



It Can Be Different
and It's Worth It

THE
eden
ALTERNATIVE®

A RETURN-ON-INVESTMENT SUMMARY



Introduction and Problem Statement

At The Eden Alternative® we energize the human experience by guiding, supporting, and consulting with organizations in search of revolutionary shifts in culture. We provide a flexible framework for personal and organizational transformation leading to a new reality that promotes growth, meaningful purpose and engagement. The Eden Alternative is creating a world that celebrates aging and human potential.

The first implementation of The Eden Alternative occurred at Chase Memorial Nursing Home in New Berlin, NY in 1991. Data was collected and showed a reduction in overall medication use, antipsychotic drug use, and a reduction in mortality and infection rates. Since then, additional anecdotal evidence studies have been done showing improvements in quality of life and quality of care in organizations implementing the Eden Alternative.

"Current practice in long-term care is based on a confusion of care, treatment, and kindness. Lying at the root of this confusion is the medical model's fixation on diagnosis and treatment. It guarantees that the majority of our resources are spent on the war against disease when, in fact, loneliness, helplessness, and boredom steadily decay our nursing home residents' spirit. A genuine commitment to improving residents' quality of life demands that we correct these problems."

"Life Worth Living," Dr. William Thomas

Eden Membership® recognizes individuals and organizations that make a deep commitment to integrating the Ten Principles of The Eden Alternative® and the Eden Alternative Domains of Well-Being® into the daily life of those they support. The Ten Principles provide a foundation to bring the Eden Approach® to person-directed care to life wherever the individual accepting support lives.

Dr. Bill and Jude Thomas, founders of The Eden Alternative, participated in the founding of the Pioneer Network, a network of thought leaders driving a larger societal movement termed 'culture change.' The Pioneer Network, the Robert Wood Johnson Foundation, and others have conducted peer-reviewed studies about the impact of implementing culture change approaches over the last decades. Results indicate significant differences between these approaches and traditional models in areas such as better quality of care indicators, fewer hospital readmissions, improved occupancy, lower Medicare spending, decreased staffing turnover, fewer COVID deaths, and better health deficiency survey outcomes.¹

Then there are the studies demonstrating the health consequences of loneliness,

isolation, and lack of purpose in individuals regardless of their age or where they live.²⁻⁸ There are also studies that demonstrate the impact of ageism⁹, ableism¹⁰, and learned helplessness¹¹, all reinforced by current medical model approaches and reimbursement strategies.

Signature HealthCARE completed a study¹² of 24 communities located in different states in the US. Eight of the communities were implementing the Eden Approach to person-directed care and the other 16 served as control sites. For those communities implementing the Eden Approach the results included higher occupancy (91.4% vs 83.5%), EBIDTA increased by almost 50% annualized, reduced employee turnover, and reduced fall and weight loss rates. A concluding statement from the study is: "Despite these limitations, the clear conclusion of this study is that the Eden Alternative Principles have a pronounced effect across the domains of clinical, quality of life, finance, and overall well-being among those who live in these communities."

Despite compelling evidence that the Eden Approach makes a difference, the question remains. What is the return-on-investment for implementing the Eden



Alternative approach to person-directed care? Why should we invest our time, energy, and money in trying something new when we have systems in place that meet regulatory guidelines and prevent us from getting deficiencies? As the question is posed, consider the following. There is no proof that the current approach to care, using the medical model, has any return-on-investment. Operations based on paternalism, ageist and ableist assumptions, being task-driven, treatment focused, measuring success in billable minutes, professional distancing, etc., has led to the development of 856 pages of regulations (Appendix PP from Centers for Medicare & Medicaid Services) along with fines and deficiencies.

This paper is dedicated to updating the return-on-investment case for the Eden Approach to person-directed care. What we have learned from over 30 years of experience is that many variables account for the success of organizations who truly, and deeply, create sustainable person-directed care. These variables all reinforce Eden Alternative's Principle Ten: Wise leadership is the key to meaningful and lasting change. For it, there can be no substitute.



