2012

Tillingate Living Case Study

BALDRIGE
Performance Excellence Program

The *Tillingate Living Case Study* is a fictional Baldrige Award application prepared for use in the 2012 Malcolm Baldrige National Quality Award Examiner Preparation Course. The fictitious case study organization is a privately held company with 23 skilled nursing and assisted living facilities.

The case study illustrates the format and general content of an award application. However, since the case study serves primarily as a tool for training examiners to evaluate organizations against the 2011–2012 Health Care Criteria for Performance Excellence, the application does not address all Criteria requirements or demonstrate role-model responses in all Criteria areas. Please refer to the *Tillingate Living Scorebook* and *Tillingate Living Feedback Report* to learn how the organization scored and to see its strengths and opportunities for improvement.

There is no connection between the fictitious Tillingate Living and any other organization, named either Tillingate Living or otherwise. Except for several national and government organizations, the other organizations cited in the case study are fictitious.

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2012 ELIGIBILITY CERTIFICATION FORM

This document contains the Eligibility Certification Form and checklist for the 2012 Malcolm Baldrige National Quality Award. Before filling out the form, please read the 2012 Eligibility Certification Q&A on pages 5–7 of the *2012 Baldrige Award Application Forms* booklet.

The form uses text fields (   ) that expand as you type. To enter text, place your cursor in the field, click to highlight the field, and begin typing. Use the Tab key to navigate to the next field.

New for 2012

In addition to the requirements on pages 5–7 of the *2012 Baldrige Award Application Forms,* your organization must meet ONE of the criteria listed below to apply for the Baldrige Award. If you have questions, please call (877) 237-9064, option 3.

If using criteria 2, 3, or 4, please fill in the information requested below.

1. My organization has won the Baldrige Award.	Yes	Your organization is eligible (five-year rule as stated on page 7 is still in effect).	No	Continue with statement 2.
2. Between 2007 and 2011, my organization received the top award from an award program that is a member of the Alliance for Performance Excellence.	Yes	Your organization is eligible. Award program: **USSN/ALC Excellence Award** Year of top award: **2011**	No	Continue with statement 3.
3. Between 2007 and 2011, my organization applied for the national Baldrige Award, and the total of the process and results band numbers assigned in the feedback report was 8 or higher.	Yes	Your organization is eligible. Year: Total of band scores:	No	Continue with statement 4.
4. Between 2007 and 2011, my organization applied for the national Baldrige Award and received a site visit.	Yes	Your organization is eligible. Year of site visit:	No	Continue with statement 5.
5. More than 25% of my organization's workforce is located outside the organization's home state.	Yes	Your organization is eligible.	No	Continue with statement 6.
6. There is no Alliance for Performance Excellence award program available for my organization.	Yes	Your organization is eligible.	No	Call (877) 237-9064, option 3.

1. Your Organization

Official name	Tillingate Living
Other name	
Prior name	*(if changed within the past 5 years)*

Headquarters address	1101 Queensway Avenue Harrisburg, PA 17109

2. Highest-Ranking Official

☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.

Name	Rex Joan
Job title	President/CEO
E-mail	R.Joan@Tillingate.com
Telephone	215-555-5555
Fax	215-555-5556

Address	☒ Same as above

3. Eligibility Contact Point

Designate a person who can answer inquiries about your organization. Questions from your organization and requests from the Baldrige Program will be limited to this person and the alternate identified below.

☐ Mr. ☐ Mrs. ☒ Ms. ☐ Dr.

Name	Susan Freestone
Job title	Executive Vice President Chief Operations Officer
E-mail	S.Freestone@Tillingate.com
Telephone	215-555-5557
Fax	215-555-5558

Address	☒ Same as above
Overnight mailing address	☒ Same as above *(Do not use a P.O. Box number.)*

4. Alternate Eligibility Contact Point

☒ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.

Name	Bradley Craig	Telephone	215-555-5559
E-mail	B.Craig@Tillingate.com	Fax	215-555-5558

**If you are unable to respond to any item,
call (877) 237-9064, option 3, before submitting this form.**

5. Application History

a. Has your organization previously submitted an eligibility certification package?

☐ Yes. *Indicate the year(s). Also indicate the organization's name at that time, if different.*

Year(s)	
Name(s)	

☒ No

☐ Don't know

b. Has your organization ever received the Malcolm Baldrige National Quality Award?

☐ Yes. Did your organization receive the award in 2006 or earlier?

☐ Yes. *Your organization is eligible to apply for the award.*

☐ No. *If your organization received an award during 2007 and 2011, it is eligible to apply for feedback only. Contact the Baldrige Program at (877) 237-9064, option 3, if you have questions.*

☒ No

c. *(Optional; for statistical purposes only)* Has your organization participated in a state or local Baldrige-based award process?

☒ Yes. Years: 2001, 2005, 2007, 2010, 2011

☐ No

6. Award Category

See pages 5–6 of the 2012 Baldrige Award Application Forms *booklet.*

a. Award category *(Check one.)*

Your education or health care organization may use the Business/Nonprofit Criteria and apply in the service, small business, or nonprofit category. However, you probably will find the sector-specific Criteria more appropriate.

For-Profit

☐ Manufacturing

☐ Service

☐ Small business (≤ 500 employees)

☐ Education

☒ Health care

Nonprofit

☐ Nonprofit

☐ Education

☐ Health Care

b. Industrial classifications. List up to three of the most descriptive NAICS codes for your organization (see page 17 of the *2012 Baldrige Award Application Forms* booklet). *These are used to identify your organizational functions and to assign applications to examiners.*

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Eligibility Package due April 3, 2012 (February 28 if you nominate an examiner)
Award Package due May 15, 2012 (May 1 on CD only)

7. Organizational Structure

a. For the preceding fiscal year, the organization had   in

    ☐ up to $1 million   ☐ $1.1 million–$10 million

    ☐ $10.1 million–$100 million   ☒ $100.1 million–$500 million

    ☐ $500.1 million–$1 billion   ☐ more than $1 billion

⇨ ☐ sales
    ☒ revenue
    ☐ budget

b. Attach a line-and-box organization chart that includes divisions or unit levels. In each box, include the name of the unit or division and the name of its leader. Do not use shading or color in the boxes.

    ☒ The chart is attached.

c. The organization is _____ a larger parent or system. *(Check all that apply.)*

    ☒ not a subunit. *(Proceed to item 8.)*

☐ a subsidiary of   ☐ controlled by   ☐ administered by   ☐ owned by

☐ a division of   ☐ a unit of   ☐ a school of   ☐ other _____

Parent organization		Address	
Total number of paid employees*			

Highest-ranking official		Job title	
Telephone			

*Paid employees include permanent, part-time, temporary, and telecommuting employees, as well as contract employees **supervised by the organization**. Include employees of subunits but not those of joint ventures.*

d. Is your organization the only subunit of the parent intending to apply for the award? *Based on the parent organization's size, the program accepts multiple applications from subunits, all award categories combined (see page 7 of the* 2012 Baldrige Award Application Forms *booklet).*

    ☐ Yes   ☐ No *(Briefly explain below.)*   ☐ Don't know

e. Attach a line-and-box organization chart(s) showing your organization's relationship to the parent's highest management level, including all intervening levels. In each box, include the name of the unit or division and its leader. Do not use shading or color in the boxes.

    ☐ The chart is attached.

**If you are unable to respond to any item,
call (877) 237-9064, option 3, before submitting this form.**

f. Considering the organization chart, briefly describe below how your organization relates to the parent and its other subunits in terms of products, services, and management structure.

g. Provide the title and date of an official document (e.g., an annual report, organizational literature, a press release) that clearly defines your organization as a discrete entity.

Title _____   Date _____

Attach a copy of relevant portions of the document. If you name a Web site as documentation, print and attach the relevant pages, providing the name only (not the URL) of the Web site.

☐ Relevant portions of the document are attached.

h. Briefly describe the major functions your parent or its other subunits provide to your organization, if appropriate. *Examples are strategic planning, business acquisition, research and development, facilities management, data gathering and analysis, human resource services, legal services, finance or accounting, sales/marketing, supply chain management, global expansion, information and knowledge management, education/training programs, information systems and technology services, curriculum and instruction, and academic program coordination/development.*

8. Eligibility Determination

See also pages 5–7 of the 2012 Baldrige Award Application Forms *booklet.*

a. Is your organization a distinct organization or business unit headquartered in the United States?

☒ Yes   ☐ No. *Briefly explain.*

b. Has your organization officially or legally existed for at least one year, or since April 2, 2011?

☒ Yes   ☐ No

c. Can your organization respond to all seven Baldrige Criteria categories? Specifically, does your organization have processes and related results for its unique operations, products, and/or services? For example, does it have an independent leadership system to set and deploy its vision, values, strategy, and action plans? Does it have approaches for engaging customers and the workforce, as well as for tracking and using data on the effectiveness of these approaches?

☒ Yes   ☐ No

d. If some of your organization's activities are performed outside the United States or its territories and your organization receives a site visit, will you make available sufficient personnel, documentation, and facilities in the United States to allow a full examination of your worldwide organization?

☐ Yes   ☐ No   ☒ Not applicable

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Award Package due May 15, 2012 (May 1 on CD only)

e. If your organization receives an award, can it make sufficient personnel and documentation available to share its practices at The Quest for Excellence Conference and at your organization's U.S. facilities?

☒ Yes   ☐ No

If you checked "No" for 8a, 8b, 8c, 8d, or 8e, call the Baldrige Program at (877) 237-9064, option 3.

Questions for Subunits Only

f. Is your subunit recognizably different from the parent and its other subunits? For example, do your customers distinguish your products and services from those of the parent and/or other subunits? Are your products or services unique within the parent? Do other units within the parent provide the same products or services to a different customer base?

☐ Yes. *Continue with 8g.*

☐ No. *Your subunit is probably not eligible to apply for the award. Call the Baldrige Program at (877) 237-9064, option 3.*

g. Is your organization a subunit in education or health care? *(Check your eligibility on page 6 of the* 2012 Baldrige Award Application Forms *booklet.)*

☐ Yes. **_Proceed to item 9_**.

☐ No. *Continue with 8h.*

h. Does your subunit have more than 500 paid employees?

☐ Yes. *Your organization is eligible to apply for the award.* **_Proceed to item 9_**.

☐ No. *Continue with 8i.*

i. Is your subunit in manufacturing or service?

☐ Yes. Is it separately incorporated and distinct from the parent's other subunits? Or was it independent before being acquired by the parent, and does it continue to operate independently under its own identity?

☐ Yes. *Your subunit is eligible in the small business category. Attach relevant portions of a supporting official document (e.g., articles of incorporation) to this form.* **_Proceed to item 9_**.

☐ No. *Continue with 8j.*

☐ No. *Your subunit is probably not eligible to apply for the award. Call the Baldrige Program at (877) 237-9064, option 3.*

j. Does your subunit (1) have more than 25 percent of the parent's employees, *and* (2) does your subunit sell or provide 50 percent or more of its products or services directly to customers/users outside your subunit, its parent, and other organizations that own or have financial or organizational control of your subunit or the parent?

☐ Yes. *Your organization is eligible to apply for the award.*

☐ No. *Your organization is probably not eligible to apply for the award. Call the Baldrige Program at (877) 237-9064, option 3.*

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9. Supplemental Sections

The organization has (a) a single performance system that supports all of its product and/or service lines and (b) products or services that are essentially similar in terms of customers/users, technology, workforce or employee types, and planning.

☒ Yes. *Proceed to item 10.*

☐ No. *Your organization may need to submit one or more supplemental sections with its application. Call the Baldrige Program at (877) 237-9064, option 3.*

**If you are unable to respond to any item,
call (877) 237-9064, option 3, before submitting this form.**

10. Application Format

If your organization applies for the 2012 award, in which format will you submit your application?

☒ 15 paper copies **and** a CD (must be postmarked on or before May 15, 2012)

☐ CD only (must be postmarked on or before May 1, 2012)

11. Use of Cell Phones, Cordless Phones, and Voice-over-Internet Protocol (VoIP)

Do you authorize Baldrige examiners to use cell phones, cordless phones, and VoIP to discuss your application? *Your answer will not affect your organization's eligibility. Examiners will hold all your information in strict confidence and will discuss your application only with other assigned examiners and with Baldrige Program representatives as needed.*

☒ Yes   ☐ No

12. Site Listing

You may attach or continue your site listing on a separate page as long as you include all the information requested here. You may group sites by function or location (city, state), as appropriate. Please include the total for **each column** (sites, employees/faculty/staff, and volunteers). *If your organization receives a site visit, the Baldrige Program will request a more detailed listing. Although site visits are not conducted at facilities outside the United States or its territories, these facilities may be contacted by teleconference or videoconference.*

	Example			
		Workforce* *List the numbers at each site.*		*List the % at each site, or use "N/A" (not applicable).*
	Sites (U.S. and Foreign) *List the city and the state or country.*	*Check one or more.* ☐ **Employees** ☒ **Faculty** ☒ **Staff**	**Volunteers (or ☐ N/A)**	% of *Check one.* ☐ **Sales** ☐ **Revenue** ☒ **Budget**
	Coyote Hall Albuquerque, NM	381 Faculty 200 Staff	25	95%
	Cactus Hall Bernalillo, NM	17 Faculty 2 Staff	3	5%
Total	**2**	**600**	**28**	**100%**

*The term "workforce" refers to all people actively involved in accomplishing the work of your organization, including paid employees (e.g., permanent, part-time, temporary, and telecommuting employees, as well as contract employees supervised by the organization) and volunteers, as appropriate. The workforce includes team leaders, supervisors, and managers at all levels.

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Award Package due May 15, 2012 (May 1 on CD only)

	Your Organization			
		Workforce* *List the numbers at each site.*		*List the % at each site, or use "N/A" (not applicable).*
	Sites (U.S. and Foreign) *List the city and the state or country.*	*Check one or more.* ☐ **Employees** ☐ **Faculty** ☒ **Staff**	**Volunteers** **(or ☐ N/A)**	*Check one.* **% of** ☐ **Sales** ☒ **Revenue** ☐ **Budget**
	Harrisburg, PA Corporate headquarters	29	0	
	Harrisburg, PA Colinet Care (96 beds) Wanderers' Way Assisted Living (60 apts.)	222	25	6%
	Philadelphia, PA Gander's Goose Center (80 beds) Hertz Manor (80 beds) Port Living (80 beds) Lovers' Lane Gardens (80 beds) Goth Haven (80 beds)	700	148	19%
	Pittsburgh, PA Gamblers' Row (190 beds) Rockit Alley Assisted Living (60 apts.) Whodathot Assisted Living (60 apts.)	441	112	12%
	Louisville, KY Greenpond Gables (125 beds) Rider's Ridge (95 beds) Sybillia Assisted Living (50 apts.)	428	52	11%
	Elizabethtown, KY Jockey Way (95 beds) Trotter Assisted Living (40 apts.)	201	43	6%
	Nashville, TN Whiskey River Center (175 beds) Kippins Quarters (196 beds) Masters Island Assisted Living (40 apts.)	692	140	19%
	Knoxville, TN Runalong Ridge (130 beds) Pine Island Assisted Living (40 apts.)	267	62	7%
	Fredericksburg, VA Skyview Ridge (84 beds)	148	23	4%
	Lynchburg, VA Wayfarers' Way (195 beds)	332	40	9%
	Roanoke, VA Rolling Hills (160 beds)	258	45	7%
Total	**Headquarters + 23**	**3,718**	**690**	**100%**

*The term "workforce" refers to all people actively involved in accomplishing the work of your organization, including paid employees (e.g., permanent, part-time, temporary, and telecommuting employees, as well as contract employees supervised by the organization) and volunteers, as appropriate. The workforce includes team leaders, supervisors, and managers at all levels.

