



## INTEGRATED HEALTHCARE STRATEGIES™

www.IHStrategies.com

*Exclusive to Healthcare. Dedicated to People.™*

# The Changing Face of Senior Services

Presented by Integrated Healthcare Strategies  
as Authored by Mark Madden, Senior Vice President, MSA Executive Search

Those of us who are “veterans” in the healthcare industry are amazed at the advancements in technology and procedures that can improve, maintain, and extend our lives. One area of our industry that is sometimes overlooked in its dramatic advancements and cultural transformation is senior services. The opportunity to conduct a number of executive level searches in senior services over the past years, in a variety of organizations, has given me a deeper understanding and appreciation for this transformation. The advancements have been initiated by thought leaders, changing demographics and expectations, economics, and input from those receiving the services. What other healthcare service can be so profoundly driven by the recipients of the service?

Input from residents and their families, along with courageous leaders, is helping to move senior services to new user-friendly, desirable models. The “nursing home model” was the predominant option of the past. But even this model’s culture change has led to a stronger social focus for its residents, while still providing needed medical services. The traditional nursing home (or healthcare center, as it is more frequently called today), is now becoming only one of many options for seniors. A much higher percentage of seniors want to stay in their homes as long as possible, but don’t want to be isolated, and want easily accessible healthcare.

### **The Development of PACE**

One advancement to meet these demands is the Program of All-Inclusive Care for the Elderly (PACE). It is a capitated benefit authorized by the Balanced Budget Act of 1997 (BBA) that features a comprehensive service delivery system and integrated Medicare and Medicaid financing. The program is modeled on the system of acute and long-term care services developed by On Lok Senior Health Services in San Francisco, California. The model was tested through CMS (then HCFA) demonstration projects that began in the mid-1980s. The PACE model was developed to address the needs of long-term care clients, providers, and payers. For most participants, the comprehensive service package permits them to continue living at home while receiving services rather than being institutionalized. Capitated financing

allows providers to deliver all services participants need rather than limiting them to those reimbursable under the Medicare and Medicaid fee-for-service systems.

The BBA established the PACE model of care as a permanent entity within the Medicare program and enables states to provide PACE services to Medicaid beneficiaries as a state option. The state plan must include PACE as an optional Medicaid benefit before the state and the Secretary of the Department of Health and Human Services (DHHS) can enter into program agreements with PACE providers.

Participants must be at least 55 years old, live in the PACE service area, and be certified as eligible for nursing home care by the appropriate state agency. The PACE program becomes the sole source of services for Medicare and Medicaid-eligible enrollees.

An interdisciplinary team consisting of professional and paraprofessional staff assesses participants' needs, develops care plans, and delivers all services (including acute care services and, when necessary, nursing facility services) which are integrated for a seamless provision of total care. PACE programs provide social and medical services primarily in an adult day health center, supplemented by in-home and referral services in accordance with the participant's needs. The PACE service package must include all Medicare and Medicaid covered services, and other services determined necessary by the interdisciplinary team for the care of the PACE participant.

PACE providers receive monthly Medicare and Medicaid capitation payments for each eligible enrollee. Medicare-eligible participants who are not eligible for Medicaid pay monthly premiums equal to the Medicaid capitation amount, but no deductibles, coinsurance, or other type of Medicare or Medicaid cost-sharing applies. PACE providers assume full financial risk for participants' care without limits on amount, duration, or scope of services.

## **The Retiring Baby Boomer Generation: Options for Care**

Baby Boomers are working longer, and in most cases, are in a stronger financial position than the previous generations, so they are redefining what retirement looks like. They also prefer to continue living in their homes for as long as possible, but a large number are looking for additional choices. This generation wants service, space, and options.

### Continuing Care Retirement Communities

One popular option is Continuing Care Retirement Communities (CCRC). These are life care retirement communities for those seeking a lifetime of care, comfort, security, and medical services in one location. They usually include independent living, assisted living, healthcare centers (skilled nursing and long term care), rehabilitation, memory, and Alzheimer's care. It provides residents the opportunity to select their living environment depending on their social

interests and healthcare needs at different stages in their retirement. This allows residents to remain in familiar surroundings with friends and acquaintances throughout their retirement.

Residents of these communities enjoy a full complement of social, cultural, and educational programs and events available not only on the campus, but also in the surrounding communities. They provide opportunities for active lifestyles and can include movies, games, concerts, outdoor activities, indoor and outdoor pools, golf, crafts, arts and hobbies, shopping, and theaters.

There are a variety of payment plans for the residents including purchase and rental options.