Results

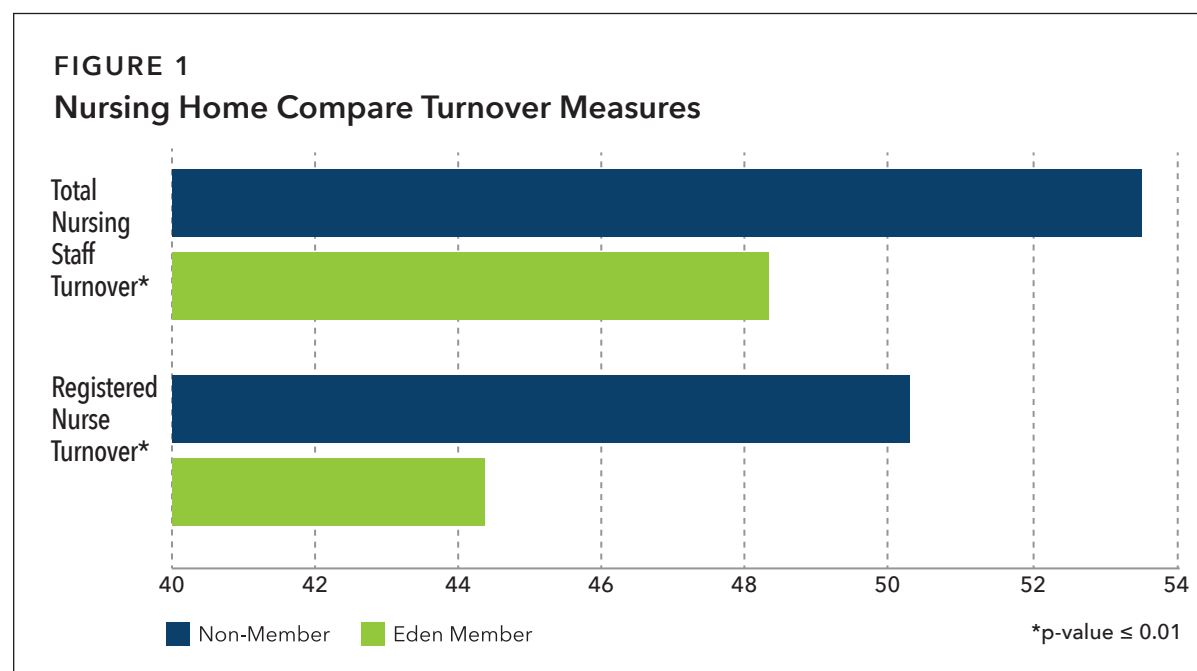
- Nursing Home Compare (NHC) is the most widely used dataset provided by the Center for Medicare and Medicaid Services (CMS). Providers use this dataset for benchmarking themselves against local competitors and national averages. Family members and potential residents use this dataset to evaluate different care providers in their area.
- The Nursing Home Compare data (Figures 1-7) for this white paper are from Q1 2023.
- Homes in Nursing Home Compare were coded as Eden Alternative Members (n=102 homes) or non-members (n=14891).
- Cross-sectional data elements were then compared to assess any statistically significant differences for homes by Eden Membership status. Differences reported are for p-values of ≤ 0.01 or lower (note: statistical significance should be more challenging to achieve given that Eden Members comprise only .7% of homes in the total dataset).

- Although this data is primarily nursing home based, a future goal of these ROI efforts is to separate out Assisted Living data. The challenge is finding comparative data nationally for assisted living communities.

NURSING TURNOVER

- Employee turnover is a long-standing issue in healthcare, especially in long-term care settings. The pandemic of 2020 only accentuated the issue.

- Employee turnover is a relatively new component of the Nursing Home Compare dataset (mandatory data collection began in 2016) sourced from Payroll Based Journal (PBJ) Reporting. As illustrated in Figure 1, Eden Members demonstrated significantly lower Registered Nurse turnover (5.9% lower for Eden Members) and total nursing staff turnover (5.2% lower for Eden Members).
- According to the 2023 NSI National Health Care Retention and RN Staffing Report, replacing a nurse currently costs \$52,350 per employee. Based on the



NHC measures, homes implementing the Eden Alternative lost fewer nurses and hence, saved on operating costs in replacing those team members. For example, based on the NSI 2023 benchmark, the cost savings for a hypothetical Eden Member home employing 20 nursing staff would be \$54,444 over the PBJ reporting period (1/22-12/22) based on the Total Nursing Staff Turnover measure in NHC.

- When nurse turnover, and any employee turnover rate, is lower, it means there is less use of agency staff. According to a CLA study¹³, the average contract (agency) nurse costs \$68/hour, an LPN \$55/hour, and a C.N.A. costs \$35/hour. Current wages stand at \$43/hour for RNs, \$34/hour for LPNs, and \$20/hour for C.N.A.s. The difference is dollars that could be put to better use by creating a culture, an environment where people wanted to work and wanted to stick around.
- A lower turnover in nurses means that they are sticking around, forming relationships, and finding meaning in their role. It also means they know the aides they support well and can be effective partners with them. It means

that they can embrace and support person-directed care.