If you are unable to respond to any item, call (877) 237-9064, option 3, before submitting this form.

13. Key Business/Organization Factors

List or briefly describe the following key business/organization factors. Please be concise, but be as specific as possible. Provide full names of organizations (i.e., do not use acronyms). *The Baldrige Program uses this information to avoid conflicts of interest when assigning examiners to your application. Examiners also use this information in their evaluations.*

a. Main products and/or services and major markets served (local, regional, national, and international)

> Services: Skilled nursing care (long-term medical care, Alzheimer's/other dementia care, traumatic brain injury care, and postacute/posthospital care) and assisted living services (assistance with activities of daily living; medication monitoring and support; transportation, laundry, housekeeping, maintenance, and personal care services; wellness education; wellness and recreational activities; dining services)
>
> Major markets served: People of all ages in Pennsylvania, Kentucky, Tennessee, and Virginia who require skilled nursing care or assisted living services

b. Key competitors (those that constitute 5 percent or more of your competitors)

> Melloughby Health, Pamlico Senior Living, and Warmlee Senior Care, plus any facilities within 50 miles of each facility rated 5-Star by the Centers for Medicare and Medicaid Services

c. Key customers/users (those that constitute 5 percent or more of your customers/users)

> Skilled nursing facility residents (1,920 maximum) and assisted living facility residents (350 maximum)

d. Key suppliers/partners (those that constitute 5 percent or more of your suppliers/partners)

> Suppliers: Caubwick Nationwide Linen, EnnovularMR, Klineway Rehab, Meq-4-U, Wall-to-Wall Pharmacy
>
> Partners: Durrell College of Health Sciences, Partridgeberry Nursing College, Spotsylvania State College, University of Knoxville

e. Financial auditor

f. Fiscal year (e.g., October 1–September 30)

Bradly & Maricio, LLC	January 1–December 31

14. Nomination to the Board of Examiners

If you submit your eligibility certification package on or before February 28, 2012, you may nominate one senior member from your organization to the 2012 Board of Examiners.

Nominees are appointed for one year only. Nominees

- **must not have served previously on the Board of Examiners** and
- must be citizens of the United States, be located in the United States or its territories, and be employees of the applicant organization.

The program limits the number of examiners from any one organization. If your organization already has representatives on the board, nominating an additional person may affect their reappointment.

Eligibility Package due April 3, 2012 (February 28 if you nominate an examiner)
Award Package due May 15, 2012 (May 1 on CD only)

Board appointments provide a significant opportunity for your organization to learn about the Criteria and the evaluation process. The time commitment is also substantial: examiners commit to a minimum of 110 hours from April to December, including approximately 40 hours in April/May to complete self-study, three to four days in May to attend Examiner Preparation, and 50–70 hours from June through September to complete an Independent and Consensus Review. If requested by the program, examiners also participate in a Site Visit Review of approximately nine days. The nominee or the organization must cover travel and housing expenses incurred for Examiner Preparation.

☐ Mr. ☐ Mrs. ☒ Ms. ☐ Dr.

| Susan Freestone | from our organization will serve on the 2012 Board of Examiners. |
| S.Freestone@Tillingate.com | E-mail address |

☒ I understand that the nominee or the organization will cover travel and hotel costs associated with participation in Examiner Preparation.

15. Fee

Indicate your method of payment for the $150 eligibility certification fee.

☒ Check (enclosed)	☐ Money order (enclosed)	*Make payable to the **Malcolm Baldrige National Quality Award.***
☐ ACH payment	☐ Wire transfer	Checking ABA routing number: 075-000-022 Checking account number: 182322730397

Before sending an ACH payment or wire transfer, notify the American Society for Quality (ASQ; [414] 298-8789, ext. 7205, or mbnqa@asq.org). Reference the Baldrige Award with your payment.

☐ Visa ☐ MasterCard ☐ American Express

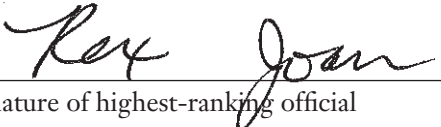| Card number		Authorized signature	
Expiration date		Printed name	
Card billing address		Today's date	

W-9 Request

If you require an IRS Form W-9 (Request for Taxpayer Identification Number and Certification), contact ASQ at (414) 298-8789, ext. 7205.

**If you are unable to respond to any item,
call (877) 237-9064, option 3, before submitting this form.**

16. Self-Certification and Signature

I state and attest the following:

(1)　I have reviewed the information provided in this eligibility certification package.

(2)　To the best of my knowledge,

- this package includes no untrue statement of a material fact, and

- no material fact has been omitted.

(3)　Based on the information herein and the current eligibility requirements for the Malcolm Baldrige National Quality Award, my organization is eligible to apply.

(4)　I understand that if the information is found not to support eligibility at any time during the 2012 award process, my organization will no longer receive consideration for the award and will receive only a feedback report.

Rex Joan (signature)	Rex Joan	02/15/2012
Signature of highest-ranking official	Printed name	Date

17. Submission

To be considered for the 2012 award, submit your eligibility certification package

- on or before February 28, 2012, if you include a nomination to the Board of Examiners

- on or before April 3, 2012, without a nomination, to

  Malcolm Baldrige National Quality Award
  c/o ASQ—Baldrige Award Administration
  600 North Plankinton Avenue
  Milwaukee, WI 53203
  (414) 298-8789, ext. 7205

Include proof of the mailing date. Send the package via

- a delivery service (e.g., Airborne Express, Federal Express, United Parcel Service, or the United States Postal Service [USPS] Express Mail) that automatically records the mailing date or

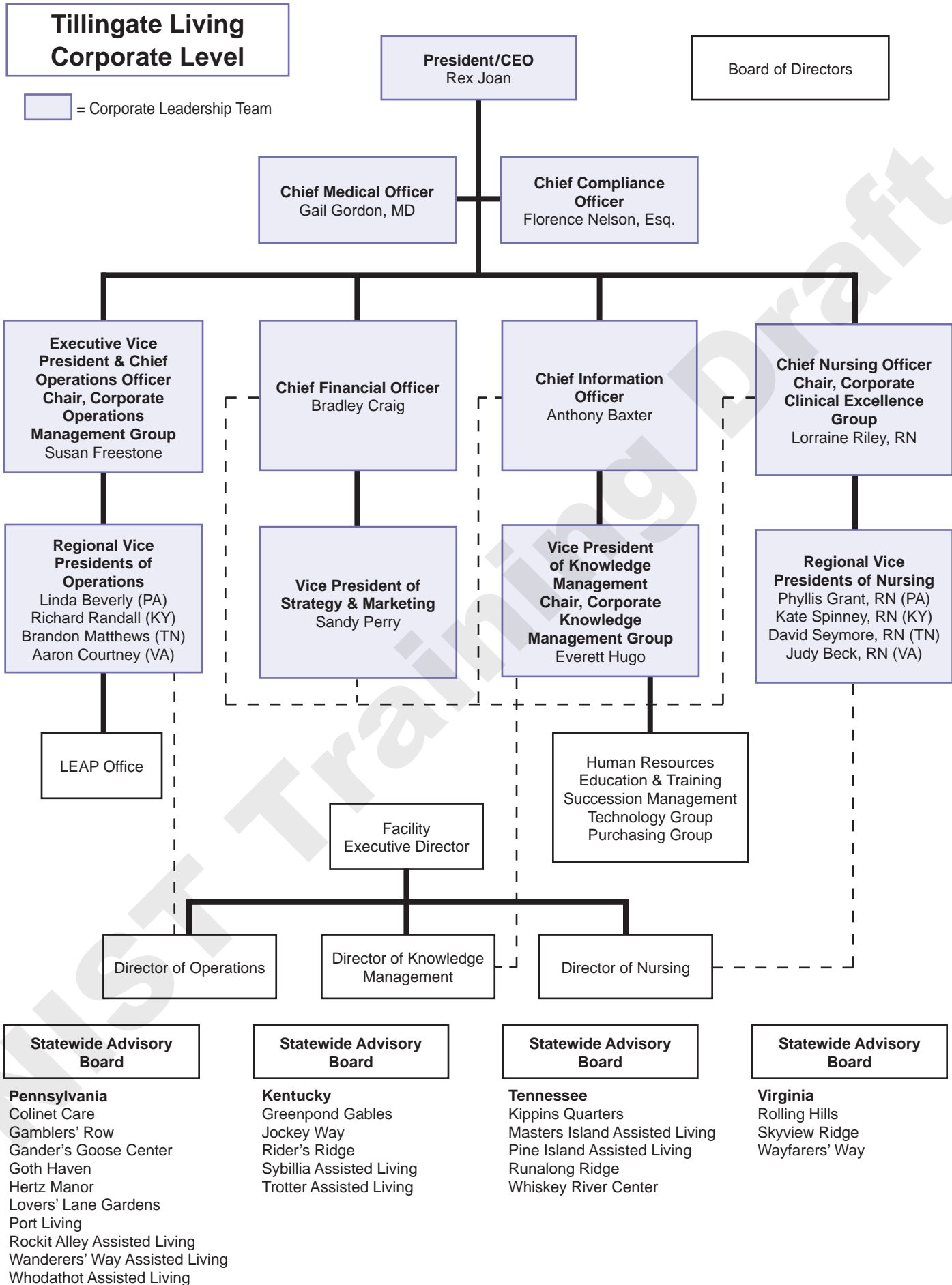- the USPS (other than Express Mail), with a dated receipt from the post office.

Eligibility Package due April 3, 2012 (February 28 if you nominate an examiner)
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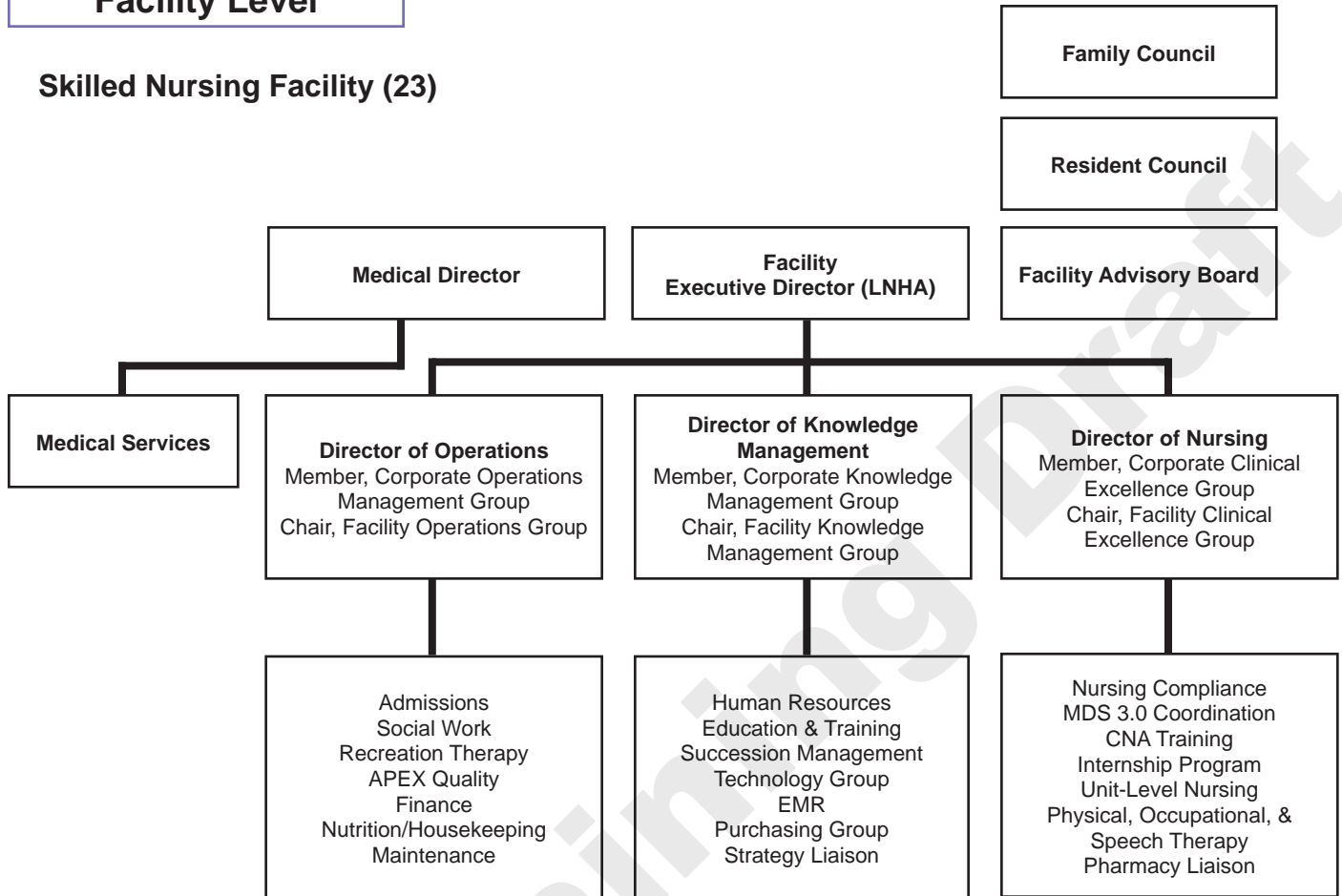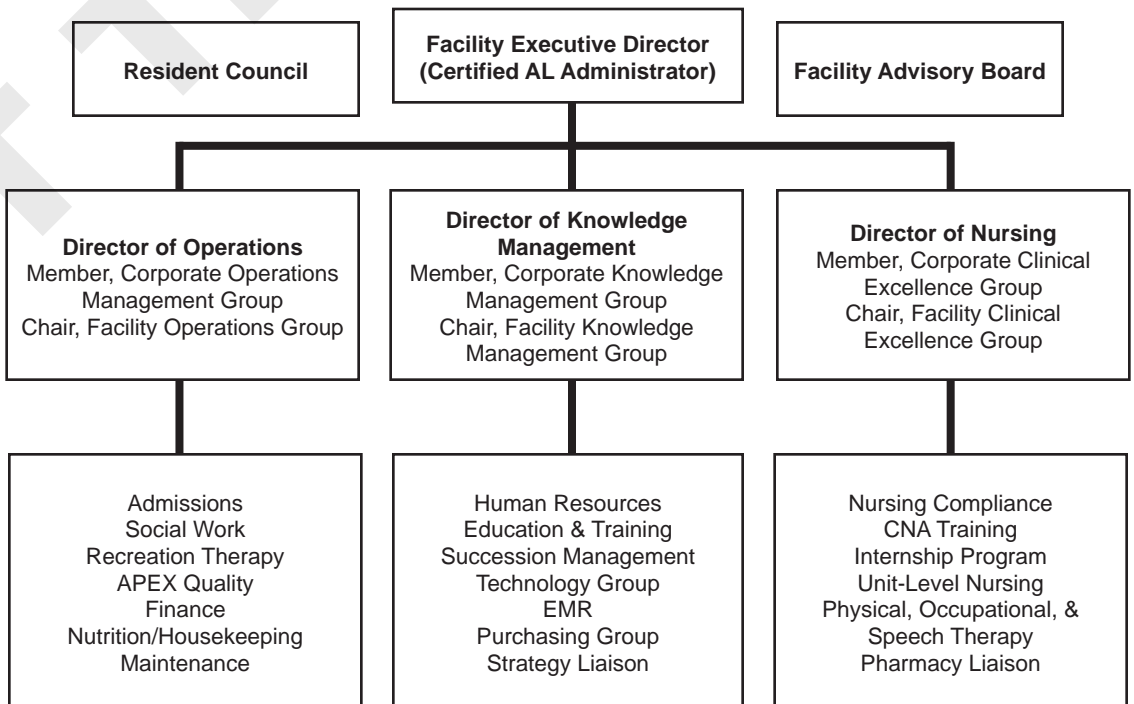
ORGANIZATION CHART

Tillingate Living Corporate Level

☐ = Corporate Leadership Team

President/CEO
Rex Joan

Board of Directors

Chief Medical Officer
Gail Gordon, MD

Chief Compliance Officer
Florence Nelson, Esq.

