Closing time

Addition by subtraction is not a strategy used often by many business, but David Devereaux explains here why the decision was made to close Villa at River Parkway this spring. The result should be a healthier partner facility, stronger staffing and better outcomes, but that's not all. We should also look for more regionalization of long-term care in general, Devereaux recently told *McKnight's* Editor James M. Berklan.

Photos: Thomas Delany Jr.

Q: How did you and your colleagues decide that River Parkway would be closed?

A: We operate two facilities on the north side of Milwaukee. It's not a market with an abundance of hospital or traffic for patient activity. We made the decision in early fall, with the tipping point coming after looking at the forecast information going out two years.

As we evaluated the trending for census, labor, talent and the market itself, we arrived at the conclusion it is smarter to operate a single facility, as opposed to two. We could consolidate labor and, if possible, upgrade our talent. The remaining facility is much larger and had the capacity to assume part of the patient population if we closed the other.

Q: How do the buildings compare?

A: Both are older facilities, within three miles of one another. The smaller building has capacity of 65 and we were under 60. The larger is just a shade under 200 beds. Occupancy there is mid- to upper 80s, sometimes touching 90. So we forecast picking up 20 to 25 patients, which would be a material difference-maker.

Q: What services are offered?

A: The remaining one we refer to as having five models of care: short-term or sub-acute; traditional long-term care; and three memory-care products — one for women-only, one specifically for men; and an advanced memory care program.

The gender-based memory care is not common, but it's something we experimented back in the late 1990s and early 2000s when I was executive vice president and chief operating officer at Beverly Healthcare. Families had a greater feeling of safety and security with gender-specific units. Not every nursing home has the ability to do this — you run out of flexibility with [physical] assets.

So we figure this can be a differentiator for us. You don't hear a lot of talk about memory care or distinct units like this within facilities today. You see a lot of focus on post-acute and managed care mix.

What is lost is the long-term staying patient and, to some degree, the specialty around memory care, almost to the point of surrendering it all to assisted living providers. I'm not a believer in that. I think it's still a population that can be cared for in SNFs with good outcomes.

The challenge is you're always limited by construction standards. The desired size is between 24 and 30 beds. It gives a nice size for a living environment, common area for activities, and dining.

Villa is a 29-facility company in four states [Wisconsin, Illinois, Minnesota and Michigan]. We have this one facility doing [the gender-based Alzheimer's care] and there are three others we're considering. We're looking at our operations, testing the market

and doing internal research as to whether making the move is a sensible one.

Q: What's working best regarding the closing?

A: First is the partnership with state and local agencies. I think we've been working with seven different agencies, between Milwaukee County and the state, managed care players, and others. We have been able to communicate and work together with all of the involved agencies.

The second thing is we've been able to achieve alignment between facility leadership. Villa's regional leadership and people who work at a regional support center have helped this transition. It's not something a nursing home undertakes independently without outside help. If it were a single entity, we'd need to hire a lawyer, an expert in communications and know-how to manage town hall meetings. It's not something self-evident.

The third thing is we've been able to have meaningful discussions with residents and their families so that it's not surprised any of them. Too often, a change in a nursing home company is protected and told to very few people. We decided we were going to talk open and honestly early on — one, because it's required but, two, because it's the right thing to do.

Q: What has been a particular challenge?

A: Because of the [year-end] holidays, it's made things more complicated for moves. We committed to the state that we would have our plan completed no later than early March, and that gives us a little bit of a buffer. It's reasonable to think we can fully transition within a 45- to 60-day period, depending on our patients' health and availability at other locations.

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Q: Is there anything about the transition that has surprised you?

A: The process is never completely on schedule. There are some things that are supposed to happen slower or faster than you'd anticipate. Being agile on the one hand and patient on the other really is a requirement.

One thing we really have to be very careful about is the weather. It's rough. Today it's a sunny day, but we have to make careful preparations. You think you have it covered and then it snows or gets really cold.

The other unexpected issue is how much depth we have to go into conversations to really manage safe transitions for employees. There are about 60. When you talk to people about a nursing home closing, that is a shock to their system that requires management. Everything around employee transitions is involved: They have to reset their lives.

Q: How and when will you know if this was the right decision?

A: Two quarters after closure, we'll have a pretty good sense of whether it was a good decision or not.

If we've had a safe and complete transition of residents and staff, that's important. We need to maintain relationships that have satisfied families and the same level of integrity or strength of relationships with the agencies we're working with. We'll remain in those markets with Villa and have the intention of doing a very good job.

Unless you're constantly working to improve, somebody else can outwork you.

Q: Where do you see the business in five years?

A: I've been in it since 1978. I started in housekeeping in high school, and my mom was my DON. I've seen the cycles. I think there will be fewer nursing homes. When we're done, there will be several thousand fewer facilities than there are now, so in five years it could be several hundred fewer.

Q: How has the resident profile changed?

A: What we've seen in our buildings that's different from years and decades past is there are a lot of younger people in homes because they're unable to be cared for at home properly, and are unable to be properly taken care of with home- and community-based services.

You're not just taking care of seniors and the geriatric population. There is a component of people having physical manifestations that result from long-standing abuse patterns. We'll be taking care of those people, too. Now you're making a pretty compelling argument for nursing homes and more intense needs over time.

Q: Is there an upside to this?

A: I think we'll have a stronger industry because there will be some rationality. We will have a resetting, so to speak, of the labor force. It will continue to be a hard business.

The role of medicine in our nursing homes will take several steps forward over the next years.

I also think that what's happened with community-based hospitals becoming regional-based medical centers, much like small, local high schools have become more regionalized in some areas … nursing homes are no different.

For those communities where there is a strong local economy, there will probably be a nursing home. But others will not be so fortunate. You may have to travel a bit longer than accustomed. ■