THE GREEN HOUSE® Project:

A Proven Prescription for Success

THE GREEN HOUSE PROJECT

caring homes for meaningful lives℠
Agenda

- GH Model Core Values
  - Meaningful Life
  - Empowered Staff
  - Real Home

- Making the Business Case
- Case Study – St. John’s
- Momentum

- The LFCL Story – Barry Berman
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

Administrator

Director of Nursing
- ADON
  - RN Supervisors
  - LPN's
  - C.N.A.'s

Dietary Supervisor
- Cooks
- Diet Techs

Environmental Supervisor
- Housekeeping Supervisor
- Housekeepers

Dietary Supervisor
- Dishwasher
Organizational Redesign
The Green House Model Core Value: Real Home
Similar to Surrounding Community
The most significant innovation in long term care during the last 20 years is . . .
But ... the urban legend persists ...
Small House Type Nursing Homes Not Financially Viable

**Claim:** Green House and Small House Nursing Homes can’t possibly be financially viable. Too expensive to build, too expensive to operate, with too few beds

**MOSTLY FALSE**
NIC Article - Financial Benefits

- **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
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
Development Costs

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

<table>
<thead>
<tr>
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<th>Green House Nursing Home (Range)</th>
<th>Legacy Nursing Home (Range)</th>
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<tbody>
<tr>
<td>Medicaid residents/elders</td>
<td>38% (0%-78%)</td>
<td>54% (23%-75%)</td>
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<tr>
<td>Private pay residents/elders</td>
<td>61%* (15%-100%)</td>
<td>44% (20%-77%)</td>
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<td>Private monthly room rate</td>
<td>$7,668* ($5,100-$15,060)</td>
<td>$7,588 ($5,100-$12,020)</td>
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* Significantly different from legacy (p<.05)
National Data, 2011

Primary Payer

- Medicare: 22%
- Medicaid: 14%
- Private: 63%
• Occupancy Legacy Building
  – Range 65% - 98.5%
  – Average 87.9%

• Occupancy GH
  – Range 90-100%
  – Average occupancy 98.1%
Pay More for Green House?

60% of caregivers would pay more

- 16% would pay 5% more
- 28% would pay 10% more
- 12% would pay 25% more
- 5% would pay more than 25%
- 27% are not sure
- 13% wouldn’t pay any more for a Green House

More likely to pay more:
- Primary decision maker: 68%
- Income $100k+: 69%
- Private pay only: 64%
73% will travel more than 15 miles for a Green House.

- Less than 15 miles: 24%
- 15 to 29 miles: 25%
- 30 to 60 miles: 25%
- More than 60 miles: 8%
Principal Findings:

- **Overall Medicare spending**: “The adoption of the GH model lowered annual spending in GH homes by over $10K per elder. Result largely due to decreased SNF spending.”
A real home is the best place to recover and get back home:

- Home layout
- Medication management
- Private rooms with private bathrooms
- Home cooked meals
- Access to fresh air and sunlight
- Rehab in a real home
- Lower ratios and consistent assignment
Case Study -- St. John’s Home

- Two community based Green House homes (10 miles from main campus)
- Separately licensed from Legacy homes as skilled
  - Legacy Building – 455 skilled beds
  - Green House Homes – 20 skilled beds
- Opened in March 2011
Development Costs

- **Square Feet**
  - 8300 sf

- **Costs**
  - $210/sf

- **Financing**
  - Conventional
  - $600,000 fundraising
Operating Costs

• Occupancy
  • Legacy Home -- 96%
  • Green House – 99.9%
Operating Costs, cont.

• **Payer Mix**

  • Legacy – 455 skilled beds
    - Medicaid -- 62%
    - Private Pay -22%
    - Medicare – 16%

  • Green House – 20 skilled beds
    - Medicaid – 69.5%
    - Private Pay – 30%
    - Medicare – 0.5%

Private Pay Rate: $411
Costs per day

**Legacy** -- $300/day

**Green House** -- $210/day
Lessons Learned

Revenue:
- Occupancy
- Payor Mix

Expense:
- Staffing
- Housekeeping
- Laundry
- Food
- Supplies
Achieving Success ... Outcomes

Anti-psychotics:

- Legacy
  - Reduced from 22% to 12%
  - 12 meds/elder
- GH
  - Reduced from 70% at move in to 10%
  - 7 meds/elder

Supplement usage:

- Legacy
  - $150K budgeted
- GH
  - 0 usage
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
The GH Model Creates Opportunities

Universal Green House Elements

- Familiarity with Elders
- Face Time among Shabhaz and Support Team

Opportunities for Communication about Elder Condition

Use of Opportunities

Type of Treatment

Time to Treatment
Quality of life
Quality of care
Increased occupancy
Increased private pay rates
Enhanced payor mix
Relieve pressure on existing space
Rising Challenger Takes on Elder-Care System

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

Green House’ Homes: A Model for Aging That Promotes Growth

Reformers Seek To Reinvent Nursing Homes

Old Age Homes That Old People Actually Want To Live In

A Nursing Home You Can Call Home

Home Sweet (Rest) Home
Momentum

Operating

• 167 homes
• On 39 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 26 campuses
• In 6 additional states (IN, KY, NC, NH, OR, RI)
The LFCL Story
Questions?
Learn more about the Green House model:

www.thegreenhouseproject.org

Download our App: GHP

Like us!

Visit our website:

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

-Maya Angelou