Executive Vice President & Chief Operations Officer Chair, Corporate Operations Management Group
Susan Freestone

Chief Financial Officer
Bradley Craig

Chief Information Officer
Anthony Baxter

Chief Nursing Officer Chair, Corporate Clinical Excellence Group
Lorraine Riley, RN

Regional Vice Presidents of Operations
Linda Beverly (PA)
Richard Randall (KY)
Brandon Matthews (TN)
Aaron Courtney (VA)

Vice President of Strategy & Marketing
Sandy Perry

Vice President of Knowledge Management Chair, Corporate Knowledge Management Group
Everett Hugo

Regional Vice Presidents of Nursing
Phyllis Grant, RN (PA)
Kate Spinney, RN (KY)
David Seymore, RN (TN)
Judy Beck, RN (VA)

LEAP Office

Human Resources
Education & Training
Succession Management
Technology Group
Purchasing Group

Facility Executive Director

Director of Operations

Director of Knowledge Management

Director of Nursing

Statewide Advisory Board

Pennsylvania
Colinet Care
Gamblers' Row
Gander's Goose Center
Goth Haven
Hertz Manor
Lovers' Lane Gardens
Port Living
Rockit Alley Assisted Living
Wanderers' Way Assisted Living
Whodathot Assisted Living

Statewide Advisory Board

Kentucky
Greenpond Gables
Jockey Way
Rider's Ridge
Sybillia Assisted Living
Trotter Assisted Living

Statewide Advisory Board

Tennessee
Kippins Quarters
Masters Island Assisted Living
Pine Island Assisted Living
Runalong Ridge
Whiskey River Center

Statewide Advisory Board

Virginia
Rolling Hills
Skyview Ridge
Wayfarers' Way

Tillingate Living Facility Level

Skilled Nursing Facility (23)

Family Council

Resident Council

Medical Director

Facility Executive Director (LNHA)

Facility Advisory Board

Medical Services

Director of Operations
Member, Corporate Operations Management Group
Chair, Facility Operations Group

Director of Knowledge Management
Member, Corporate Knowledge Management Group
Chair, Facility Knowledge Management Group

Director of Nursing
Member, Corporate Clinical Excellence Group
Chair, Facility Clinical Excellence Group

Admissions
Social Work
Recreation Therapy
APEX Quality
Finance
Nutrition/Housekeeping
Maintenance

Human Resources
Education & Training
Succession Management
Technology Group
EMR
Purchasing Group
Strategy Liaison

Nursing Compliance
MDS 3.0 Coordination
CNA Training
Internship Program
Unit-Level Nursing
Physical, Occupational, & Speech Therapy
Pharmacy Liaison

Assisted Living Facility (7)

Resident Council

Facility Executive Director (Certified AL Administrator)

Facility Advisory Board

Director of Operations
Member, Corporate Operations Management Group
Chair, Facility Operations Group

Director of Knowledge Management
Member, Corporate Knowledge Management Group
Chair, Facility Knowledge Management Group

Director of Nursing
Member, Corporate Clinical Excellence Group
Chair, Facility Clinical Excellence Group

Admissions
Social Work
Recreation Therapy
APEX Quality
Finance
Nutrition/Housekeeping
Maintenance

Human Resources
Education & Training
Succession Management
Technology Group
EMR
Purchasing Group
Strategy Liaison

Nursing Compliance
CNA Training
Internship Program
Unit-Level Nursing
Physical, Occupational, & Speech Therapy
Pharmacy Liaison

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OF THE
2012 AWARD
APPLICATION FORM

1. Your Organization

Official name	Tillingate Living
Mailing address	1101 Queensway Avenue Harrisburg, PA 17109

2. Award Category and Criteria Used

a. Award category *(Check one.)*

☐ Manufacturing   ☐ Education

☐ Service   ☒ Health care

☐ Small business. The larger percentage of sales is in *(check one)*   ☐ Nonprofit

   ☐ Manufacturing

   ☐ Service

b. Criteria used *(Check one.)*

☐ Business/Nonprofit

☐ Education

☒ Health Care

3. Official Contact Point

Designate a person with in-depth knowledge of the organization, a good understanding of the application, and the authority to answer inquiries and arrange a site visit, if necessary. *Contact between the Baldrige Program and your organization is limited to this individual and the alternate official contact point. If the official contact point changes during the application process, please inform the program.*

☐ Mr.   ☐ Mrs.   ☒ Ms.   ☐ Dr.

Name	Susan Freestone
Title	Executive Vice President Chief Operations Officer
Mailing address	☒ Same as above
Overnight mailing address	☒ Same as above *(Do not use a P.O. box number.)*
Telephone	215-555-5557
Fax	215-555-5558
E-mail	S.Freestone@Tillingate.com

4. Alternate Official Contact Point

☒ Mr.   ☐ Mrs.   ☐ Ms.   ☐ Dr.

Name	Bradley Craig
Telephone	215-555-5559
Fax	215-555-5558
E-mail	B.Craig@Tillingate.com

5. Release and Ethics Statements

Release Statement

I understand that this application will be reviewed by members of the Board of Examiners.

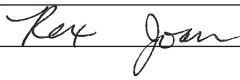If my organization is selected for a site visit, I agree that the organization will

- host the site visit,
- facilitate an open and unbiased examination, and
- pay reasonable costs associated with the site visit (see page 4 of the *2012 Baldrige Application Forms* booklet).

If selected to receive an award, my organization will share nonproprietary information on its successful performance excellence strategies with other U.S. organizations.

Ethics Statement and Signature of Highest-Ranking Official

I state and attest that

(1) I have reviewed the information provided by my organization in this award application package.

(2) To the best of my knowledge,

- this package contains no untrue statement of a material fact and
- omits no material fact that I am legally permitted to disclose and that affects my organization's ethical and legal practices. This includes but is not limited to sanctions and ethical breaches.

Rex Joan	05/10/2012
Signature	Date

☒ Mr.   ☐ Mrs.   ☐ Ms.   ☐ Dr.

Printed name	Rex Joan
Job title	President/CEO
Applicant name	Tillingate Living
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GLOSSARY OF TERMS AND ABBREVIATIONS

Glossary of Terms and Abbreviations

5E system—educate, equip, empower, engage, and encourage

5P Leadership Excellence Commitment—purpose, passion, patience, persistence, and presence

A

AAC—Aging Actively Consortium

ACO—Accountable Care Organization

ADA—Americans with Disabilities Act

ADEs—adverse drug events

AHRQ—Agency for Healthcare Research and Quality

AL—assisted living

ALF—assisted living facility

APEX values—agility, patience, empathy, and excellence

AR—accounts receivable

B

BLS—basic life support

BOD—Board of Directors

C

CAHPS—Consumer Assessment of Healthcare Providers and Systems

CAR—Corrective Action Report

CC—core competency

CEO—chief executive officer

CLT—Corporate Leadership Team

CMS—Centers for Medicare and Medicaid Services

CNA—certified nursing assistant

CNC—Council of Nursing Colleges

COPIS—Customer-Output-Process-Input-Supplier

CRM—customer relationship management

D

DMAIC—Design-Measure-Analyze-Improve-Control

E

EAP—Employee Assistance Program

EBITDA—earnings before interest, taxes, depreciation, and amortization

ELC—end-of-life care

EMR—electronic medical record

EMS—emergency medical services

EPP— Emergency Preparedness Plan

EPT—Emergency Preparedness Team

F

FAB—Facility Advisory Board

FDA—Food and Drug Administration

FMEA—Failure Modes and Effects Analysis

G

GPA—grade-point average

GPO—group purchasing organization

H

HHS—U.S. Department of Health and Human Services

HIPAA—Health Insurance Portability and Accountability Act

HIT—health information technology

HR—human resources

HVAC—heating, ventilation, and air conditioning

I

IRS—Internal Revenue Service

IT—information technology

J

JC—Joint Commission

L

LEAP—Leader-Employee Activities Performance

LEED—Leadership in Energy and Environmental Design

LNHA—licensed nursing home administrator

LPN—licensed practical nurse

LSS—Lean Six Sigma

LT—long term

M

MDS—Minimum Data Set

MRSA—Methicillin-resistant Staphylococcus aureus

N

NASH—Nurses Advancing Senior Healthcare

NPSGs—National Patient Safety Goals

NursQM—Nursing Quality Measures

O

OCR—Office of Civil Rights

OIG—Office of the Inspector General

OSHA—Occupational Safety and Health Administration

P

PDCA—Plan-Do-Check-Act

POC—plan of care

PTP—Performance Tracking Portal

R

RCA—root-cause analysis

RFID—radio frequency identification

RN—registered nurse

S

SA—strategic advantage

SAB—Statewide Advisory Board

SC—strategic challenge

SDRT—Service Delivery Recovery Team

SN—skilled nursing

SNF—skilled nursing facility

SPC—statistical process control

SPMT—Strategic Planning and Marketing Team

SPP—strategic planning process

SPT—Strategic Planning Team

ST—short term

SWOT—strengths, weaknesses, opportunities, and threats

T

TAT—turnaround time

TBI—traumatic brain injury

TillingMeet—videoconferencing system

TillingNet—information management system

TillingWeb—intranet

TL—Tillingate Living

U

USSN/ALC—U.S. Skilled Nursing/Assisted Living Council

UTI—urinary tract infection

UUSN—Union of U.S. Nurses

V

VOC—voice of the customer

VoIP—Voice-over-Internet Protocol

ORGANIZATIONAL PROFILE

Preface: Organizational Profile

P.1 Organizational Description

P.1a Organizational Environment

Tillingate Living (TL) is a for-profit, privately held organization established in 1973 to advance seniors' quality of life and environment. President and chief executive officer (CEO) Rex Joan envisioned the organization as a continuum of innovative communities for seniors. Founded with the purchase of a building in Harrisburg, Pennsylvania, the system entered a period of significant growth in 2006, when it acquired nine facilities. The 2008 acquisition of the Bellburn Care Group, a Pennsylvania competitor with five skilled nursing facilities (SNFs), brought the number of facilities to 23 in four states. Also in 2008, a series of focus groups with seniors indicated that they would rather know what they can do than be told what they no longer have to do. These groups confirmed the trend documented in the current literature: the aging population in the United States increasingly views retirement as an opportunity to be more active in hobbies and long-held interests. President/CEO Joan then embarked on a series of initiatives to change the long-term care model to one that advances seniors' independence and quality of life.

P.1a(1) In 23 facilities across Pennsylvania, Kentucky, Tennessee, and Virginia, TL offers skilled nursing care (85%) and assisted living (15%), with skilled nursing divided into service offerings as shown in Figure P.1-1. Both residents and post-hospital (postacute) patients are referred to as residents. All of the SNFs are Medicare and Medicaid certified, and nine have optional accreditation by the Joint Commission (JC). The other 14 facilities, including the assisted living facilities (ALFs), have opted not to purchase JC reviews, as the required reviews by state departments of health are rigorous.

P.1a(2) TL's culture is characterized by its values of agility, patience, empathy, and excellence (APEX), which support the purpose of advancing seniors' quality of life and environment as well as TL's mission (Figure P.1-2). With its first core competency (Figure P.1-2), TL designs, innovates, and manages its facilities to support various lifestyles and deliver excellent clinical outcomes, focusing on the Aging

Actively Consortium's (AAC's) seven dimensions of wellness: emotional, intellectual/cognitive, physical, spiritual, social, professional/vocational, and environmental. By designing and delivering rehabilitation services that support residents' activities of daily living, TL helps skilled nursing and assisted living residents reach and maintain the highest possible level of independence. With the core competencies in creating an educational environment and developing clinical and service competencies, TL supports a sense of mastery for residents at all levels of ability and, for employees, promotes cross-training to provide more holistic, responsive, resident-centered care. The facilities are known for their sense of societal responsibility.

