

Long-Term Care Managing Across the Continuum

Third Edition

John R. Pratt, MHA, FACHCA, LFACHE

Professor of Health Administration
Director, Long-Term Care Management Institute
Assistant Director, Health Administration Programs
Saint Joseph's College of Maine
Standish, Maine



JONES AND BARTLETT PUBLISHERS

Sudbury, Massachusetts

BOSTON TORONTO LONDON SINGAPORE

World Headquarters

Jones and Bartlett Publishers
40 Tall Pine Drive
Sudbury, MA 01776
978-443-5000
info@jbpub.com
www.jbpub.com

Jones and Bartlett Publishers
Canada
6339 Ormindale Way
Mississauga, Ontario L5V 1J2
Canada

Jones and Bartlett Publishers
International
Barb House, Barb Mews
London W6 7PA
United Kingdom

Jones and Bartlett's books and products are available through most bookstores and online booksellers. To contact Jones and Bartlett Publishers directly, call 800-832-0034, fax 978-443-8000, or visit our website, www.jbpub.com.

Substantial discounts on bulk quantities of Jones and Bartlett's publications are available to corporations, professional associations, and other qualified organizations. For details and specific discount information, contact the special sales department at Jones and Bartlett via the above contact information or send an email to specialsales@jbpub.com.

Copyright © 2010 by Jones and Bartlett Publishers, LLC

All rights reserved. No part of the material protected by this copyright may be reproduced or utilized in any form, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without written permission from the copyright owner.

This publication is designed to provide accurate and authoritative information in regard to the Subject Matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the service of a competent professional person should be sought.

Production Credits

Publisher: Michael Brown

Editorial Assistant: Catie Heverling

Senior Production Editor: Tracey Chapman

Senior Marketing Manager: Sophie Fleck

Manufacturing and Inventory Control Supervisor: Amy Bacus

Composition: Arlene Apone

Cover Design: Kristin E. Parker

Cover Image: © DrHitch/Shutterstock, Inc.

Printing and Binding: Malloy, Inc.

Cover Printing: Malloy, Inc.

Library of Congress Cataloging-in-Publication Data

Pratt, John R.

Long-term care : managing across the continuum / John R. Pratt. — 3rd ed.
p. ; cm.

Includes bibliographical references and index.

ISBN-13: 978-0-7637-6450-0 (pbk.)

ISBN-10: 0-7637-6450-7 (pbk.)

1. Long-term care facilities—United States—Administration. 2. Continuum of care—United States. 3. Older people—Long-term care—United States. I. Title.

[DNLM: 1. Long-Term Care—organization & administration. 2. Delivery of Health Care, Integrated—organization & administration. 3. Health Facilities—organization & administration. 4. Long-Term Care—trends. WX 162 P915L 2009]

RA997.P73 2009

362.16068—dc22

2009004510

6323

Printed in the United States of America

13 12 11 10 09 10 9 8 7 6 5 4 3 2 1

Dedication

This book is dedicated to all of those long-term caregivers—both formal and informal—who give so much of themselves to those they serve.

Contents

New to This Edition	xv
Foreword	xvii
Preface	xix
About the Author	xxiii
PART I ■ Introduction: The Changing Long-Term Care Scene	1
CHAPTER 1 ■ Long-Term Care Today: Turbulent Times	3
Learning Objectives	3
Introduction	3
Defining the Long-Term Care System	5
How the Long-Term Care System Came About	6
The Components of the Long-Term Care System	12
The Argument over Institutional versus Noninstitutional Care	19
Long-Term Care as Part of a Continuum	21
Strengths and Weaknesses in the Long-Term Care System	23
Summary	31
Vocabulary Terms	32
Discussion Questions	32
Bibliography	33
CHAPTER 2 ■ Toward an Ideal System	35
Learning Objectives	35
Introduction	35
Criterion I. The long-term care system should be based on recognition of the needs, rights, and responsibilities of individuals.	37