### The Green House® Model

Another developing concept is THE GREEN HOUSE® model. This alternative creates a small intentional community for a group of seniors and staff. It focuses on life, and its attraction is in the relationships that flourish there. A radical departure from traditional skilled nursing homes and assisted living facilities, the Green House model alters facility size, interior design, staffing patterns, and methods of delivering skilled professional services. Its primary purpose is to serve as a place where seniors can receive assistance and support with activities of daily living and clinical care, without the assistance and care becoming the focus of their existence. Developed by Dr. William Thomas and rooted in the tradition of the Eden Alternative, a model for cultural change within nursing facilities, the Green House model is intended to de-institutionalize long-term care by eliminating large nursing facilities and creating habilitative, social settings.

The Green House residence is designed to be a home for six to ten seniors. It blends architecturally with neighboring homes, includes outdoor space, and utilizes aesthetically appealing interior features. Each resident has a private room or unit with a private bathroom. The rooms receive high levels of sunlight and are situated around the hearth, an open kitchen and dining area. While adhering to all codes required by regulations, Green House homes look and feel like a home, and contain few medical signposts. Components that are important in a Green House are that it is:

- *Warm:* Warmth is created by the floor plan, decor, furnishings, and the people.
- *Smart:* Use of cost effective, smart technology - computers, wireless pagers, electronic ceiling lifts, and adaptive devices.
- *Green:* Sunlight, plants, and access to outdoor spaces.

### **Additional Service Advancements**

Additional services now available in senior services include providing care should health and physical abilities decline, but still allowing seniors to live independently in their own homes for as long as possible. Despite advancing years, changing health, or declining physical ability, this service is designed to provide a “total package” of quality long-term care services through a

hospital or health system. It is designed to provide care for the aging and elderly to meet the needs of seniors in the place they love most - their own homes.

There are also home-based programs that provide non-medical personal care, assistance, and adult companionship on an as-needed basis. These can provide services to those who need a little extra help with daily living activities (dressing, bathing, and medication, for example) while they continue to maintain an appropriate level of independence.

## **Conclusion**

Today's senior services is a much different picture than our view of it ten to fifteen years ago. It is advancing equally, if not more rapidly, compared to other healthcare services, and will continue to advance in the future as more Baby Boomers seek more service, space, and options for their retirement.

Senior services is one of the growth industries, both short-term and long-term. Just a few of the recent executive searches I have conducted include Vice President Senior Ministries with a large health system providing over \$100 million in senior services, a new position of Vice President – Senior Services added to the executive team by the CEO of a health system, CEO of a PACE program, and CEO of a large CCRC. These engagements made it clear that the industry will face the continuing challenges of state and federal funding, labor shortages (specifically nursing and allied health providers), and the need for talented, passionate leaders.

The leaders in senior services that I have met have a great passion and calling to provide high quality services to the elderly. These leaders, and future leaders, must be able to balance the art and science of management including competency in clinical, financial, personnel and organizational change and have the courage to drive changes and advancements. During a conversation with Charlie Rinne, CEO at Lutheran Home at Concord Reserve who has over 30 years of executive experience in senior services, Mr. Rinne commented, "this is a simplified comparison, but to me, hospitals can be primarily metrics driven, while senior services are relationship driven. In senior services we walk alongside our seniors for extended periods of time. We get to know them and, in most cases, their families. We build relationships with them and assist them to thrive to the best of their abilities. Nothing can replace the passion for service to the resident, family, and employee. It is a special opportunity to be able to be a leader working in a field that allows one to have an impact on their own destiny."

The future of senior services is growth, change, and advancement - not medical model nursing homes. Senior services has developed into a social model that integrates available housing with accessible healthcare on an as-needed basis to provide the best solution for care.

**About Integrated Healthcare Strategies**

*Integrated Healthcare Strategies provides not-for-profit healthcare organizations with direct access to a comprehensive array of healthcare-specific services, delivered by professionals from the industry who understand the rigors of running a healthcare organization – from the lunchroom to the Board Room. Its client list is a “who’s who” of healthcare organizations including over 1200 major healthcare providers, 1,800 hospitals and 700 independent and affiliated medical groups. Integrated Healthcare Strategies specializes in the areas of physician strategy and compensation, employee compensation, executive compensation, human capital solutions, labor relations, leadership transition planning, executive search, employee surveys, performance management and board governance solutions.*

**About the Author**

*Mark Madden is Senior Vice President of MSA Executive Search, a practice of Integrated Healthcare Strategies. You may contact Mr. Madden about this article’s topic or executive search services by calling 800.821.8481, or emailing [Mark.Madden@IHStrategies.com](mailto:Mark.Madden@IHStrategies.com)*

*MSA Executive Search practice of Integrated Healthcare Strategies has over 20 years of proven service in executive and director-level searches, and is exclusive to the healthcare industry. Clients have found the right CEO in our first slate presentation 100 percent of the time.*