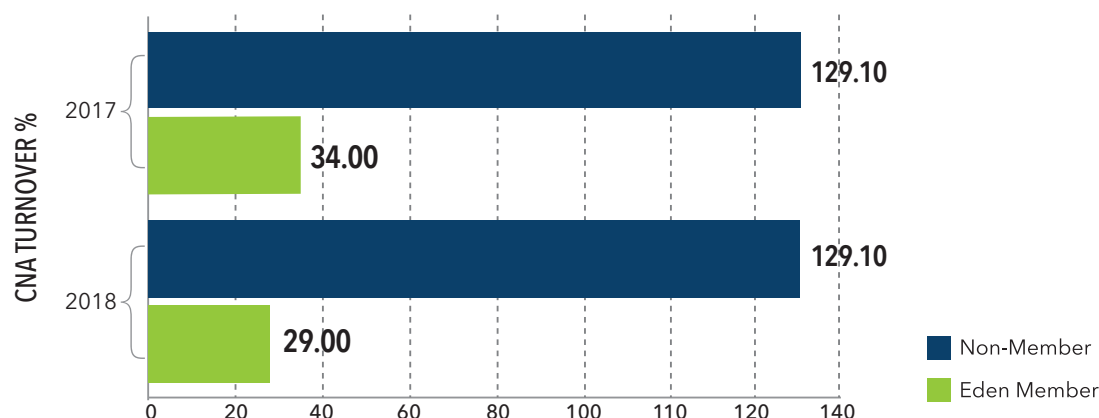
NURSING ASSISTANT TURNOVER

- Nursing Home Compare does not provide data on Nursing Assistant (C.N.A.) Turnover. This is a concern because the turnover of nursing assistants has a direct impact on the ability to provide person-directed (or individualized) care. The relationship between the aide and the resident determines how much voice

and choice the resident has in how their day flows. It is also a concern because focusing on nursing care tends to drive more treatment rather than more choice for the residents.

- Data collected from Eden Members over the last 10 years was used to assess C.N.A. turnover. The average cost of replacing a C.N.A. can run between \$3000 and \$6000 depending on overtime, recruiting, and onboarding costs. Although it is challenging to find longitudinal C.N.A. data at a national level, a recent study found C.N.A. turnover in nursing homes

FIGURE 2
Mean Certified Nursing Turnover % (2017-2018)



Source: Non-member mean turnover cited from Gandhi, A., Yu, H., & Grabowski, D. C. (2021). High Nursing Staff Turnover in Nursing Homes Offers Important Quality Information. *Health Affairs (Project Hope)*, 40(3), 384-391. Member mean turnover derived from Eden Alternative member data collection surveys.



to be at a mean of 129.1% during the 2017-2018 timeframe.¹⁴ This is much higher than C.N.A. turnover reported by Eden Alternative member homes during those year (Figure 2).

- When money is spent on employee turnover, the cost is passed along to the residents and impacts their meals, services they receive, activities they can participate in, etc. They also experience an increase in their monthly rates to compensate for the cost of turnover.

STAFFING DATA

The Proposed CMS Staffing Mandate has intensified the industry's focus on the importance of minimum staffing to support quality of care and to decrease the potential for adverse clinical outcomes.

Based on Q1 2023 NHC data:

- Total Nursing Hours per Resident per Day (HPRD) were significantly higher for Eden Member organizations by .26 hours per resident per day (Figure 3). Hence, an Eden Member home with 100 residents would provide an additional total 26 hours of resident care per day.