Criterion II. The long-term care system should be easily accessible.	42
Criterion III. The long-term care system should coordinate professional, consumer, family, and other informal caregiver resources.	45
Criterion IV. The long-term care system should be an integral part of the health and social system to promote integration, efficiency, and cost-effectiveness.	47
Criterion V. The long-term care system should be adequately and fairly financed.	54
Criterion VI. The long-term care system should include an education component to create informed consumers, providers, reimbursers, and regulators.	60
Summary	63
Vocabulary Terms	64
Discussion Questions	64
Bibliography	65
PART II ■ Long-Term Care Service Providers	67
CHAPTER 3 ■ Nursing Facilities	69
Learning Objectives	69
Introduction	69
How Nursing Facilities Developed	70
Philosophy of Care	73
Ownership of Nursing Facilities	75
Services Provided	75
Special Care Units	75
Consumers Served	78
Market Forces Affecting Nursing Facilities	79
Regulations	81
Financing Nursing Facilities	83
Staffing and Human Resource Issues	83
Legal and Ethical Issues	86
Management of Nursing Facilities	88
Significant Trends and Their Impact on Nursing Facilities	89
Summary	91
Nursing Facilities Case: Mary	92

Vocabulary Terms	94
Discussion Questions	95
Bibliography	95
CHAPTER 4 ■ Subacute and Postacute Care	97
Learning Objectives	97
Introduction	97
What Is Postacute Care?	98
What Is Subacute Care?	98
What Is the Difference between Postacute Care and Subacute Care?	98
Postacute Care	98
Subacute Care	101
Market Forces Affecting Subacute Care	108
Regulations	109
Accreditation	111
Financing Subacute Care	112
Staffing and Human Resource Issues	114
Legal and Ethical Issues	116
Management of Subacute Care Units	117
Significant Trends and Their Impact on Subacute Care	120
Summary	122
Subacute Care Case	122
Vocabulary Terms	124
Discussion Questions	124
Bibliography	125
CHAPTER 5 ■ Assisted Living	127
Learning Objectives	127
Introduction	127
Assisted Living Workgroup	129
How Assisted Living Developed	129
Philosophy of Care	130
Ownership of Assisted Living Facilities	131
Services Provided	132

Consumers Served	134
Market Forces	136
Regulations	137
Accreditation	139
Financing Assisted Living	139
Staffing/Human Resource Issues	141
Legal and Ethical Issues	142
Management of Assisted Living	144
Management Challenges and Opportunities	146
Significant Trends and Their Impact on Assisted Living	147
Summary	148
Assisted Living Case	149
Vocabulary Terms	150
Discussion Questions	150
Bibliography	151
CHAPTER 6 ■ Senior Housing	153
Learning Objectives	153
Introduction	153
What Is Senior Housing?	154
Philosophy of Care	156
Services Provided	157
Ownership	159
Consumers Served	160
Accreditation	161
Financing	161
Staffing	163
Management	163
Significant Trends and Their Impact on Senior Housing	163
Summary	164
Senior Housing Case	164
Vocabulary Terms	166
Discussion Questions	166
Bibliography	167

CHAPTER 7 ■ Community-Based Services 169

Learning Objectives	169
Introduction	169
Origins and Development	171
Philosophy of Care	172
Ownership	175
Services Provided	176
Consumers Served	180
Informal Caregivers	181
Market Forces Affecting Community-Based Services	182
Regulations	184
Accreditation and Certification	185
Financing of Community-Based Services	186
Staffing and Human Resource Issues	189
Legal and Ethical Issues	191
Management	193
Management Challenges and Opportunities	194
Significant Trends and Their Impact on Community-Based Services	196
Summary	198
Cases	198
Home Healthcare Case: Joan and Jerry	198
Hospice Case: Pierre	200
Adult Day Care Case: Wilma and Karen	201
Vocabulary Terms	203
Discussion Questions	203
Bibliography	204

Part III ■ Interaction Within the Continuum 207**CHAPTER 8 ■ Competition, Cooperation, and Integration 209**

Learning Objectives	209
Introduction	209
The Environment	210
Financing Changes	211
Competition	212