P.1a(3) TL has 3,718 employees (Figure P.1-3), about 76% of whom are in nursing. The majority of employees (91%) live

Figure P.1-2 Vision, Values, Mission, and Core Competencies

Vision
Be among the top 10% of SNFs and ALFs and be a top choice for care
Values
Agility, Patience, Empathy, and eXcellence (APEX)
Mission
Provide ageless care and timeless living to individuals in a homelike environment that supports their lifestyles and need for care with dignity and respect
Core Competencies
1. Designing, innovating, and managing facilities to support various lifestyles and deliver excellent clinical outcomes
2. Developing clinical and service competencies for a caring and exceptional staff
3. Designing and delivering rehabilitation services to support residents' activities of daily living
4. Creating an educational environment to support a sense of mastery for residents

Figure P.1-1 Facilities and Service Offerings

SNFs (16)	ALFs (7)
• All Medicare and Medicaid certified; 6 offering postacute care • 1,941 beds, including 48 postacute beds	• State regulated; each paired with and sharing the medical director of an SNF • 350 apartments
Service offerings: skilled nursing care, segmented as follows: • Long-term medical care for chronic illness (e.g., diabetes, multiple sclerosis, respiratory diseases) • Alzheimer's disease and other dementia care • Traumatic brain injury (TBI) care • Postacute/posthospital care (e.g., follow-up for knee surgery, hip replacement, stroke care, acute illness)	Service offerings: assisted living, which includes • Assistance with activities of daily living; case management; medication monitoring and support; 24-hour staff/emergency response • Transportation, laundry, housekeeping, maintenance, and personal care services; wellness education; wellness and recreational activities • Private dining rooms and restaurant-style dining

Figure P.1-3 Employee Profile

Gender	Female, 86%; male, 14%
Age	< 20 years, 1%; 21–39 years, 32%; 40–59 years, 56%; ≥ 60 years, 11%
Ethnicity	Caucasian, 74%; African American, 15%; Hispanic, 8%; other, 3%
Education	No high school degree, 1%; high school diploma, 48%; some college, 41%; college degree, 10%
Position Type	Nursing, 76% (registered nurse [RN], 13%; licensed practical nurse [LPN], 10%; certified nursing assistant [CNA], 53%); other professional, 8%; other technical, 3%; service, 9%; office/clerical, 4%
Tenure	< 1 year, 15%; 1–10 years, 54%; 11–25 years, 25%; ≥ 26 years, 6%
Status	Full-time, 53%; part-time, 29%; per diem, 18%
Shift	Day, 72%; evening, 16%; night, 12%

in the communities surrounding the facilities, and many are active in those communities. Physicians from partner groups and under contract, as well as community-based attending physicians and nurse practitioners, also provide care. In 2011, nearly 700 volunteers served in various capacities, such as helping residents use technology, administering resident surveys, transporting residents to therapy, and supporting special events at the facilities.

Key elements that engage the workforce in accomplishing the mission and vision are a good work environment, good benefits, positive relationships with coworkers, pride in the organization, and a voice in resident care. TL does not have any bargaining units. Benefits are described in 5.1b(2).

Workforce health and safety requirements are protection from exposure to communicable diseases, protection from injury while assisting and lifting residents, support in managing residents (including agitated residents), and support for a healthy lifestyle (5.1b[1]).

P.1a(4) Assets include corporate headquarters in Harrisburg, Pennsylvania, and the 23 care facilities (Figure P.1-1). The six facilities providing postacute care are equipped with additional lifts and other rehabilitative equipment. TL also owns 35 buses for resident outings, which are driven by authorized recreation therapy staff. Other assets include furnishings, outdoor exercise stations, and grilling patios. Equipment in care facilities includes electric beds, lifts, chair and bed alarms, adaptive devices, medical devices, IT equipment (including equipment associated with a Web-based electronic medical record [EMR] and resident media centers), video surveillance equipment (standardized for all facilities in 2009), and kitchen and maintenance equipment. In response to an unfunded mandate by the Centers for Medicare and Medicaid Services (CMS), TL plans to install a full sprinkler system in the four facilities that contain asbestos by the August 13, 2013, deadline. Investment in this effort plus asbestos cleanup will be $7.6 million.

P.1a(5) Skilled nursing is a highly regulated industry, with certified nursing homes required to meet over 180 regulatory standards designed to protect residents. These standards cover topics ranging from the care of residents and the processes used to give that care, to interactions between employees and residents, and to the nursing home environment. A trained state health inspection team reviews compliance with standards on average once a year and more often if the nursing home is not performing to goals. In addition, the inspection team reviews residents' clinical records, interviews some residents and family members about life in the facility, and interviews caregivers and administrative staff. Medicare uses some of the assessment information to measure the quality of certain

Figure P.1-4 Key Regulatory Bodies

Agency	Scope of Oversight
CMS	Administers & monitors Medicare & state Medicaid programs
Food & Drug Administration (FDA)	Requires reporting of suspected medical-device-related deaths & some suspected medical-device-related injuries
State departments of health & related local agencies	License long-term care facilities; inspect for compliance with CMS & state requirements
JC	Accredits long-term care beds, units, & facilities (Some states accept JC accreditation for licensing, certification, or contracting purposes.)
U.S. Department of Health and Human Services (HHS) Office of the Inspector General (OIG) & Office of the Medicaid Inspector General	Develop compliance program guidelines for SNFs; set third-party medical billing standards
HHS Office of Civil Rights (OCR)	Enforces Health Insurance Portability and Accountability Act (HIPAA) regulations; all employees must meet annual education requirements
Local fire marshal	Inspects for compliance with National Fire Prevention Association fire safety regulations
U.S. Department of Labor, Equal Employment Opportunity Commission	Enforces laws against workplace discrimination, including the Americans with Disabilities Act (ADA)
Occupational Safety & Health Administration (OSHA)	Sets standards for worker safety and prevention of injury

aspects of nursing home care, called quality measures. The most significant regulators and their scope of oversight are shown in Figure P.1-4.

P.1b Organizational Relationships

P.1b(1) The Board of Directors (BOD) includes members representing each of the four states in which TL operates. BOD subcommittees cover the areas of finance, quality, strategic planning, and human resources (HR). TL employs a board-certified geriatrician as the chief medical officer. In each state, a Statewide Advisory Board (SAB), consisting of health leaders selected by the BOD for three-year terms, oversees regulatory compliance and represents key stakeholder groups in strategic planning. Each facility has an associated Facility Advisory Board (FAB) that oversees regulatory compliance in conjunction with the Compliance Committee.

The corporate leadership team (CLT) consists of the president/ CEO, the chief corporate officers and vice presidents, and the regional vice presidents. As required, each SNF has a licensed nursing home administrator (LNHA) as the executive director,

as well as a state-licensed medical director and director of nursing. ALF executive directors are certified assisted living administrators. At the facility level, leadership teams consist of the executive director, the director of operations, the director of knowledge management, and the director of nursing. The executive directors of 7 of the 16 SNFs oversee an affiliated ALF. Resident Councils at each facility and Family Councils at SNFs meet regularly and help ensure that care and services are resident centered.

P.1b(2) TL's potential market includes people of all ages in the four-state service area who require skilled nursing care or assisted living services. Customers (residents of the facilities, 94% of whom come from the communities sur-rounding the facilities) and their requirements are shown in Figure P.1-5 along with principal stakeholder groups and their requirements.

P.1b(3) Key suppliers, along with supply-chain require-ments and communication mechanisms, are shown in Figure P.1-6. TL also contracts locally for laboratory services. TL

Figure P.1-5 Customers, Stakeholders, and Requirements

Customers	Requirements	
Residents	High-quality, resident-centered care & services Pleasant environment Nutritious, appealing meals Easy access to physicians & continuity of care Respect for privacy, dignity, & choices	
Stakeholders	**SNFs**	**ALFs**
Families	High-quality care & services Communication of family member's health status Attentive staff Reasonable visiting hours Safe & secure environment Involved, visible medical director & executive director	High-quality care & services Communication of family member's health status Attentive staff Reasonable visiting hours Safe & secure environment Online payment system
Community	High-quality care & services Employment opportunities Excellent reputation Financial sustainability	
Payors & regulatory agencies	Compliance with regulations & standards Safe & secure environment	

Figure P.1-6 Key Suppliers

Supplier & Role	Supply-Chain Requirements	Communication Mechanisms
Wall-to-Wall Pharmacy: Pharmaceuticals; on-site pharmacy review & cost analysis	Industry & functional experience Certification in appropriate disciplines HIPAA-compliant communications & documentation Corporate service agreement, as appropriate Responsiveness to customer requirements Evidence of continuous improvement Participation in improvement activi-ties, as requested	Onboarding Handbooks, contracts Regional & virtual meetings Correspondence Corporate newsletters & other TL news Scorecard Corrective Action Reports (CARs)
Meq-4-U: Group purchasing organization (GPO) for medical supplies		
Caubwick Nationwide Linen: Linen & laundering		
Klineway Rehab: Recreation, physical, occupational, & speech therapy (participates in projects to improve billable time)		
EnnovularMR: EMR; training on emerging improvements in EMR		

participates in local buying consortiums, when available, and obtains fresh produce from local farmers when possible.

Under partner agreements with the Durrell College of Health Sciences (Pennsylvania), Partridgeberry Nursing College (Pennsylvania), the University of Knoxville (Tennessee), and Spotsylvania State College (Virginia), TL provides preceptorships and internships for health sciences and health administration students in exchange for affordable educational opportunities for employees seeking higher education in the health sciences. For transport of residents, the system negotiates formal preferred provider agreements with local emergency medical services (EMS) providers in exchange for basic life support (BLS) training. TL has collaborated with the University of Knoxville in developing leadership competencies and a leadership development program for senior living, and with the AAC on Active Aging Initiatives. Since 2005, the facilities have worked closely with local emergency preparedness professionals to ensure public and resident safety. When it is mutually beneficial, TL also collaborates with hospitals near the facilities for the improvement of quality outcomes. The facilities maintain relationships with local school districts for tutoring and with the advocates for persons with disabilities in the four states.

In 2010, the Philadelphia and Pittsburgh facilities joined with other local health care providers in a pilot project to test and refine the Accountable Care Organization (ACO) model, which is based on the principles of local accountability, shared savings, and performance measurement. Under a provision in the 2010 Patient Protection and Affordable Care Act, ACOs will receive monetary incentives for the efficiency and high quality that are expected to result from coordination of care among providers. In February 2012, the Philadelphia- and Pittsburgh-based groups of providers applied to CMS to contract with Medicare as an ACO.

TL considers physicians both partners and collaborators. Some facilities have partnerships with local physician groups, and in most facilities, physicians participate in strategic planning and improvement initiatives.

Headquarters and facilities communicate with suppliers and partners through a variety of print and electronic media. The onboarding process, handbooks, and contracts familiarize suppliers and partners with the requirements and expectations for interactions with the facilities and workforce. TL tracks the performance of each supplier and expected outcomes on a scorecard, and all suppliers must submit a Corrective Action Plan when they do not meet defined goals (6.2b[3]).

TL collaborates with industry advocates for continuous improvement. This effort has helped TL improve its documentation of the clinical care of residents as well as capture increased revenue, which relies heavily on accurate documentation. Collaborating organizations include the U.S. Skilled Nursing/Assisted Living Council (USSN/ALC), AgeFully, and the AAC.

P.2 Organizational Situation

P.2a Competitive Environment

P.2a(1) TL is the fourth-largest chain of SNFs and ALFs in the four states, with 21% market share overall. Because of community involvement and because most residents, employees, and volunteers come from the areas surrounding a particular facility, each facility positions itself as a part of the community in which it is located rather than simply one link in a chain of facilities. Key competitors for market share are Melloughby Health, Pamlico Senior Living, and Warmlee Senior Care, as well as all other CMS 5-Star-rated facilities within 50 miles of each facility.

TL anticipates a period of growth over the next four years. In addition to increasing the number of residents who are baby boomers, the system plans to build four new facilities. Although some skilled nursing providers have decreased the number of certified beds to create more private rooms and add assisted living beds, TL will not decrease its bed count. New construction will involve private rooms only, and all new facilities will be located within five miles of a college or university. With a growing preference by residents for private rooms and access to activities, TL expects this construction approach to increase market share.

P.2a(2) The pool of potential new residents is increasing as the baby-boomer generation ages, and some competitive facilities have not been able to keep up with the expectations of this market segment, build market share, and keep occupancy rates high. To remain competitive, senior living facilities must constantly examine the quality and quantity of services they provide against these rising expectations. Other key changes in the industry are consumer demand for private rooms and expansion of opportunities for collaboration with providers of other levels of care, such as adult homes and senior apartment complexes; providers of community services for the aging; and education institutions. In addition, the number of younger people with injuries and the number of Alzheimer's disease and dementia residents are on the increase, and TL is investigating the establishment of dedicated TBI centers due to an increased demand for TBI services in some regions.

The health care industry continues to face declining reimbursement and increasing unfunded mandates. Health care reform, including the design and implementation of ACOs, is a key change. As health care reform began to unfold, lobbying groups for the long-term care industry asked to be included in the modeling for the development of ACOs. For the long-term care industry, it will be important for ACOs to delineate how fair and equitable payment for services will be made, to ensure smooth transitions for patients from one level of care to another, and to ensure that quality measures and incentive programs support the sustainability of the industry.

P.2a(3) Sources of comparative and competitive data are shown in Figure P.2-1. Through the Packer Patient Satisfaction Survey vendor, TL adds questions from the Consumer Assessment of Healthcare Providers and Systems (CAHPS),

Figure P.2-1 Sources of Comparative and Competitive Data

Source	Data Type
Packer Patient Satisfaction Survey	Resident and family satisfaction & engagement; independently administered; customizable; comparison database of more than 9,000 SNFs & ALFs
CMS Nursing Home Compare	Indicators for overall quality, health inspections, nurse staffing, and quality measures; standardized calculation of indicators for effective comparisons across facilities nationally
USSN Data Dispatcher	Quality measures, staffing levels, regulatory compliance; standardized calculation of indicators for comparisons across facilities nationally
Caring Colleagues	Workforce satisfaction; national average & benchmark comparisons
NursQM	Nurse satisfaction; average and benchmark comparisons
TillingNet Data Repository	Internal APEX operational, financial, staffing, & excellence indicators across facilities
Moody's Investor Service	Sector-specific financial & profitability measures; average and top-decile national levels
Help Desk Quality Partners, Hiatus Hotels LLC, Widmark Mortgage	Out-of-industry measures of help-desk response satisfaction, facilities request response time, & application processing time

Figure P.2-2 Strategic Challenges and Advantages

Strategic Advantages	Strategic Challenges
1. Expertise in wellness and disease management 2. Reputation for excellent service 3. Cutting-edge technology (e.g., EMR) 4. High retention of employees 5. Partnerships with colleges and universities 6. A workforce that is active in TL's communities	1. Competitive market & market consolidation 2. Integration of existing practices with ACOs 3. Integration of TL's culture & processes (e.g., APEX Performance Goal Plans) into acquired facilities 4. Right-sizing for performance excellence 5. Complexity & low rates of Medicare & Medicaid reimbursement 6. Low operating margins 7. Succession planning in view of relatively new leadership development program

developed by the Agency for Healthcare Research and Quality (AHRQ), to its resident and family surveys. Once CAHPS is fully adopted by CMS, TL will have access to national benchmarks for skilled nursing and assisted living services provided by top-ranking organizations. Currently, the Packer Patient Satisfaction Survey does not offer comparative data for the service offerings within skilled nursing, and USSN Data Dispatcher does not provide data on all of TL's competitors. As sources of workforce comparative data, Caring Colleagues benchmarks often lag, and Nursing Quality Measures (NursQM) cover nursing staff only.