FIGURE 3
Total Nurse Staffing Hours per Resident per Day*

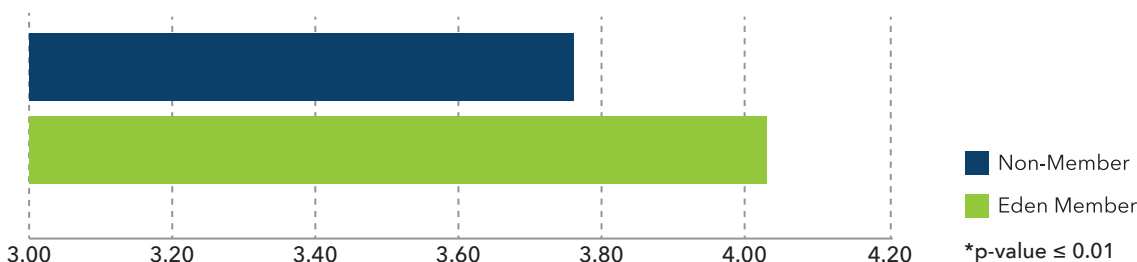
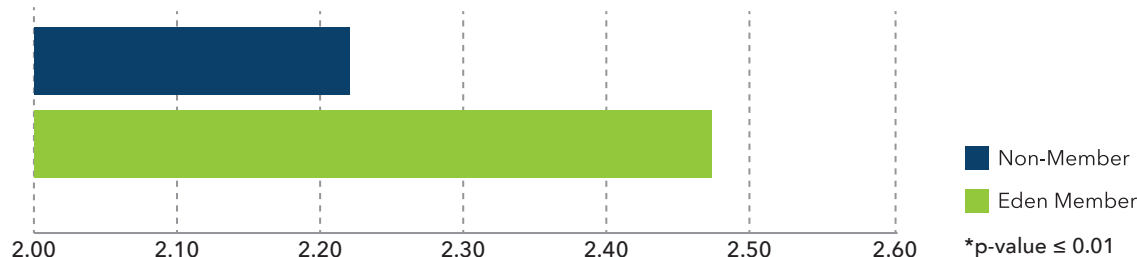


FIGURE 4
Nurse Aide Staffing Hours per Resident per Day*



- Nurse Aide Staffing Hours per Resident per Day showed Eden Member organizations to be significantly higher at 2.37 HPRD than the average 2.22 HPRD for non-member homes (Figure 4).
- The higher averages of nursing staff hours mean there is a higher employee-to-resident ratio. This is an important consumer indicator. It is also an important indicator to staff that they have more

teammates and there is a smaller chance of burning out. Less burnout means less staff turnover.

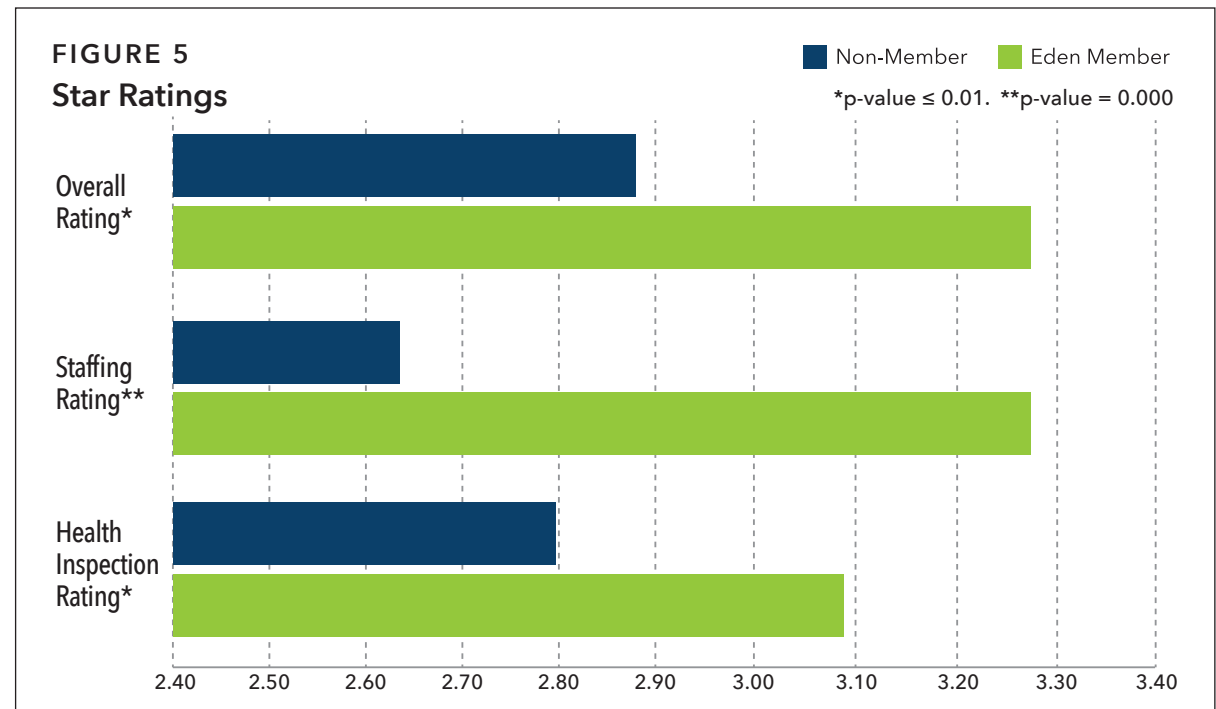
- Higher staffing ratios mean the residents are getting their needs met in a timelier and more individualized manner. Staff can take the time to know the residents they support and honor their preferences and routines.