Cooperation	219
Moving from Cooperation to Integration	221
Integration	221
Summary	234
Vocabulary Terms	235
Discussion Questions	235
Bibliography	236
CHAPTER 9 ■ External Control of Long-Term Care	237
Learning Objectives	237
Introduction	237
Public (Government) Control Mechanisms	238
Private Control Mechanisms	258
Summary	263
Vocabulary Terms	264
Discussion Questions	264
Bibliography	265
CHAPTER 10 ■ Long-Term Care Reimbursement	267
Learning Objectives	267
Introduction	267
Origins and Development	268
Current Reimbursement Options	269
Managed Care	282
Significant Trends and Their Impact on Long-Term Care Reimbursement	288
Summary	294
Vocabulary Terms	295
Discussion Questions	295
Bibliography	296
CHAPTER 11 ■ Long-Term Care Quality	299
Learning Objectives	299
Introduction	299
Defining Quality	300
Total Quality Management/Continuous Quality Improvement	303

Quality Initiatives	303
Systemwide Quality Programs	304
Provider-Administered Quality Improvement Programs	314
Quality Teams	317
Technology	318
Summary	318
Vocabulary Terms	318
Discussion Questions	319
Bibliography	319
CHAPTER 12 ■ Ethical Issues in Long-Term Care	321
Learning Objectives	321
Introduction	321
Emotional Impact on Consumers	322
Access to Long-Term Care	324
Autonomy	327
Everyday Life Issues	341
Restraints	345
Abuse	346
Other Long-Term Care Settings	348
Management Ethics	348
Summary	351
Vocabulary Terms	352
Discussion Questions	352
Bibliography	353
Part IV ■ Managing in the Long-Term Care System	355
CHAPTER 13 ■ Governance and Administration	357
Learning Objectives	357
Introduction	357
Definitions	357
Organization Types and Who Governs Them	358
Governing Body and Administration: Roles and Responsibilities	360
Potential Problem Areas	370
What's Different About Long-Term Care?	372

Summary	374
Vocabulary Terms	374
Discussion Questions	375
Bibliography	375
CHAPTER 14 ■ Leadership and Culture Change in Long-Term Care	377
Learning Objectives	377
Introduction	377
Leadership	378
Leaders: Who Are They?	379
Common Characteristics of Leaders	380
Leadership Skills	382
Influencing Others	382
Providing Direction	385
Getting Voluntary Acceptance	387
Gaining and Improving Leadership Skills	392
Culture Change	394
Role of the Leader	397
Summary	398
Vocabulary Terms	398
Discussion Questions	399
Bibliography	399
CHAPTER 15 ■ Technology in Long-Term Care	401
Learning Objectives	401
Introduction	401
Applied Technology	403
Information Technology	405
Clinical Applications	405
Administrative Applications	408
Strategic Support Applications	409
Networking Applications	410
Systemwide Applications	411
Privacy Concerns and HIPAA	415
Cyber Security	417

Benefits of IT	417
Barriers to Use of IT	419
Options for Acquiring IT	422
Guidelines for Selecting an IT Vendor	423
Summary	425
Vocabulary Terms	425
Discussion Questions	425
Bibliography	426
CHAPTER 16 ■ Marketing and Community Relations	429
Learning Objectives	429
Introduction	429
Defining Marketing and Community Relations	430
Organizing for Marketing	430
Market Planning versus Strategic Planning	432
The Planning Process	432
Summary	447
Vocabulary Terms	447
Discussion Questions	448
Bibliography	448
PART V ■ The Future: Continuing Change	449
CHAPTER 17 ■ Into the Future: Trends to Watch	451
Learning Objectives	451
Introduction	451
Future Directions	453
Changing Consumer Demographics	454
Focus on Quality and Outcomes	458
Changes in the Workforce	461
Changes in the Organization and Delivery of Long-Term Care	463
Technological Advances	465
More and Better Clinical Applications	466
Innovative Delivery Methods	466
New Organizational Relationships	468

Changes in Financing and Reimbursement	470
Ethical Dilemmas	473
Regulation	475
Health System Reform	475
Summary	476
Vocabulary Terms	477
Discussion Questions	477
Bibliography	478
CHAPTER 18 ■ Managing for the Future	481
Learning Objectives	481
Introduction	481
Actions for Managers	481
Actions for the System	490
Summary	493
Vocabulary Terms	493
Discussion Questions	494
Bibliography	494
APPENDIX A ■ Criteria for Designing or Evaluating a Long-Term Care System	495
Index	499

New to This Edition

The following changes/additions are new to this edition:

- All chapters have been updated to reflect the changes in regulations, financing methods, forms of service delivery, and management methods in this dynamic, ever-changing field.
- The increasingly important topics of the aging of American society, the impact of the baby boomers, consumer choice, and growing diversity in long-term care are covered extensively and from a variety of perspectives.
- The former chapters dealing with home health care, hospice care, and adult day care have been combined into a single chapter, “Community-Based Services,” to reflect the close interaction of these service providers.
- A new chapter, “Senior Housing,” has been added to emphasize the importance of this growing resource and the close link between medical and social services.
- A new chapter, “Leadership and Culture Change,” has been added because both of these closely related topics are so critical to successful management of long-term care.
- Chapters 17 and 18 address the future of long-term care and include recommendations for dealing with it proactively.

Foreword

As current students of long-term care administration, as future healthcare professionals, and as taxpayers, your careers and lives will be influenced by the coming tsunami of Baby Boomers, those citizens born from 1946 to 1964. On January 1, 2008, a very important milestone in the Boomer impact on society took place. The first Boomer turned age 62 and became eligible for early Social Security. And now, every day for the next 20 years, 10,000 Boomers will turn age 62 until there are 77 million individuals collecting Social Security, about twice as many as we have today. On January 1, 2011, they will have the same impact on the healthcare delivery system as they start becoming eligible to access their Medicare benefits.

Boomers are expected to demand service, will assume they have choices and options, and are looking to control their own healthcare decisions as to how, what, and when care will be provided. In its current structure, the long-term care payment and delivery system is not prepared for this future. On the upside, it will be 10 to 15 years before the Boomers start requiring chronic, long-term care services, so we have some time to prepare for their full impact. Conversely, the sheer numbers of Boomers and their vision for care and services will significantly influence how we will provide that care.

During this transformational period of demographics change, by reading, studying, and discussing the concepts of this book, you will have begun the process of acquiring the information and knowledge you will need to be a successful leader in the long-term care profession. John Pratt's book is an excellent introduction and primer on the art and science of successfully leading a long-term care organization in the 21st century. Mr. Pratt has taken a lifetime of information, experience, and knowledge and created the perfect tool to begin your long-term care education and training. However, as good as this book is, it merely touches the surface on the issues and knowledge that you will ultimately need as a long-term care professional.

As your instructors and more experienced colleagues will tell you, being competent in your profession will require core knowledge of the profession to get started, but it will take a lifetime of learning to be able to continue to expand your expertise. To be a fully competent leader in long-term care, you will need to go beyond this book and the classes you will take in your educational pursuit.

Successful long-term care leaders exhibit a curiosity about how things work in the profession and how they can be improved. They are masters of problem solving for their organization. As engaged professionals, they continually work to expand their knowledge and expertise by looking outside the profession to model behaviors and adapt tactics from other successful people and organizations. They adopt the behavior and attitude of being a life-long student of their profession. They are the success stories for this profession.

Much has been written and discussed about the perceived quality in long-term care facilities across the United States. Frequently, everyone has at least one opinion or an idea on how to improve the quality of care. Most of the reform approaches seem to revolve around the notion that more regulators, more regulations, and more sanctions will cause quality to improve in long-term care.

That solution reminds me of the quote from a humorous office memo: “The floggings will continue until moral improves.” More restrictions and penalties will not significantly, nor permanently, move the quality measures in long-term care facilities.

In any industry or profession, poor performance is generally caused by people problems. Poor selection, poor training, poor supervision, and poor leadership. If we need more of anything than ever before, it is highly motivated and competent leaders. Long-term care needs the best and the brightest that our educational system can send out to the profession. These leaders need advanced training, positive incentives, and recognition of the value they add to the lives of older adults. They need information on expected outcomes and the tools, information, and resources necessary to be successful leaders.

As committed leaders currently in the profession, we can and will systematically improve the quality and outcomes in long-term care, but we will need to be part of the solution and not part of the problem. We need to step forward and make the bold changes needed to provide systematic quality improvements.

As a student of this profession, you hold the key to the future of elderly care. Your ability to use the knowledge, expertise, and education you have gained during your education will be critical in making the changes needed to meet the demands and requirements of current and future customers. Be good stewards of those tools and go forth to do good work in furthering the practice of long-term care leadership.