P.2b Strategic Context
P.2b Figure P.2-2 summarizes TL's key strategic challenges and advantages. Among its strategic advantages, TL's reputation for excellent services includes a focus on wellness and disease management, which is in alignment with the organization's vision. TL also encourages staff to be very active in their communities; community involvement is rewarding for staff and reinforces TL's commitment to caring.

Strategic challenges include integrating TL's organizational culture and processes into acquired facilities to ensure a shared purpose and competitive success. When acquiring new facilities, TL has met significant resistance in some areas, and reorganization was necessary in some facilities. The sharing of information has brought the facilities closer together in terms of organizational identity. The implementation of health care

reform and the advent of ACOs will require TL to assess its position relative to the new health care structures to ensure that it can support the ACOs and still maintain financial viability. In addition, operating margins for long-term care organizations are typically very low, so meeting unfunded mandates while preserving a high level of care for residents is very challenging. Internal succession planning, another strategic challenge, is three years into development. To help maintain current retention rates, TL is working to have its leader development efforts fully in place by the end of 2012.

P.2c Performance Improvement System
P.2(c) The corporate Leader-Employee Activities Performance (LEAP) Office tracks and oversees improvement projects systemwide, with one APEX quality coordinator (who either is an RN or has a quality credential) housed at each facility. To design systems and make simple improvements, teams use Plan-Do-Check-Act (PDCA). The LEAP Office runs a Lean Six Sigma (LSS) program (created in 2009) for more complex improvement projects as well as a Yellow Belt training and certification program. These approaches work together under the system's overarching performance improvement system, the Baldrige framework. TL began its performance excellence journey in 2001 with the submission of a Bronze-level application for the Baldrige-based USSN/ALC Excellence Award. TL also participates in the Union of U.S. Nurses' (UUSN) Voyage to Distinction and Gemstone Designation Program.

RESPONSES ADDRESSING ALL CRITERIA ITEMS

Category 1: Leadership

1.1 Senior Leadership

1.1a Vision, Values, and Mission

1.1a(1) The CLT sets the vision and values at the corporate level during strategic planning (step 2; 2.1a[1]). The vision, values, and mission were established in TL's early years, and annually during strategic planning, the CLT ensures that the vision and values are current; clearly state what the system aims to accomplish; and lead the system toward what it wants to do, be, and have. With the acquisition of the Bellburn Care Group in 2008, TL instituted the evaluation of the APEX values, vision, and mission for alignment with those of any acquired organization. Even if there is already a good fit, the evaluation honors the acquired organization and its history, and helps to make the merger or acquisition a success. In 2009, the TL added the phrase "homelike environment" (from the Bellburn Care Group's mission) to its own mission.

TL deploys the vision and values through the leadership system (Figure 1.1-1). Identifying all stakeholders ensures that the vision and values are deployed to the workforce, key suppliers and partners, and residents and other stakeholders, as appropriate. At the CLT level, the *plan* phase involves deploying the vision and values through the strategic plan and associated action plans. Strategic thinking about the intended outcomes of each strategy creates a management-by-fact culture across the 23 facilities, with delegated accountability for specific APEX measures and goals based on data and projections.

The CLT uses the methods shown in Figure 1.1-2 to communicate the vision, values, and plans at the appropriate level of detail to the workforce, residents, and stakeholders. The vision and values are posted in all central areas and departments of each facility, incorporated into job descriptions, communicated in print and electronic media, and included in orientation for all new residents and employees.

TL's unwavering focus on its vision guides all decisions about the system's direction. Fact-based decision making also drives the identification and sharing of best practices across the facilities. Before 2008, acquired facilities were simply expected to adopt TL's processes. Since then, TL has identified the top-performing facility for each success measure and has set the expectation that all facilities will adopt best practices from that facility.

To reflect a commitment to TL's values and demonstrate the caring for residents that they wish to see throughout the workforce in each facility, CLT members spend 25% of their time in the facilities on a quarterly visit schedule (1.1b[1]). The CLT hosts a weekly huddle over TillingMeet, TL's videoconferencing system, with the leadership team at each facility to inform facility leaders of internal and external events and to create a venue for sharing.

Additionally, to help integrate new facilities into the system, each new or acquired facility is assigned a CLT champion for the first year. The champion spends 33% of his/her time at the facility to foster two-way communication; foster relationships that will help identify strengths, weaknesses, opportunities, and threats (SWOT); and promote the review and alignment of policies, procedures, and practices.

1.1a(2) TL's corporate leaders and facility leaders demonstrate their commitment to legal and ethical behavior by personally reviewing, endorsing, and signing policies and procedures and disclosing conflicts of interest, including financial conflicts, annually. They promote an environment that requires these behaviors with PDCA:

- In the *plan* step, systemwide policies and procedures provide clear guidance on what the workforce needs to *do* (the requirements and expectations) to live TL's values.
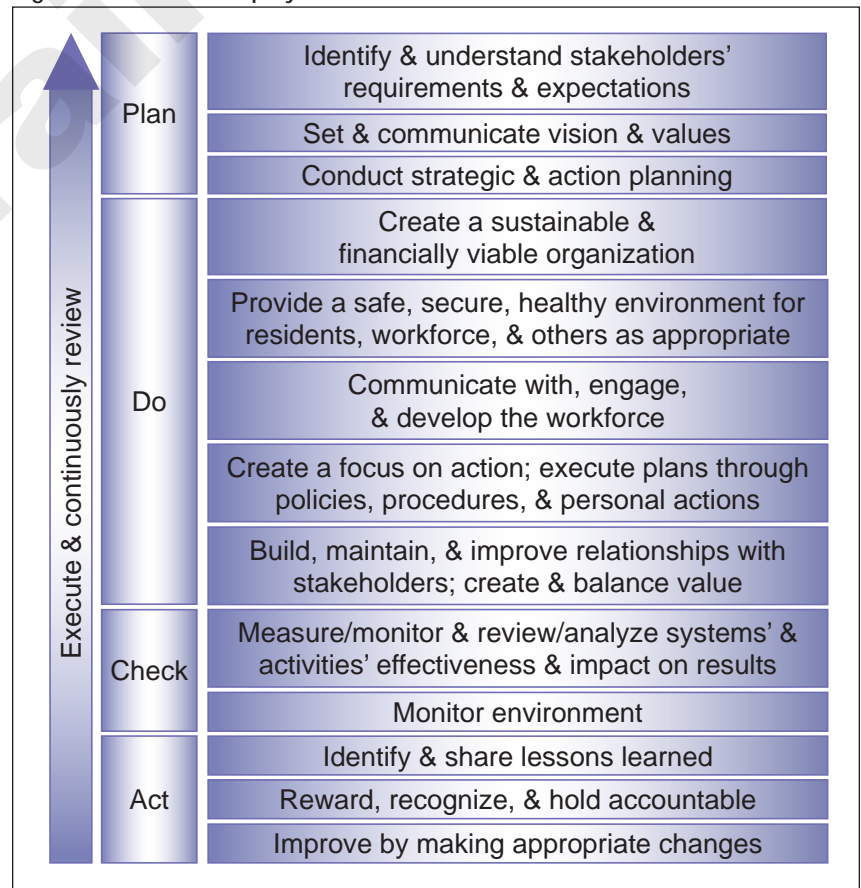
Figure 1.1-1 Leadership System

Plan	Identify & understand stakeholders' requirements & expectations	
	Set & communicate vision & values	
	Conduct strategic & action planning	
Do	Create a sustainable & financially viable organization	
	Provide a safe, secure, healthy environment for residents, workforce, & others as appropriate	
	Communicate with, engage, & develop the workforce	
	Create a focus on action; execute plans through policies, procedures, & personal actions	
	Build, maintain, & improve relationships with stakeholders; create & balance value	
Check	Measure/monitor & review/analyze systems' & activities' effectiveness & impact on results	
	Monitor environment	
Act	Identify & share lessons learned	
	Reward, recognize, & hold accountable	
	Improve by making appropriate changes	

(Left axis: Execute & continuously review)

Figure 1.1-2 CLT Communication Mechanisms

Mechanism	Content	Frequency	Audience
↔ Open-door policy	Open	Continuous	Workforce
↔ CLT Direct telephone line	Open	Continuous	Workforce
↔ Luncheon chats at facilities	Vision, values; strengths & opportunities for improvement; welcome to new employees	Quarterly	Workforce
APEX Performance newsletter	Outstanding employee performance	Monthly	Workforce
Facility & unit bulletin boards	APEX scorecard data	Continuous	Workforce
↔ TillingMeet (videoconferencing)	As needed	As needed	Workforce
↔ Facility visits	Vision & values	Quarterly	Workforce, physicians
↔ Brown-bag lunches via TillingMeet	Open	Weekly	Workforce & physicians at newly opened or acquired facilities
Memos, e-mail messages, text messages	Vision, values, announcements, news	As needed	Workforce, physicians
TillingWeb (intranet)	APEX scorecard data; PDCA and LSS team activity	As needed	Workforce, physicians
↔ Medical staff meetings	Updates on the status of clinical and operational outcomes	Monthly	Physicians
↔ CLT rounds	Vision, values, concerns	Quarterly	Workforce, residents, family members
↔ The Gate Way to Leadership	5P, 5E, leadership topics	Monthly	Current & potential leaders
↔ Orientation	Vision, values, policies, strategic plan areas	Biweekly	New employees
Leadership Huddles (TillingMeet)	Internal & external events, results, information, decisions	Weekly	Facility leaders
↔ Leadership Summits	APEX scorecard patterns & trends, topics suggested by facility leaders	Twice a year	Facility leaders
Volunteer newsletter	News & changes relevant to volunteers	Monthly	Volunteers
Handbooks & contracts	Policies, requirements	As needed	Suppliers
↔ Supplier scorecard review meetings	Expectations, changes in goals, action plan requirements	Quarterly	Key suppliers
Agenda packet & reports	Results, information	Monthly	BOD
↔ BOD meetings	Scorecard results, information, decisions	Monthly	BOD, community
↔ Public Web site & e-mail access, social media	Aggregate scorecard results; responses to public questions, comments, & concerns	Continuous	Community
CEO blog	Vision, values, upcoming organizational changes, satisfaction results, general news	Monthly	Community
Posters, flyers, press releases	Vision, values, news, events supporting facility operations & fundraising efforts	As needed	Community, workforce
↔ Community service	Mission	Continuous	Community
↔ Town halls, senior center focus groups, & other meetings	Ideas, concerns, & information	As needed	Specific to topic

↔ Two-way.

- *Checks* consist of internal and external audits of financial measures, as well as clinical indicators of continuous readiness for all licensure and accreditation surveys. In 2010, TL began to include all employees in observations for resident safety and environment of care at SNFs. This provides more robust findings and educates employees on the performance desired as well as engaging them in and empowering them to be accountable for the results. Findings are aggregated and reported on the systemwide APEX scorecard.
- *Action* in response to findings may include reward and recognition for APEX performance or, in the rare event of a breach, disciplinary action.

1.1a(3) The CLT creates sustainability by crafting a performance improvement culture in alignment with the vision and strategic objectives. Leaders use the 5E system to *educate, equip, empower, engage,* and *encourage* the workforce to achieve at high levels and innovate. The strategic objectives populate the systemwide APEX scorecard, and each facility and each department within each facility has an aligned scorecard. All APEX scorecards contain measures relating to agility (innovation outcomes), patience (satisfaction outcomes), empathy (teamwork outcomes), and excellence (quality outcomes), as well as financial outcomes. The scorecards educate the workforce on what TL believes is important as it measures and monitors success related to the system's strategic challenges, strategic advantages, and other key measures.

The strategic plan and associated action plans (Figure 2.1-3) drive resourcing decisions to ensure that TL equips the workforce for success. Delegated accountability for the results on the scorecards empowers stakeholders to improve. The CLT rewards and recognizes departments and facilities that meet or exceed targets, as well as those that are "most improved," to encourage additional gains.

APEX scorecard data also drive the sharing of practices in individual facilities that result in high performance. On the scorecards, the CLT identifies measures on which TL needs to benchmark internally or externally to improve. Twice a year at the Leadership Summit attended by the CLT and facility leaders, the agenda is based on patterns and trends in APEX scorecard measures, with facility leaders providing input on topics they would find helpful. CLT members also serve as facilitators and mentors in the Gate Way to Leadership, the first level of TL's leadership development program (see 5.2c[3]).

To create and promote a culture of resident safety, the corporate Resident Safety Committee monitors all National Patient Safety Goals (NPSGs) appropriate to the facilities and tracks adverse events and near-misses in the TillingNet Information Management System (see category 4). Individuals reporting a near-miss receive a personal thank-you note from a CLT member to recognize their role in preventing future incidents. In addition, all employees are included in observations for safety and the environment of care (1.1a[2]). Many APEX scorecard measures, including quality of care, are related to resident safety, focusing the entire system on safety in the facilities and leading to sharing and learning.

1.1b Communication and Organizational Performance
1.1b(1) The geographic distances between the facilities and the changing preferences of the workforce have led to changes in communication mechanisms (Figure 1.1-2). The Communication System (Figure 1.1-3) helps TL continuously examine its communication. A critical element is the evaluation of the effectiveness of communication, frequently by asking people individually whether they understand a certain message. Results from these queries are entered into the TillingNet Information Management System to discern the most effective mechanisms and media for different messages and audiences.

For example, in 2006, when gasoline prices increased to $2.00 per gallon, TL installed TillingMeet (a videoconferencing system) so that employees at all facilities could attend meetings virtually while decreasing fuel consumption and transit time. Subsequent conversations revealed that TillingMeet was a helpful communication medium but not an effective substitute for on-site presence. The response was to establish the CLT visit schedule in 2009, and workforce engagement and satisfaction improved. The CLT and facility leaders began sending short announcements via text message in 2010 based on feedback that many workforce members preferred text messages over e-mail or paper for this type of communication.