STAR RATINGS

Although Nursing Home Compare Star Ratings are often criticized as lacking a comprehensive, multi-dimensional perspective of a nursing home's operations and practices, they are at the core of consumers' insights into quality via the NHC website. As a result, star ratings do impact a home's return on the investment through NHC's reach and impact on consumers in the community.

- NHC data shows that the Nursing Home Compare star ratings for Eden Member organizations are statistically higher in the Health Inspection Rating, Staffing Rating, and the Overall Rating (Figure 5).
- Given the NHC data regarding staffing HPRD, it is not surprising that the greatest difference in star ratings is the Staffing Five-Star Rating with a 3.27 average star rating for Eden Members versus a 2.64 average star rating for non-members. This finding was also the most statistically significant ($p=0.000$).



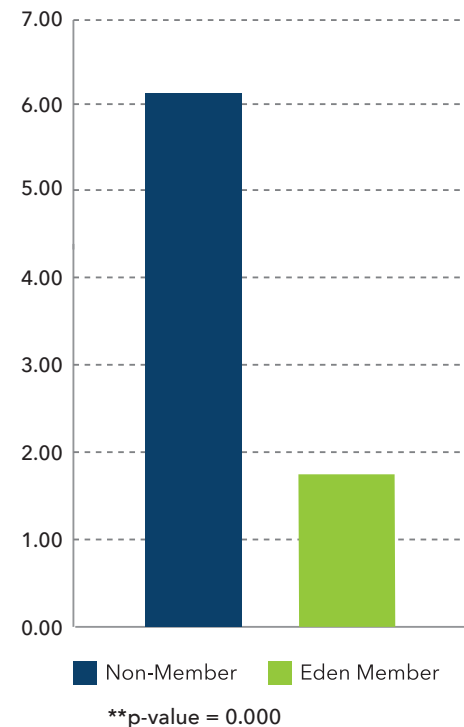


- It's important to note that the Eden Alternative has tracked differences in star ratings over time and that these findings are consistent with past and documented long-term trends.¹⁵

COMPLAINTS

- As illustrated in Figure 6, Eden Member organizations have considerably fewer substantiated complaints (1.63 avg. complaints per home) than non-members (6.0 avg. complaints per home) and this finding is highly statistically significant ($p=0.000$).
- It is difficult to assign a financial number to the cost of a complaint, but consider this:
 - ◆ The number of employees involved in the investigation times their hourly wages times the amount of time it takes to complete the internal investigation.
 - ◆ The cost for the employee who fills out the necessary paperwork to submit the complaint to their State (hours x hourly wages).

FIGURE 6
Number of Substantiated Complaints**



- ◆ The people and time involved in updating the individuals involved in the complaint as well as any state officials or ombudsman (hours x hourly wages).
- ◆ The time and number of people involved in the process when the

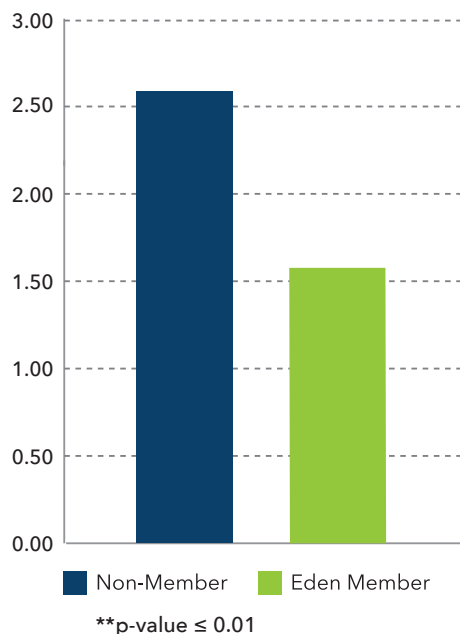
surveyors come in to do their own investigation (people x time x hourly wages).