A special thank you to John Pratt and his colleagues at Saint Joseph’s College of Maine for this book and the work they do with new (and old) students of long-term care. You are helping to make a difference in the lives of millions of people each and every day.

Steven Chies

Senior Vice President for Operations
Benedictine Health System
Past Chair
American Health Care Association

Preface

In a time when change is the rule in most businesses, the field of long-term care is changing faster and more dramatically than most. There are seemingly constant changes in regulations and in reimbursement methodology. The field is undergoing a great deal of redefinition of the roles of institutional and community-based providers. Those in public policy positions affecting the delivery of long-term care are trying to balance a much-needed increase in emphasis on home health care and other alternatives to institutional care with the realization that there is still a valid place in the system for a variety of institutional service providers. New levels of care, or at least new names and rules for existing types of care (assisted living, subacute care), are being created constantly. Long-term care providers must focus on integration with other players in the healthcare system while, at the same time, experiencing competition from those same players. These changes, whether considered individually or collectively, place huge demands on those who manage the organizations providing long-term care.

As change takes place and the field becomes more sophisticated and diverse, successful long-term care administrators will face tougher challenges than any they have seen before and will have to bring new skills to their jobs. They will have to possess the ability to change with the times and manage their organizations while under considerable pressure. They will need to be flexible enough to adapt to different management settings or provide services that are different from those with which they may have been familiar. It is no longer enough to be an expert in home health care, skilled nursing care, or residential care. Tomorrow's long-term care managers will be expected to possess those skills essential to managing larger, more complex organizations, which will probably include multiple segments of the continuum of care.

At a very minimum, they must understand:

- The differences and similarities among the many long-term care service providers.
- How the various segments of long-term care fit together to form an overall system.
- The issues affecting them all, individually or collectively.
- The skills they will need to succeed in that system.

This book supplies that information and gives those managers a solid foundation on which to build their expertise. It is aimed at providing a comprehensive view of the field as it exists today, of the changes taking place in that continuum now and in the near future, and of the skills managers need to survive and prosper. It is a practical management reference for all long-term care administrators—*long-term care* being defined as including all institutional and noninstitutional providers of chronic or long-term care services (nursing facilities, assisted living, subacute care, senior housing, adult day care, home health care, and hospice).

It should be noted here, before some critic (rightfully) points it out, that long-term care does not represent the entire continuum of care. That is acknowledged. The full continuum, as explained in Chapter 1, is a lengthier and more comprehensive list of services, including acute care (hospitals and physician services) and preventive health care at one end and social services (such as housing and transportation) at the other.

Long-term care, however, is such an integral part of the overall continuum and interacts so intimately with the rest that it deserves special examination. Thus, the focus here is on the organization portion of the continuum of care, showing what it is, where it fits, and the nature of its relationships with other segments.

This book has been written for two separate but closely related segments of a common audience: long-term care administrators who are currently practicing and future administrators being trained in long-term care administration in college and university programs. It is academic enough to meet the latter need, but it is practical and not overly theoretical, allowing it to serve both groups.

In the first group are many of today's long-term care managers who have extensive experience providing one type of service (e.g., nursing facility care, home health care) but who have limited knowledge of or contact with other segments of the field. They can no longer be content to be expert in a single specialty area. They must learn about the entire continuum of care and be prepared to manage anywhere within it.

The second group of long-term care managers for whom this book is written consists of those who are being educated through college degree programs to fill the many positions being created as the field expands. With the expected increasing need for long-term care and, consequently, for long-term care managers caused by the aging of our society, those college programs must be supported. It is intended as a comprehensive text for students in these programs, giving them a good understanding of the field they plan to enter. The first and second editions have been used as a required text in dozens of college and university programs. Their feedback has been of great assistance in updating the text material.

This book should also be of interest to others engaged in the topic, including policy makers, regulators, and consumer advocates. Because it presents a comprehensive view of the continuum of long-term care, it provides readers with both an overview and a moderately detailed view of various aspects of the continuum.

There are several excellent textbooks dealing with the specific types of day-to-day activities involved in managing each of the different segments of the long-term care field,

such as nursing facilities, subacute care, home health care, and assisted living. They cover knowledge of applicable regulations and the detailed procedures and practices involved in hands-on administration (e.g., admission, resident/client classification, grievance procedures) of particular types of long-term care organizations. None addresses the entire long-term care continuum. On the other hand, there are several good texts dealing with the continuum of care from a broad, policy-oriented, macro/sociological viewpoint.