To ensure consistency and balance structured and unstructured time, CLT members follow a visit plan during their quarterly visits to facilities. Before each visit, the CLT member reviews facility-specific APEX scorecard measures as a basis for discussing strengths and opportunities for improvement with the workforce. The plan includes rounding in each area of the

Figure 1.1-3 Communication System
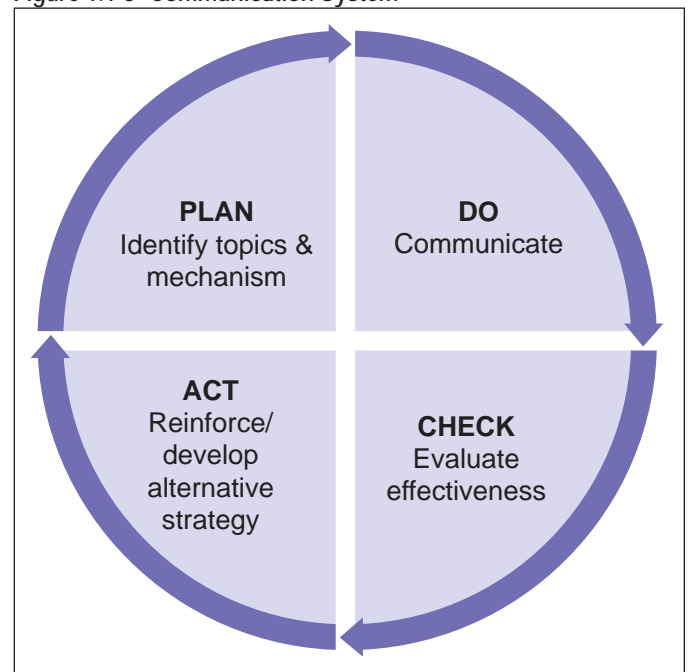
facility, visits with at least three residents, and "no-hidden-agenda" time spent in conversation with workforce members. At luncheon chats during these visits, CLT members meet employees hired within the past 90 days, discuss the vision and values, and ask for identified strengths and opportunities for improvement. In addition, CLT members personally recognize employees who have earned APEX Performance Awards, which are based on scorecard measures achieved and employees going above and beyond the values. After the visit, comments and suggestions received are entered into TillingNet to discern patterns and trends and to track improvements. When TL institutes an improvement based on input from the workforce, the communication about the change recognizes the workforce members suggesting the improvement.

1.1b(2) The CLT creates a focus on action with the 5P Leadership Excellence Commitment: "We will lead with purpose, passion, patience, persistence, and presence." *Purpose* focuses attention on the vision, since TL has found that where the CLT focuses, the workforce will focus. The agenda for each CLT meeting includes recognition of members' demonstration of *passion* for TL, the workforce, and residents, as well as discussions to encourage *patience* and *persistence*. CLT

members' *presence* in their quarterly visits makes a difference for the workforce and residents. The *do* phase of the leadership system creates transparency and empowers the workforce via delegated accountability.

The CLT identifies needed action with the system of integrated APEX scorecards (Figure 1.2-1). In selecting comparative data (Figure P.2-1, 4.1a[2]), TL continually sets achievable stretch goals to create and balance value for residents and other stakeholders.

1.2 Governance and Societal Responsibilities

1.2a Organizational Governance

1.2a(1) TL's system of integrated APEX scorecards (Figure 1.2-1) creates accountability for the management's actions, fiscal accountability, and transparency. As part of the *empower* element of 5E, APEX goals and success measures cascade from the strategic plan, through the facility plans and department plans (2.2), to individual APEX Performance Goal Plans for workforce members (5.1a[3]). Individual APEX plans support departmental action plans. APEX measures of success at the department level roll up to the facility level, which in turn roll up to the service scorecard and then the system scorecard, which is reported to the BOD monthly. This is referred to in TL as analysis "up one side and down the other." It allows the CLT and other employees to drill down through the levels to identify opportunities for improvement. Results are linked with APEX Performance Evaluations at all levels and in all facilities and are a consideration in compensation (5.2a[3]). Scorecard results are one element of the environmental scan during the strategic planning process (SPP).

Audits also drive accountability and transparency. To ensure independence, the BOD engages internal and hires external auditors, who report findings directly to the BOD. Recently, in addition to traditional financial audits, TL's internal auditor began validating APEX scorecard measures. This activity captures math errors and identifies opportunities for education about calculations and statistical reliability and validity. The process also validates payouts from the incentive-based compensation program (5.2a[3]). To ensure accountability for compliance, each SAB (P.1b[1]) meets quarterly with the regional vice president of operations, the regional vice president of nursing, and all executive directors in that region. FABs meet monthly with the facility's executive director, director of operations, director of nursing, and medical director.

To create transparency in operations and protect stakeholder interests, TL first uses a factor matrix to select BOD members who represent the age, gender, and cultural and racial diversity of the system's various communities and have the skills and knowledge required for successful governance and protection of stakeholder interests. Second, the BOD and CLT

Figure 1.2-1 "Up One Side and Down the Other"
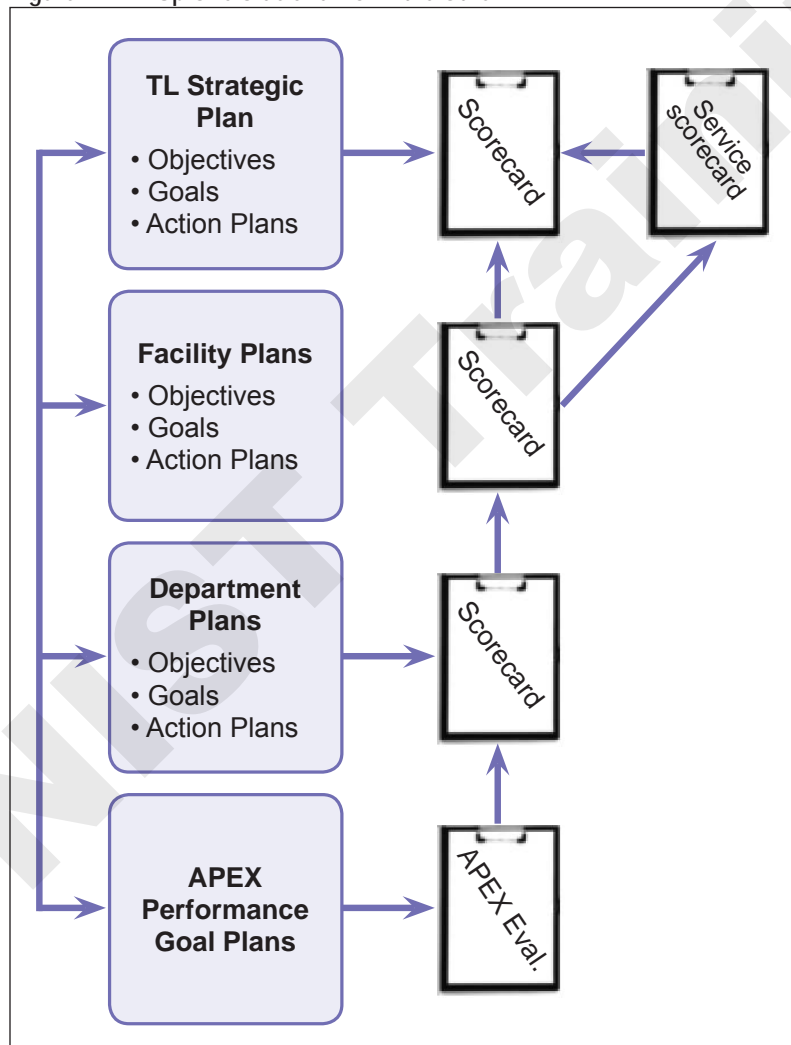
disclose conflicts of interest and financial holdings every year. Third, other than executive sessions to discuss legal or personal topics, all monthly BOD meetings are open to the workforce, residents, families, and the community. Finally, results for all APEX scorecard measures are posted on bulletin boards in each unit at each facility and in the aggregate on the system's public Web site.

1.2a(2) BOD members conduct an annual self-evaluation. Beginning in 2008, this self-evaluation included a review of the factors in the decision matrix used to select BOD members to ensure that the factors reflect the community. CLT members' performance, including the president/CEO's, is evaluated using the same mechanisms used for all employees (5.2a[3]). APEX Performance Evaluations and incentives are aligned with APEX values and individual goals. For CLT members, APEX Performance Evaluations also include financial performance and accomplishment of strategic objectives.

Performance to goals is also an element in the annual educational needs assessment (5.2c[1]). This reinforces management by fact and reduces perceptions of favoritism. The strategic plan, particularly challenges and advantages, and the SWOT analysis are used to create APEX Performance Goal Plans for the CLT and BOD. These plans and the feedback from the BOD's annual self-evaluation are used to identify opportunities to improve the leadership system. This system and all other key systems are reviewed and updated as appropriate during the SPP and the preparation of applications for Baldrige-based awards.

1.2b Legal and Ethical Behavior

1.2b(1) TL learns of public concerns through its communication mechanisms (Figure 1.1-2) and as a result of the transparency of its plans. For example, in 2007, when the system was building Greenpond Gables, a Kentucky facility for residents with dementia and Alzheimer's disease, the neighborhood expressed concern about the impact of residents who might wander or harm themselves or others. TL learned of the concern in a town hall meeting held for the community and provided information about safety and security measures, including resident identification bands with embedded radio frequency identification (RFID) chips. The bands also include a waterproof flash drive containing an encrypted medical history, contact information, and a current medication list. The local school district and two preschool day-care organizations decided to offer a similar voluntary safety mechanism for children, capitalizing on the facilities' relationships with local hospitals, EMS, and fire and police systems to retain confidentiality through secure encryption. In 2010, TL instituted an update and verification of the information in the bands during each quarterly plan-of-care (POC) update meeting and when the POC changes.

In another example, knowing that increased traffic is a common concern in its communities, TL studies current and anticipated traffic volume and patterns for any proposed facility. TL brings the results to initial community hearings along with a proposal to install controls (e.g., stop signs, traffic lights, speed bumps). This establishes a respectful, positive tone for future dealings.

TL's communication mechanisms (Figure 1.1-2) often serve as the trigger for considering methods of conserving natural resources and managing the supply chain effectively, followed by research and development of a business plan. APEX Performance Awards encourage additional brainstorming and innovation from the entire workforce.

For example, after researching the use of wind power for her home, a nurse at Skyview Ridge suggested that the system build a wind farm as a long-term strategy for lessening the environmental impact of the system's energy use and, eventually, reducing energy costs. The suggestion was researched, a business plan developed, and a pilot wind turbine installation began during the 2005 strategic planning and budget cycle. The employee's APEX Performance Award spurred other employees to investigate ways to conserve energy. At the suggestion of a Technology Group member at a Tennessee facility, all facilities have upgraded their heating, ventilation, and air conditioning (HVAC) systems to capture energy from computer data centers to use in the facilities.

Key processes, measures, and goals for achieving and surpassing regulatory, legal, and accreditation requirements and addressing risks, overseen by the chief compliance officer, are noted in Figure 1.2-2. As part of the strategy to advance the quality of care and independence of seniors, TL advocates accessible universal design to promote social equality for seniors and people with disabilities as well as to heighten awareness about the general need for safety. In this area, seniors can lead other segments of the community. The facilities are beta sites for architectural and construction firms in testing new designs, which enables economical innovation in designing for safety. TL leveraged these relationships to offset some of the expense of complying with sprinkler installation and asbestos removal. Also related to this strategy, the SNFs are successfully implementing CMS's Minimum Data Set (MDS) 3.0, a core set of screening and assessment elements in a resident assessment instrument, largely due to effective training.

1.2b(2) TL promotes and ensures ethical behavior in all interactions with PDCA (1.1a[2]). The *plan* consists of systemwide policies and procedures stating what the workforce is required and expected to *do* to ensure ethical behavior. New workforce members attend training on the corporate Compliance Program and Code of Conduct during orientation, and they sign a statement that they have received, read, and understood the requirements. Contractors, partners, and suppliers receive guidance on legal and ethical behavior in the onboarding process. They also sign agreements regarding the security and confidentiality of TL's data and information.

The systemwide Clinical Ethics Committee is available to consult with any workforce member, physician, resident, family member, or community member on ethical dilemmas or concerns. The committee sponsors discussions of ethical

Figure 1.2-2 Key Compliance and Risk Management Processes, Measures, and Goals

Responsibility	Process	Measure (Goal)	Results
Collaborative Care Teams	APEX scorecard reviews & audits, JC accreditation survey	Licensure survey outcomes (full licensure for all facilities), accreditation survey outcomes for facilities (full accreditation)*	Figure 7.4-4
Collaborative Care Teams, Resident Safety Committee	MDS 3.0	MDS 3.0 outcomes*	7.1
Collaborative Care Teams, Resident Safety Committee, East Coast Medical	Incident reporting	FDA adverse drug events (ADEs)* (0)	Figure 7.4-4
Safety Committee	Audit process, monthly reviews	Fire safety deficiencies or findings (0), fire drills & emergency exercises (100%), other safety issues (0), missing persons drills	Figures 7.1-17, 7.1-18, 7.1-19
Compliance Committee	OIG audits of billing processes	Billing errors (0)	Figure 7.4-4
Technology Group	Confidentiality & privacy processes	HIPAA and residents' rights citations* (0)	Figure 7.4-4
Corporate HR	Staff credentialing & licensure	Credentialing or licensure requirement violations (0)	Figure 7.4-4
Audit Committee	Use of Generally Accepted Accounting Principles, federal tax filing	Material findings (0), Internal Revenue Service (IRS) fines or penalties (0)	Figures 7.4-4, 7.4-5

*Also a measure of ethical behavior.

dilemmas in health care as well as "courageous conversations" to forge consensus on the ethical course of action in such areas as end-of-life decisions, suspected abuse or neglect, and resident financial concerns. Calls to the Clinical Ethics Committee are analyzed along with the auditing processes, and the aggregated findings are used in future educational offerings, policies, and procedures. Corrective actions typically involve consensus building, education, and, if violations occur, disciplinary action. See Figure 1.2-2 for other measures of ethical behavior.

1.2c Societal Responsibilities and Support of Key Communities

1.2c(1) The APEX values and the vision and mission are the foundation for considerations of societal well-being and benefit in strategy and daily operations. TL and the workforce consider the provision of a safe, secure, homelike environment to support residents' lifestyles and families' needs a societal benefit.

In 2006, the CLT made a strategic commitment to become more "green" in building design, construction, operations, and maintenance. To this end, TL operates an extensive recycling program; purchases only Energy-Star-rated equipment and appliances, when available; and obtains Leadership in Energy and Environmental Design (LEED) certification for all facility construction. The system's energy conservation efforts are noted in 1.2b(1). Environmental factors are also taken into consideration in due diligence before acquisitions.

TL's facilities contribute to the well-being of social and economic systems by being involved in regional urban planning as leaders in ADA compliance. As a for-profit company, TL also supports local communities with property and sales taxes, as well as by creating jobs with associated income taxes. In addition, since the 1990s, many facilities have provide free tutoring on-site for local K–12 students in latchkey diversion programs staffed by residents, family members, and workforce members. This program promotes intergenerational relationships and improves students' grades, social skills, and delinquency rates, as well as allowing residents to contribute to their communities. The facilities also support their communities by serving as preceptorship and internship sites for local college and university students (P.1b[3]).

Following a suggestion from the workforce, TL's facilities worked with local Chambers of Commerce and Farm Bureaus to identify farmers who could sell locally grown foods to facilities. Since then, residents' satisfaction survey scores regarding food quality have improved. Residents eat healthier, and they know exactly where their food comes from—frequently even personally knowing the farmers who grew the food.

1.2c(2) With the acquisition of the Bellburn Care Group in 2008, the CLT revisited the system's key communities and continues to do so each year during the SPP. These communities are the geographic areas around its facilities. As one of the largest providers of senior living in four states, TL also considers U.S. seniors a key community. The system supports

and strengthens these communities as noted in 1.2c(1), as well as advocating for seniors by collaborating with area agencies on aging within the four states.