- ◆ Follow-up reporting to complete the resolution process with both the state surveyors and the individuals involved in the complaint (people x hours x hourly wages).
- ◆ The costs of any legal services required to provide guidance related to the complaint or the complaint process.
- ◆ The costs of any reparations that need to be made to resolve the conflict.
- ◆ Should the complaint lead to the firing of an employee(s), the cost of replacing that person(s).
- ◆ The cost of any word-of-mouth reputation damage done because of the complaint and all the people involved.
- Relationship-based, person-directed care leads to fewer complaints. This leads to a stronger financial foundation for the organization.

CIVIL MONETARY PENALTIES

- Sometimes complaints can lead to penalties as the surveyors do their investigative processes. For the number of penalties, the difference between Eden Members and non-Members is also quite large.
- According to a NIC web article "Identifying Trends in CMS Skilled Nursing Penalties" (2021), "The most recently released data from CMS' Provider Data Set, shows the average skilled nursing penalty at \$18,551 for October 2021."¹⁶ Hence, based on Figure 7, the one penalty significant difference would result in \$18,551 cost savings for Eden Members.

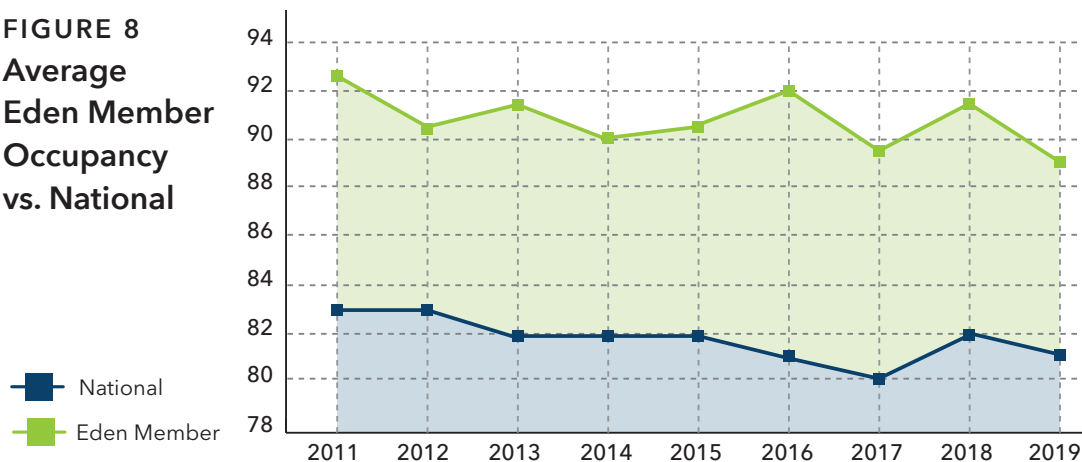
FIGURE 7
Total Number of Penalties*



OCCUPANCY RATES

- Occupancy is an important measure of success for any congregate care setting. The more people living there, paying rent, the better the financial health of the organization.
- Higher occupancy rates address health care disparities, i.e., more access to health care is an indicator of post-COVID recovery for nursing homes and assisted living communities.
- Occupancy is also an indicator of the reputation of care setting in the larger community. Word of mouth is a powerful marketing resource. The Eden Approach supports the voice and choice of the residents so they can live more meaningful and fulfilling lives. That is a reputation that is worth repeating out in the larger community attracting individuals who need daily support to choose to live there.
- Occupancy and satisfaction survey data can tell an important story to organizational leaders. When satisfaction is high, the word of mouth is positive and people want to come and live and work there. When satisfaction is low, the community reputation is poor and people vote with their feet and go elsewhere.