The approach here is different from these others in that the focus is on management in different segments of the continuum, not just definition of the continuum itself. It deals with management within the continuum as such and goes beyond definition to compare and contrast the different service providers and the impact of change on them.

The text is divided into five sections. Part I, Introduction: The Changing Long-Term Care Scene, presents an overview of the long-term care continuum as it exists today. It includes an explanation of how long-term care reached its current state and looks at where the system is—or should be—going. Chapter 1 defines long-term care, including its various segments, and examines the dynamics particular to the overall field. Chapter 2 discusses the goals toward which we should aim in seeking an ideal long-term care system, based largely on the *Criteria for Designing or Evaluating a Long-Term Care System*, a copy of which is included as Appendix A. The criteria were developed by me, your author, with assistance from a group of long-term care experts. They present benchmarks for measuring a long-term care system, as well as the steps needed to attain those benchmarks.

Part II, Long-Term Care Service Providers, includes chapters devoted to each of the major long-term care service providers, with a goal of providing readers with a good understanding of each of those individual provider types. Chapters 3 through 7 include descriptions and overviews of each service, the types and numbers of consumers served, financial aspects, staffing and human resource issues, legal and ethical issues, particular management challenges and opportunities, and other pertinent information, such as any significant trends affecting the service. All chapters in this section have been written in a similar format, for the purpose of making comparison of the various providers easier.

Part III, Interaction Within the Continuum, turns to investigating the broader aspects of long-term care, showing how the individual players interact to produce the system as it now exists. It also relates to the ideal long-term care system described in Part II and discusses implications for providers, regulators, payers, and consumers. Covered in this section are Chapters 8 through 12, which address issues relevant to all long-term care providers, including the movement toward more competition, cooperation, and integration; external forces controlling long-term care, such as regulation, licensure, and accreditation; reimbursement; quality; and ethical issues.

Part IV, Managing in the Long-Term Care System, recognizes that managers in long-term care organizations need certain skills if they and their organizations are to survive and succeed. Chapters 13 through 16 (leadership and culture change, governance and administration, technology, and marketing/community relations) identify these skills and present helpful information about obtaining and maintaining them.

The final section, Part V, The Future: Continuing Change, discusses the future of long-term care. Chapter 17 examines trends that are likely to affect the field; Chapter 18 offers suggestions for managing in the coming millennium.

In preparing this book, I decided that it should go beyond a mere description of long-term care and the pieces that make it a whole. I also wanted to tie those pieces together and delve more deeply into why they exist and how they interact with each other and with the rest of the continuum of care. Thus, you will find many opinions expressed herein. These opinions are based on my extensive experience and view of the field as it exists now and in the coming decades and are intended as a source of enrichment for the text.

Readers will notice an inevitable overlap from chapter to chapter because I covered many topics and issues from a variety of different perspectives. For example, the topic of “consumer choice” is referenced in numerous sections because it affects so much of the long-term care system and those who manage within it. Similarly, while there are separate chapter segments dealing with financing, regulation, and ethical issues, those topics are also covered in the chapters dealing with individual provider types (e.g., nursing facilities), showing how they are affected. This gives readers an opportunity to see such topics from different viewpoints, and is intended as a means of providing a comprehensive, multidimensional view of the long-term care system. I hope you will find this book informative, and perhaps even enjoyable, reading.

John Pratt

About the Author

John Pratt is a professor at Saint Joseph's College in Standish, Maine, where he is assistant director of the health administration programs. Prior to entering semi-retirement in 2008, he had been director of those programs, which are designed for working adult healthcare professionals and are taught online. He is also director of the Long-Term Care Management Institute at the College. Prior to moving to academia, he served as a healthcare administrator for 25 years. He is a Fellow of the American College of Health Care Administrators (ACHCA) and a Life Fellow of the American College of Healthcare Executives (ACHE). He currently serves on the board of directors of ACHCA and chairs that organization's Education Committee. He is also active in the National Association of Long-Term Care Administrator Boards (NAB). He is a regular presenter at professional conferences and an active contributor to professional journals.

