

Financial Implications of THE GREEN HOUSE® Model Overview

Existing research establishes that THE GREEN HOUSE® model of nursing home care provides significant and sustained satisfaction and clinical improvements. Because these improvements have been difficult to achieve in traditional nursing homes without significant cost increases, potential adopters, policy makers, and advocates have asked if Green House homes can deliver these results within the cost neutral financials promised by the model's transformational redesign.

Several recent studies, each limited in scope but with mutually reinforcing findings, provide growing evidence that The Green House model's operations are comparable in cost to traditional nursing home operations as well as nursing homes implementing other culture change practices. Capital costs for Green House homes are found to be equivalent to or less than similar culture change models. Occupancy and private pay revenues are found to increase.

Major findings include:

- Significantly more direct-care and nursing time is delivered in The Green House home.
- Overall staffing needs and costs do not increase compared to traditional settings due to a shift from supervisory and department hours to direct care hours.
- The Green House model uses time more effectively, delivering significantly more direct care and nursing hours within lower total direct service hours.
- Average operating costs for Green House homes are between the 50th to 60th percentile of nursing homes nationally.
- Consistent and financially important differences were found in Green House providers' overall occupancy (7% higher) and private-pay occupancy (a 24% increase) compared to nursing home averages.
- No hidden or unexpected costs were associated with The Green House model.
- Green House homes' capital costs, including all private rooms and bathrooms, were found to be at the low end of culture change models.

These research results, coupled with anecdotal experience of early adopters, indicate that The Green House model and implementation process offers a strong and flexible option for organizations seeking proven innovations to address current challenges and future opportunities.

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