In an expansion of that role, TL collaborates with state agencies that advocate for persons with disabilities in the four states; this population includes younger people who need skilled nursing care or assisted living services due to illness or injury-related disabilities. TL has helped create synergy among the state programs to better advocate for all persons in the four states regardless of age, in alignment with its core competencies in designing, innovating, and managing facilities; designing and delivering rehabilitation services; and creating an educational environment for residents.

Beginning in 2006, TL set a strategic goal to quickly take a visible role in the local community of any newly acquired facilities. To do this, the system establishes its community support mechanisms, such as farm support, collaborations with schools, and engagement with local health care organizations, as quickly as possible after an acquisition. In cooperation with facility leaders, the CLT champion (1.1a[1]) identifies opportunities to serve on the boards of community agencies.

The care provided to residents is the most important form of support to TL's communities. The core competencies in

facilities, rehabilitation services, and creation of an educational environment help keep the residents integrated into the community. This benefits residents and gives family members a sense of security. The community also benefits from the residents' wisdom and experience.

The CLT and other employees donate time to local schools and community events (Figure 7.4-9). The CLT and facility leaders also provide health information in venues such as presentations to businesses, colleges, and universities; community radio programs; and the public Web site. Twice a year, TL donates surplus furniture and equipment to Goodwill Industries and the Salvation Army. Employees contribute annually to the United Way and the "Giving Tree." In this program, suggested by a Kippins Quarters employee, the facilities receive information on local, needy children's wishes. These are attached to a tree in the lobby of all facilities, and workforce members, residents, and families select a wish, purchase the item, and return it to the tree for delivery to the child. The gifts are delivered unwrapped, as some residents enjoy giftwrapping. Some facilities host a party for gift recipients who want to attend and receive the gift in person.

Category 2: Strategic Planning

2.1 Strategy Development

2.1a Strategy Development Process

2.1a(1) TL conducts strategic planning annually over five months (Figure 2.1-1). Since senior living is a customer-service-oriented business, the SPP stresses planning as a means of learning about residents and their needs and expectations, as well as responding to senior-living market conditions. The SPP also ensures that individual facilities set strategic objectives and actions that are oriented toward achieving APEX performance and are aligned with the system's strategies and strategic objectives.

The vice president of strategy and marketing organizes the SPP. Key participants are the corporate Strategic Planning Team (SPT), composed of the CLT, facility executive directors, and the Board Strategic Planning Committee; SABs; FABs; facility leaders; employees; and partners and suppliers, as necessary. In 2009, TL contracted with a strategic planning facilitator to guide the SPP, including the SWOT analysis, to allow the SPT to focus on the content of planning.

TL minimizes potential blind spots by including a wide range of information in the environmental scan (step 1; Figure 2.1-2), conducting a detailed systemwide SWOT analysis (step 4), and ensuring broad participation in the SPP. The SPT uses information from step 1 to determine the overall strategic direction (step 2); reviews, reaffirms, or modifies the current

values and mission; and sets the five-year vision. Establishing this simply worded statement of TL's desired future is the linchpin of strategic planning.

The SPT determines key core competencies in step 3 of the SPP, ensuring that they relate to the vision, are valued by residents and stakeholders, and are distinctive to TL. During the SWOT analysis (step 4), the SPT identifies and prioritizes internal strengths and weaknesses as well as external opportunities and threats by their relevance to achieving the vision. The top four to eight in each group are established as the system's strategic advantages and challenges, respectively.

Experience has taught TL that five years is the optimal time horizon to carry out key strategies and actions throughout the system and to plan adequately for growth and capital needs. The short-term (one-year) and near-term (two-year) planning horizons allow the system to respond to changes in the senior living industry and in financial and regulatory requirements. These time horizons are set and reviewed during each strategic planning cycle.

2.1a(2) TL conducts system and facility SWOT analyses in steps 4 and 9, respectively, with each facility following the SWOT process used in the systemwide SPP. The analysis of external opportunities and threats includes a detailed competitor SWOT analysis. These analyses and the environmental

Figure 2.1-1 SPP

Step		Action	Participants
1	July (3-day) retreat	Review environmental scan	SPT
2		Set strategic direction	
3		Determine current and needed core competencies	
4		Do SWOT analysis Determine strategic challenges and advantages	
5		Determine strategies	
6		Set strategic objectives	
7		Establish high-level actions and detailed action plans	
8	August	Hold governance retreat	BOD, SPT, SABs, FABs
9	September–October	Develop facility strategic plans (using steps 1–7)	FAB, facility leaders, workforce, suppliers, partners
10		Allocate resources	SPT, regional vice presidents, executive directors
11	October	Share and review facility plans Approve final strategic plan	SPT, regional vice presidents, executive directors, FABs
12		Approve final strategic plan	BOD
13	November	Develop 90-day action plans	Facility leaders, workforce
14		Review SPP	SPT

scan (Figure 2.1-2) allow TL to account for major shifts in the elements covered. Throughout the year, the facilities and the Strategic Planning and Marketing Team (SPMT) collect environmental scan information, and the SPMT aggregates it for the SPP. In 2010, TL added input from facility Resident and Family Councils to the scan as a source of information on requirements and expectations, and in 2011, TL added a review of national senior-living trends and policies. For efficiency of use during the SPP, the scan is limited to 75 pages.

TL ensures long-term sustainability by updating the five-year system and facility strategic plans annually, as well as by developing annual operating plans for each facility (step 9). The SPT gathers information on the core competencies the system needs during step 3 of the SPP. For example, during this review in 2009, the SPT determined that achieving the vision meant that the system needed to add the component of "facility design, innovation, and management to support various lifestyles" to its core competency in excellent clinical outcomes. Core competencies are then refined and developed by means of action planning. In addition, leaders project what TL's performance on key measures is likely to be on each strategic objective for each of the following five years (for representative projections from the current strategic plan, see Figure 2.1-3). These projections may be revised each year during the SPP based on information from the SWOT analysis.

As part of the competitor SWOT analysis, the SPMT projects competitors' and comparable organizations' performance for review during the SPP.

The development of facility strategic plans (step 9) helps ensure that TL can carry out the system strategic plan. In concert with regional vice presidents, facility leaders follow steps 1–7 to create facility-specific strategic plans, action plans, annual operating plans, and budgets in alignment with the vision and strategic objectives. Environmental scan inputs (Figure 2.1-2) are localized with information collected by the facilities throughout the year. Each facility references the system's strategic challenges and advantages as well as setting its own, resulting in strategies, strategic objectives, and outcome targets tailored to the service area and aligned with the system.

The involvement of the CLT, facility leaders and employees, FABs, and the BOD in developing strategic and action plans also helps ensure that TL can execute the system and facility plans:

- The BOD, SABs, and FABs review the initial plans during the governance retreat (step 8).
- In step 11, facility executive directors and regional vice presidents share preliminary strategies, strategic objectives, action plans, one-year operational plans, and budget assumptions with FABs and the SPT to ensure alignment

Figure 2.1-2 Environmental Scan Elements and
Information Sources

Customers, Markets, & Products
(collected & analyzed by the SPMT)
- Data & research on senior-living market trends (from the corporate Knowledge Management Department)
- Demographic information for each facility & state service area
- Facility Resident & Family Councils, SABs, FABs, market research, & focus groups
- Annual data from listening mechanisms (Figure 3.1-2): customer satisfaction, engagement, dissatisfaction, & complaints; use & effectiveness of mechanisms
- Payor satisfaction data

Economic Environment (SPMT)
- National, regional, & facility economic environment

Competitive Environment & Relative Capabilities (SPMT)
- State & facility area demographics
- Financial information, market share, APEX performance data, satisfaction & engagement data for competitors & similar organizations
- Competitor profiles, including SWOT & current strategies

Innovations or Changes (SPMT)
- Resident & Family Councils, clinical research papers
- Corporate auditing firm's white papers
- Suppliers & vendors

Technology (Technology Group)
- Emerging technologies & technology needs for the next five years
- Conferences, webinars, seminars

Workforce (Knowledge Management Department)
- Annual workforce satisfaction & engagement survey
- Facility focus groups with employees & volunteers
- Physician & nurse practitioner survey results
- Other data sources in 5.2b(1)

Political & Regulatory Environment (SPMT)
- BOD-mandated third-party audits (internal & external)
- Regulatory analyses (Compliance Committee & legal staff)
- Reimbursement changes
- Proposed congressional & state actions

Supplier Profile (SPMT)
- List of suppliers critical to system & facility success
- Suppliers' needs & requirements of TL & facilities
- TL's key requirements of suppliers

Community Profile (SPMT)
- Community's needs & requirements of the facilities
- Community concerns & accolades
- Community Perception Survey

Service Offering Evaluation (SPMT)
For each service offering:
- Resident volume
- Resident satisfaction
- Profitability
- Potential growth

Corporate & Facility Performance (SPMT)
- Past year's performance, including financial performance, by facility & overall
- Comparative data (Figure P.2-1)

across the system. The SPT, executive directors, and regional vice presidents then prioritize actions and make adjustments as necessary.
- After the SPT approves the five-year and one-year operational plans, the BOD reviews and approves the final system and facility strategic plans, one-year operational plans, and associated budgets (step 12).
- The BOD holds the CLT accountable for executing the system strategic plan, and facility executive directors and other employees are accountable for their respective strategic and operational plans, including action plans.
- At monthly meetings, facility leaders review APEX scorecard measures to monitor progress on 90-day action plans, modifying those that do not have the desired impact (2.2a[5, 6]).
- The SPT reviews the SPP annually (step 14), with the results serving as input into the next year's SPP and the SPT revising the process as necessary.

2.1b Strategic Objectives
2.1b(1, 2) TL's most important strategic objectives, goals, and timetable for accomplishment are shown in Figure 2.1-3. In step 5 of the SPP, the SPT uses the vision, core competencies, strategic challenges, and strategic advantages as a framework for developing three to four strategies that TL must employ to achieve that vision (Figure 2.1-3). The SPT then identifies strategic objectives along with associated APEX goals for each of the next five years in order to achieve the vision and carry out the strategies (step 6). The work systems are also evaluated for alignment with the core competencies and support of the strategic objectives. APEX goals are based on the SWOT analysis and the competitor SWOT analysis. Key external comparisons and benchmarks are also identified. Each strategic objective addresses at least one strategic challenge, strategic advantage, or core competency.

Steps 1, 4, 7, and 9 of the SPP address additional strategic objective considerations. Opportunities for innovation are inputs into the environmental scan, the SWOT analysis, and the determination of strategic challenges and advantages. Short- and longer-term challenges and opportunities are identified during steps 4 and 9. Short- and longer-term action plans capitalize on short- and longer-term advantages, respectively, and mitigate short- and longer-term strategic challenges. Inputs into the environmental scan (Figure 2.1-2) and wide participation in the SPP allow the SPT to consider and balance the needs of various stakeholders. Sudden shifts in market conditions are discussed in the CLT's monthly meetings, where objectives and related action plans may be modified (2.2a[5, 6]).

2.2 Strategy Implementation

2.2a Action Plan Development and Deployment
2.2a(1) In step 7 of the SPP, the SPT identifies system-level, 30,000-foot actions to achieve the strategic objectives and strategies, including necessary updates to work systems. Corporate departments then create detailed system-level action plans for these actions, with the action plans designed to

Figure 2.1-3 Key Strategies, Strategic Objectives, Related Action Plans, and Performance Projections

Strategic Objectives & Goals	Core Competencies (CC), Strategic Challenges (SC) & Strategic Advantages (SA)	Sample Plans		Projections			Outcome Measures: Results
		Short-Term (ST) & Long-Term (LT) Action Plans	Human Resource Plans	2012	2013	2016	
Strategy 1. Understand resident preferences and achieve top-decile resident satisfaction and engagement							
Achieve top-decile overall resident satisfaction	CC 1–4 SA 1–4	ST: Establish training on resident needs and expectations	• Improve training on resident needs, requirements, and expectations	90%	92%	94%	Resident satisfaction: Figure 7.2-1
Achieve top-decile resident willingness to recommend	SC 1, 2, 7	LT: Reinforce culture of resident focus at each facility	• Fully implement 5P Leadership Excellence Commitment	90%	92%	94%	Resident willingness to recommend: Figure 7.2-11
Achieve top-decile family satisfaction with communication			• Fully implement the Gate Way to Leadership	89%	90%	93%	Family satisfaction with communication: Figure 7.2-7
Strategy 2. Advance quality of care and independence for seniors, including attracting baby boomers who want to stay active							
Improve Patient Safety Index*	CC 1, 2 SA 1, 3 SC 2, 3	ST: Reinforce culture of resident safety at each facility	• Improve resident safety training for employees at all facilities	89%	90%	92%	Patient Safety Index: Figure 7.1-3
Achieve 25% volume growth in residents who are active baby boomers	CC 1, 3, 4 SA 1, 2, 5, 6 SC 1, 5, 6	LT: Enhance facilities and activities to attract baby boomers ST: Expand relations with local colleges and community organizations to increase educational and volunteer opportunities for residents LT: Build four new facilities with state-of-the-art accessibility design	• Attract employees qualified to manage this population • Increase number of private rooms	9%	13%	25%	Baby-boomer volume growth: Figure 7.5-14
Strategy 3. Achieve role-model financial sustainability							
Achieve top-decile profit margin in industry	CC 1–4 SA 1, 2	LT: Improve facility profitability by applying Lean tools to reduce waste and cost	• Expand workforce education on performance improvement tools	1.3%	1.4%	1.7%	Operating margin: Figures 7.5-1, 7.5-2, 7.5-3
Improve average earnings before interest, taxes, depreciation, and amortization (EBITDA) per facility	SC 1, 2, 5–7	LT: Improve market share by identifying potential acquisition targets ST: Refine marketing plan	• Expand 5E system to all facilities	$205	$235	$300	EBITDA: Figure 7.5-11
Achieve 30% market share in four-state service areas				23%	27%	30%	Market share: Figure 7.5-13
Strategy 4. Be the preferred employer in communities served							
Achieve top-decile employee satisfaction	CC 2 SA 4–6	LT: Increase CLT's focus on improving scores on drivers of satisfaction and engagement	• Educate supervisors on drivers of satisfaction and means to improve	80%	81%	84%	Overall employee satisfaction: Figure 7.3-4
Achieve top-decile employee engagement	SC 1, 3, 4		• Fully implement APEX Performance Management System	76%	78%	85%	Employee engagement: Figure 7.3-6

*Patient Safety Index is a weighted average of performance in complying with the NPSGs for long-term care, which are revised yearly. In late 2011, these NPSGs were identifying residents correctly, using medicines safely, preventing infection, preventing residents from falling, and preventing pressure ulcers.

address and capitalize on strategic advantages, mitigate strategic challenges, and support and strengthen core competencies. Using the same process, facility leaders, supervisors, employees, suppliers, partners, and collaborators, as appropriate, develop facility-specific action plans, including department plans (step 11), to achieve the facility's strategic objectives as well as the system's.

