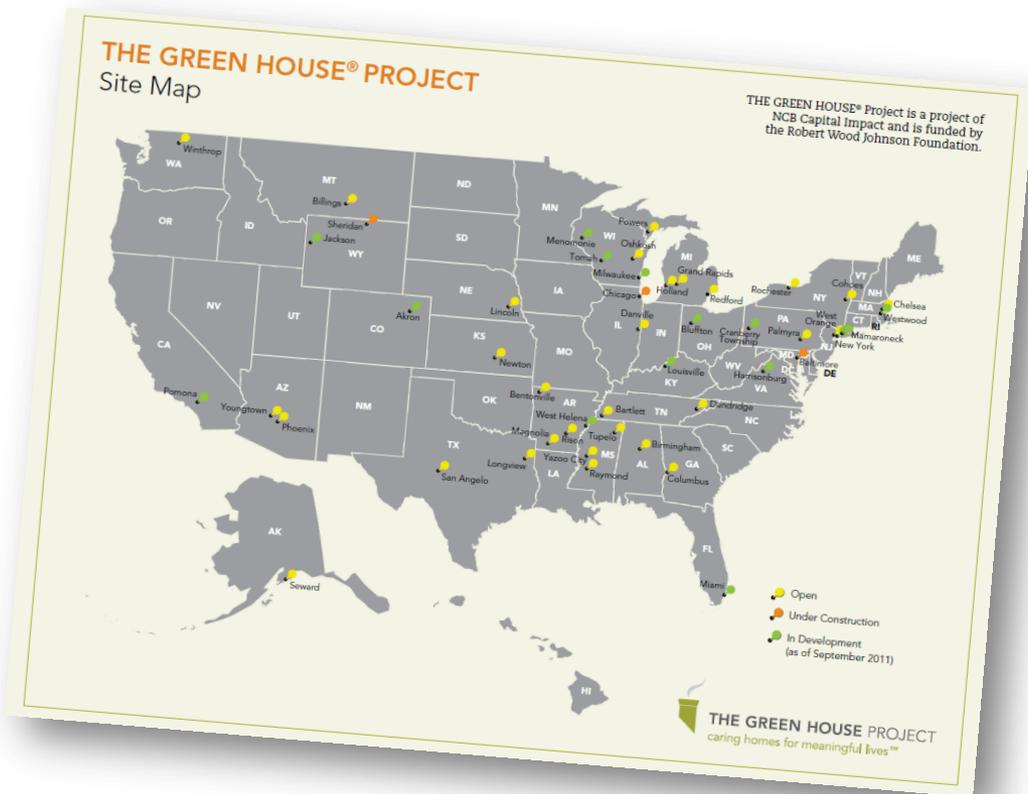
# Momentum

## Operating

- 173 homes
- On 40 campuses
- In 27 states (AK, AL, AR, AZ, CA, CO, FL, GA, IL, KS, MA, MD, MI, MN, MS, MT, NE, NJ, NY, OH, PA, TN, TX, VA, WA, WI, WY)

## In Development

- 150+ homes
- On 25 campuses
- In 6 additional states (IN, KY, NC, NH, OR, RI)



# Questions?



We did the best we could with what we knew.  
And when we knew better, we did better.

-Maya Angelou