FIGURE 8
Average Eden Member Occupancy vs. National

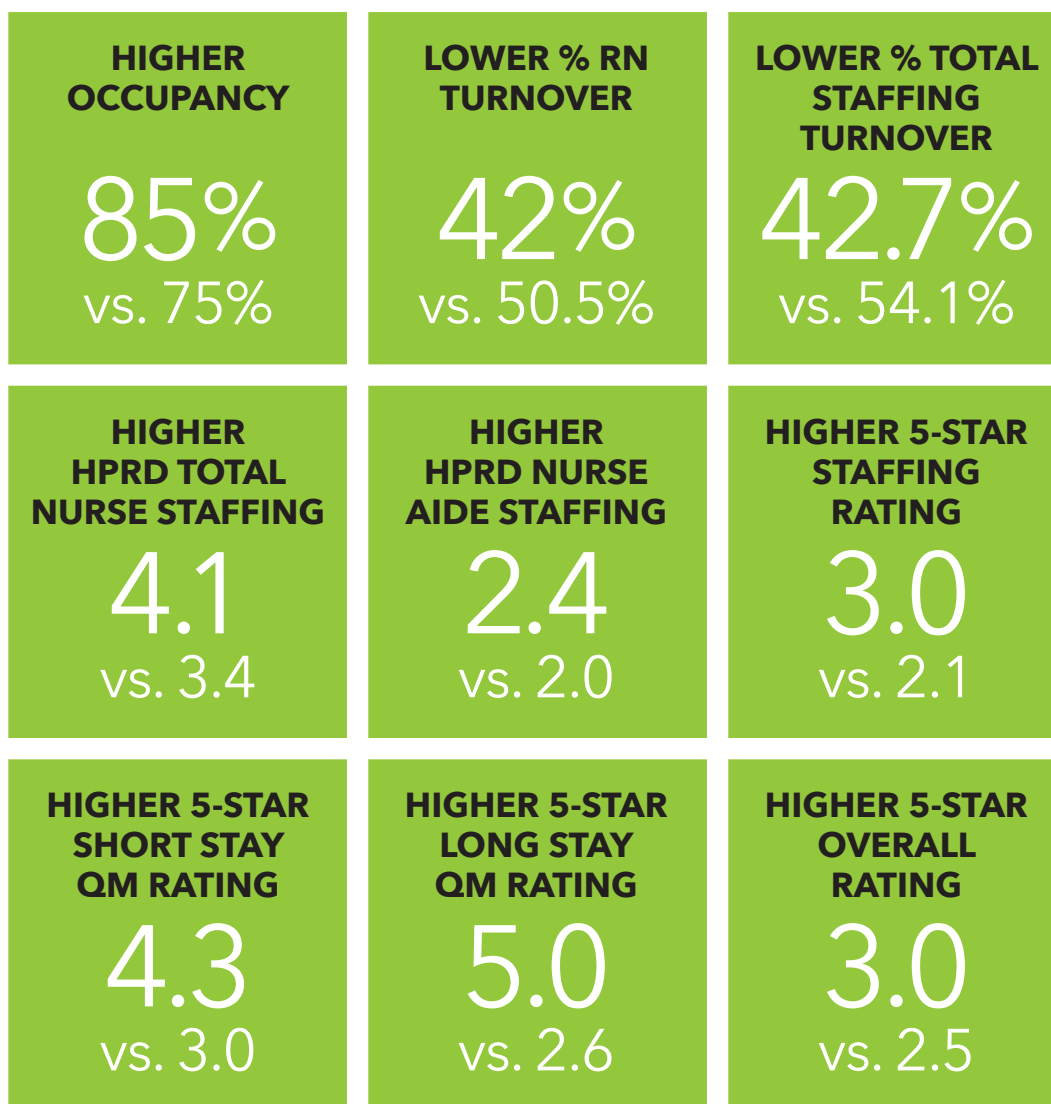


ONE TEAM'S DATA STORY: A.G. RHODES

- Data was aggregated from the three A.G. Rhodes locations in the Atlanta, GA area.
 - ◆ A.G. Rhodes Cobb became an Eden Member in April 2018.
 - ◆ A.G. Rhodes Wesley Woods became an Eden Member in November 2019.
 - ◆ A.G. Rhodes Atlanta became an Eden Member in January 2020.
 - ◆ All three communities are Growth Members, meaning they have a strong commitment to the Eden Approach, made substantial changes, and are continuing to transform their culture of care.
- The data was compared to the whole State of Georgia and the results are shown in Figure 9.

FIGURE 9

A.G. Rhodes (3 homes) compared to State of Georgia - NHC Averages





Testimonials and Lessons Learned

- Interviews were conducted with three organizations that have been implementing The Eden Alternative for 4 years or more:
 - ◆ A.G. Rhodes Cobb, Marietta, GA; joined the Eden Membership in April 2018; Provide skilled care services; home to 125 residents
 - ◆ Eben Ezer Lutheran Care Center, Brush, CO; joined the Eden Membership in May 2006; Provide skilled, assisted and independent living services; home to 110 residents
 - ◆ Oaks at Hampton, Cumming, GA; joined the Eden Membership in April 2019; Provide assisted living services; home to 95 residents
- Highlights from the interviews are captured in Figure 10.

