

How is Culture Change Doing in a For-Profit Nursing Home?

Grant, L.A. (2008). Culture change in a for-profit nursing home chain: an evaluation. Retrieved from <http://www.commonwealthfund.org/publications> .

The biggest concern for anyone interested in transforming a traditional nursing home into a person-centered (PC) environment is the cost involved. This is likely the reason that fewer for-profit homes have implemented the new model of care. However, one of the nation's largest nursing home chains, Beverly Healthcare, introduced culture change (CC) in 2002. This national for-profit corporation launched the new philosophy of care as part of a quality-improvement strategy. The Commonwealth Fund analyzed and published the outcomes associated with this innovative model of care executed by this particular chain. The findings are shown in the following table. The right column identifies improvement in specific areas.

CC Categories	Particular Elements
CC Staging Tool	-permanent consistent assignment -CC awareness -informal leadership behavior -resident-directed behavior -leadership-team behavior
CC Scale	-resident choice -organizational design -overall CC scale
Residents' Quality of Life	-resident autonomy -dignity
Staff Satisfaction	-training -management -work environment
Financial Performance	-profit per resident day -earnings before interest -depreciation -amortization per resident day

There were few differences between PC and non-PC facilities when it came to the percentage of private pay days and Medicare days. The authors attributed this difference to a biased selection since PC facilities have a lower percentage of Medicaid days. PC homes had a minimal effect on payer mix, occupancy and other short-term financial measures. However, the conclusion is that culture change homes are more marketable than non-PC homes, as the model improves quality of life for residents, provides a better work environment for staff, enhances leadership, and upgrades the physical environment.

What is important to note is that most of these positive outcomes were achieved without major capital expenses for physical renovations. Excluding capital costs, the bill of CC implementation was on average \$78,413 per facility. In order to succeed with CC,

however, capital and human resources need to be invested. The biggest barrier to CC is the cost of building renovation without which creating neighborhoods is much harder. However, many nursing homes in Kansas have started a transformation without physical changes and have achieved successes recognized by the state through the PEAK awards.

Implications: This is the first study that has demonstrated numerous positive outcomes of PC care both for residents and for-profit organizations. Sharing organizational successes may contribute to a greater interest in the model of care among other long-term care leaders.