FIGURE 10

INTERVIEW FOCUS	RESPONSES
When asked why each community chose to implement the Eden Alternative, the following comments were made:	■ "The Eden Alternative felt like the right fit and organically mimicked the vibe and culture of the building as it was." ■ "Good fit for it! We didn't do it because we thought it would be easy. We did it because we thought it was the right thing to do and we committed to put in the work." ■ "We had a good culture. We were already doing things that were person-centered, but not person-directed [didn't know about person-directed at the time]."
When asked about the impact person-directed care has on the quality of life of the residents, they said the following:	■ "The happiness is the biggest thing they do." (neighbor quote) ■ "Everyone makes it feel like home." (neighbor quote) ■ "Being myself, being me. We are like a team. That's what makes this possible. I can be an individual, be myself." (neighbor quote) ■ "We keep doing it because we see the value in our elders' lives."
Common theme: Reciprocity	They talked about reciprocity, making sure there is both giving and receiving for those that work and those that live in the home: ■ Elder-led activities ■ Elder volunteers in areas like welcome baskets for new residents. ■ "He likes to participate in helping out and he likes to help others."
When asked about what advice they would give to others contemplating implementing the Eden Alternative approach, they said:	■ "Do it! Just jump in and you won't be sorry. It's no different than the way you live at home. It will make your life immensely easier." ■ "When you see the smile on that elder, that care partner, that team member, that is all you need, and you look forward to coming in the following day." ■ "Culture change doesn't happen overnight. It requires [continuous work including] buy-in from the whole team. Stick with it and it will be worth it in the end."
Pandemic	All teams interviewed said their work on implementing the Eden Alternative approach to person-directed care before the pandemic of 2020 made a dramatic difference in how they got through that time. Although they all experienced a decline in their progress, it would have been much worse had they not already started to do things differently. They also all commented that they are just starting to feel more settled and that things are slowly returning to where they were pre-pandemic.

Conclusion

In conclusion, as human beings, it is natural to desire “proof” that relationship-focused practices such as those The Eden Alternative teaches work because we want to contribute to positive outcomes and societal well-being for older adults. The evidence-based practices cited above show there is a willingness for organizations to adopt new strategies that have real world application. These organizations have become pioneers in their leadership and dedication to changing the traditional model of senior living they have always known.

The summary demonstrates that relationship-based care models foster a supportive work environment where employees feel valued. This leads to increased job satisfaction and lower staff turnover. This runs parallel to improved patient outcomes because a stable workforce is essential for continuity of care. Therefore, as seen above, organizations that have adopted The Eden Alternative also have higher star ratings, which is CMS’s nod for quality care outcomes.

Ultimately when both employee engagement and quality outcomes are high, the organization could easily become the top place to live in a community. We’ve seen this through occupancy rates noted above that range between 7-10% higher

in communities that are members of The Eden Alternative. The demand for respect of both individual choices and the importance of fostering meaningful connections is central to the Ten Principles of The Eden Alternative.

Additionally, we should note that as healthcare makes major shifts towards value-based care, relationship-based models such as The Eden Alternative align well with the emphasis on quality outcomes and patient satisfaction. Organizations that think ahead to adoption of this model will likely be better positioned to thrive in ever changing reimbursement models.

Lastly, the ROI for adopting The Eden Alternative extends far beyond financial

metrics, encompassing improved patient outcomes, increased staff engagement and an overall positive impact on well-being of both residents and staff. By substantiating the positive impact of these approaches that we have seen repeatedly take place, we understand that organizations can not only justify their choices to adopt The Eden Alternative but also continue to build trust in the communities they serve.





Recognition

The Eden Alternative would like to recognize the following individuals for their contributions to this work:

■ Deke Cateau,
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■ Denise Hyde, PharmD, Eden Educator,
Membership Engagement Guide
for The Eden Alternative

■ Gail Lancaster

- ◆ Certified Dementia Care Specialist (Glenner Institute)
- ◆ Licensed Assisted Living Community Administrator (LALCA)
- ◆ Certified Crisis Interventionist
- ◆ Certified Eden Associate
- ◆ Current Board Member – Legacy Link Area Agency on Aging
- ◆ Former Board Member – Alzheimer’s Association
- ◆ Culture Change Network of GA Partner
- ◆ 25 consecutive years experience as Executive Director of GA senior living/memory care communities.

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■ Kathy Hagen, MBA,
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