A representative sample of systemwide action plans is shown in Figure 2.1-3. The associated strategic objectives and action plans all incorporate key planned changes in services, stakeholders, markets, and operations.

2.2a(2) In 2008, an outcome of the annual review of the SPP was to involve more supervisors, key partners, and employees in developing facility action plans. TL found that having the people responsible for carrying out the plans participate in creating them helps make the action plans both achievable and "owned."

Also as a result of this review, in 2010, the SPT and facility leaders began developing and monitoring 90-day action plans, which break one-year plans into manageable "bites," at the facility and system levels. This helps TL sustain action plans and their associated outcomes, as does the CLT's and facility leaders' monthly APEX scorecard review of progress on 90-day action plans.

2.2a(3) Organizational resources are allocated during step 10 of the SPP. In August, corporate departments establish budgets along with their respective action plans. Corporate Finance consolidates the plans and budgets to calculate the annual system fees to be paid by the facilities. Facilities allocate resources with a top-down and bottom-up approach. Each department drafts action plans, including budgets, to support the facility's strategic objectives. Facility leaders aggregate and evaluate the budgets against available resources. Executive directors and regional vice presidents of operations allocate capital resources to projects costing less than $500,000 at their discretion. The CLT determines the maximum amount to spend on capital expenditures above that amount and allocates those resources among the facilities. Capital projects with the biggest impact on achieving the strategic objectives and vision have top priority. Financial and other risks are identified

in the environmental scan, SWOT analysis, determination of strategic objectives, and development of action plans.

2.2a(4) Sample workforce action plans associated with strategic objectives and action plans are shown in Figure 2.1-3. The CLT and facility leaders identify gaps in capability and capacity during the SPP and work with HR and appropriate leaders and supervisors to close the gaps.

2.2a(5, 6) Figure 2.1-3 shows APEX scorecard measures for tracking the achievement and effectiveness of action plans. As part of monthly monitoring of 90-day action plans, the CLT and facility leaders identify plans with a red light (indicating unfavorable performance). A red light for three or more data points means that the facility must respond by presenting a root-cause analysis (RCA), conclusions, and an action plan to the regional vice president of operations. Actions may include forming an improvement team to address the opportunity (6.2b[4]) or conducting an additional drill-down investigation. Leaders' and supervisors' APEX Performance Evaluations include an evaluation of progress on achieving these 90-day plans. Other means of tracking action plans are APEX scorecard reviews (4.1a[1]), including system scorecard reviews by the BOD (quarterly) and the CLT (monthly), as well as monthly reviews of facility and department scorecards by facility leaders.

These reviews also highlight action plans not having the desired outcome. "Red-light" action plans identified for RCA are modified, if necessary, following the same process by which they were created (2.2a[1, 2]). Facilities not meeting overall goals are designated "at risk" and given the status "strategic need for action plan oversight." The regional vice presidents create action plans for these facilities, which are monitored at the facility and corporate level monthly.

2.2b Performance Projections
2.2b Figure 2.1-3 shows the system's projected performance for years 1, 2, and 5 of the strategic planning period. The projected performance of competitors and similar organizations, benchmarks, and past performance are shown in category 7. Current or projected gaps are addressed as described in 2.2a(5, 6) or by revising strategic objectives, as appropriate.

Category 3: Customer Focus

TL uses the Resident and Stakeholder System (Figure 3.1-1) to understand the requirements and expectations of residents, families, and other stakeholders; these requirements and expectations are the basis for establishing and strengthening TL's core competencies (Figure P.1-2). The system focuses on achieving two strategies at all facilities: understanding resident preferences and advancing quality of care and independence for seniors. All facilities use the processes within the system.

3.1 Voice of the Customer

3.1a Patient and Stakeholder Learning

3.1a(1) TL's mechanisms for obtaining actionable information from residents and stakeholders are shown in Figure 3.1-2. On the Customer Relationship Management (CRM) Portal, which gives all facilities access to APEX satisfaction and complaint data aggregated systemwide and by facility, service, and region, each facility adds questions to the Packer Patient Satisfaction Survey to solicit resident and family feedback that reveals the distinctive characteristics and requirements for that facility's service area.

In line with the varying needs and comfort levels of residents and stakeholders, methods range from face-to-face communication to electronic means. The information from these mechanisms is input into the SPP. A particularly important

source of information is the resident advocate, instituted in 2006. All residents are assigned a resident advocate (a nurse or social worker) who follows them as they move through the stages of care at the facilities. This ensures continuity and someone to turn to with questions, a need expressed in internal focus groups.

Listening posts are reviewed as part of the environmental scan during the SPP. If the need for new methods arises throughout the year, corporate Knowledge Management takes this information to the vice president of strategy and marketing. For example, after residents expressed dissatisfaction with communication to and from one facility, TL expanded the resident advocates' role in 2010: they are now notified of all complaints and other inquiries received from their assigned residents. In 2011, the Knowledge Management Group (consisting of the facility and corporate Knowledge Management Departments) began monitoring selected social media outlets (e.g., Chirpster feeds and community/health care blogs) in its service areas for mentions of TL's and competitors' facilities, based on Community Perception Survey input and using PDCA. Also in 2011, the facilities set up (and the Knowledge Management Group monitors) public and internal Spillbook pages and TiedIn groups for residents, families, and the community.

Figure 3.1-1 Resident and Stakeholder System
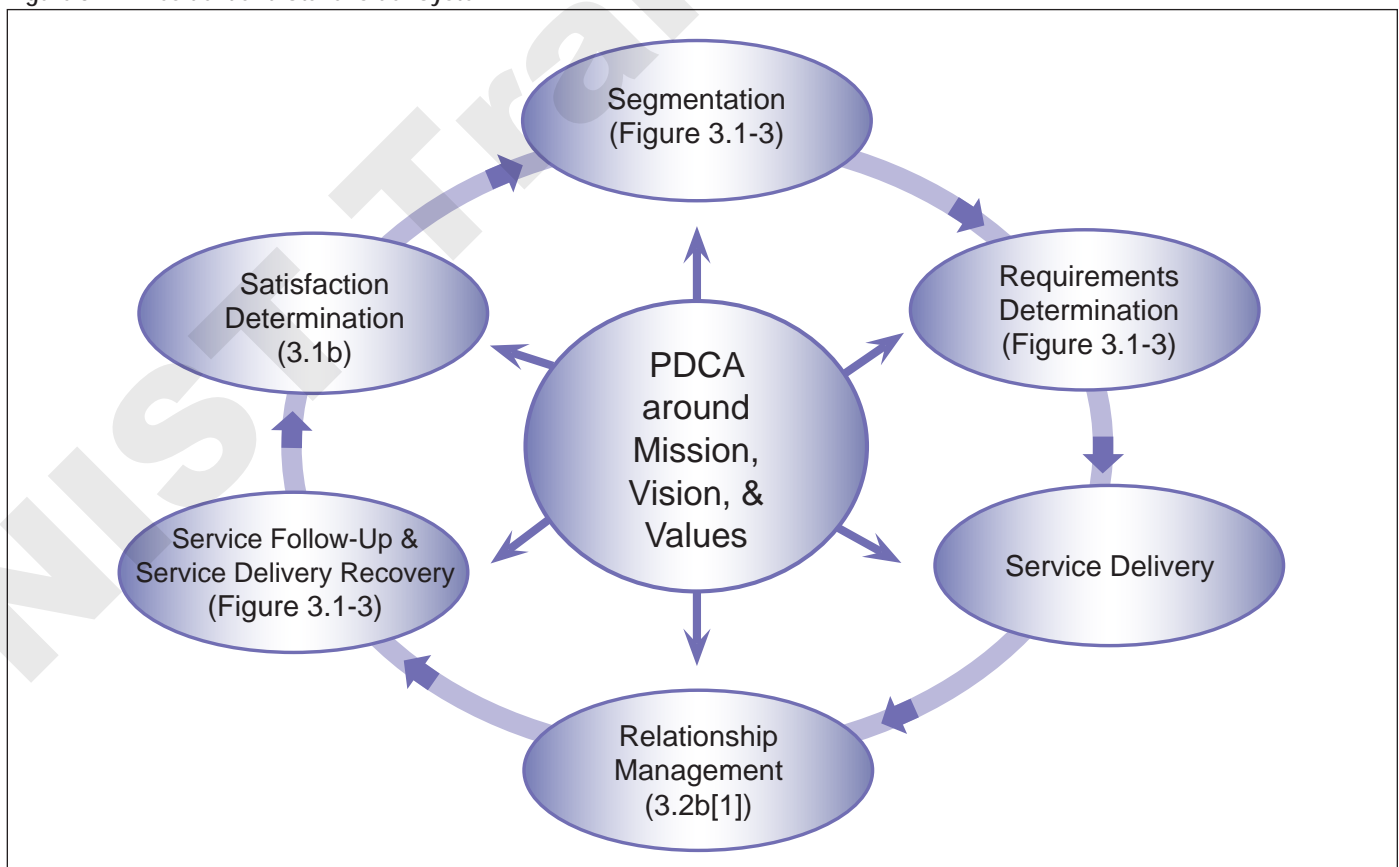
Figure 3.1-2 Resident and Stakeholder Listening, Follow-Up, and Support Mechanisms

Listening Post	Residents	Families	Physicians/ Nurse Practitioners	Senior Centers	Businesses	Potential Residents	Payors & Regulators
			Community				
Admission survey, discharge surveys	✓						
Response cards (filled out after meals and activities; ongoing)	✓						
↔ Resident logs, ↔ Rounding/care conferences (daily, weekly, quarterly)	✓						
Packer Patient Satisfaction Survey (annual)	✓	✓					
Quality-of-life survey; family/friend survey (volunteer-administered; weekly)	✓	✓					
↔ Resident & Family Council meetings; ↔ support groups (monthly)	✓	✓					
↔ Resident advocate; ↔ TillingNet Resident & Family Portal; ↔ Service Delivery Recovery Process (ongoing)	✓	✓					
↔ Focus groups (monthly)	✓	✓		✓		✓	
↔ Telephone calls (inbound/outbound voice capture), Web site, ↔ Web site & e-mail inquiries, ↔ social media (ongoing)	✓	✓	✓	✓	✓	✓	✓
Referral inquiry forms (ongoing)	✓	✓	✓	✓		✓	
Open houses (monthly)		✓		✓		✓	
Medical community & senior center survey (quarterly)			✓			✓	
Community Perception Survey (quarterly, annual)			✓	✓	✓	✓	
Conferences, periodicals, memberships (ongoing)			✓	✓	✓	✓	✓
Business survey (annual), ↔ Chamber of Commerce meetings (quarterly)					✓		
CMS Nursing Home Compare (monthly), dept. of health hotlines, Medicare (ongoing)							✓

↔ Also an information and support mechanism

Facilities follow up with residents, families, and stakeholders on the quality of services, support, and transactions with discharge surveys (3.1a[2]), response cards filled out after meals and activities, the quality-of-life and family/friend surveys administered by volunteers, Resident and Family Council meetings, support groups, focus groups, and the resident advocate. Information from these contacts is entered into the CRM database via the TillingNet CRM Portal.

3.1a(2) TL listens to potential residents and stakeholders at community and senior center focus groups, at open houses, and

via social media (Figure 3.1-2). In addition, in the Community Perception Survey, randomly selected community members are asked their impressions of TL's facilities compared with impressions of others in the region. Other sources include the competitor SWOT in the SPP, as well as conferences, memberships, partnerships, and collaborations (P.1b[3]), which give the system information on the needs and preferences of the pool of potential residents and stakeholder groups on a larger scale. Former residents and their families receive discharge surveys 48 hours, one month, and one year after discharge.

3.1b Determination of Patient and Stakeholder Satisfaction and Engagement

3.1b(1, 2) TL determines residents and stakeholders' satisfaction and engagement using the mechanisms shown in Figure 3.1-2. TL administers the national Packer Patient Satisfaction Survey, which provides comparisons with like organizations, to residents and families each year, and incorporates questions from the CAHPS Nursing Home Surveys (P.2a[3]). The surveys include questions on overall satisfaction, likelihood to recommend, overall quality of life, quality of care, and quality of services.

In addition, using handheld tablet devices, volunteers conduct walk-around surveys of residents and families randomly every week on the facility's quality-of-life services (Figure 7.2-5). Information on competitors and their customers comes from the Packer Patient Satisfaction Survey; Nursing Home Compare; social media (3.1a[1]); focus groups; and memberships in USSN/ALC and AgeFully, and the AAC. The community, physicians, and contract nurse practitioners provide information in surveys and interactions (Figure 3.1-2).

3.1b(3) Annual and discharge surveys, as well as the Service Delivery Recovery Process (Figure 3.1-3), are used to gather information on dissatisfaction, as are many other listening mechanisms (Figure 3.1-2). Information may also be reported on confidential state department of health hotlines and e-mails to Medicare. Information on satisfaction with competitors comes from the Packer Patient Satisfaction Survey and Nursing Home Compare, as well as from social media. The Knowledge Management Group captures dissatisfaction information and analyzes it through the TillingNet CRM Portal.

3.2 Customer Engagement

3.2a Health Care Service Offerings and Patient and Stakeholder Support

3.2a(1) TL gathers residents', stakeholders', and market requirements for services with the Requirements Determination Process (Figure 3.1-3).

- In step 1, TL collects information from the listening posts (Figure 3.1-2), including opportunities based on current and emerging federal and state health care mandates and guidelines, demographic and geographic information (e.g., growth in the number of potential residents with Alzheimer's disease and dementia in a service area), and trends in medical care.

Figure 3.1-3 Segmentation, Requirements Determination, Service Follow-Up, and Service Delivery Recovery Processes

Segmentation Process	Gather, analyze, & integrate information, data, & organizational knowledge from listening posts
	Validate current segments; identify emerging segments; determine subsegments
	Communicate segments
	Organize information, data, & knowledge by segment
Requirements Determination Process	Collect information from listening posts
	Analyze & integrate; compare requirements against current services
	Identify current & emerging requirements
	Determine potential new & modified services
	Evaluate listening methods & Resident & Stakeholder System with PDCA
Service Follow-Up Process	Receive inquiry from communication mechanism
	Log in the CRM database
	Route as appropriate
	Follow up
	Call or e-mail 24 hours later
	Document in CRM Portal
Service Delivery Recovery Process	Receive complaint
	Identify concern
	Route & resolve within 5 days; escalate if necessary
	Verify resolution
	Document via CRM Portal
	Send acknowledgment from facility director
	Evaluate with PDCA; loop back

- In step 2, the corporate Knowledge Management Department analyzes and integrates the data (e.g., as shown in Figure 4.1-3). From those analyses, Knowledge Management creates as complete a picture as possible of the requirements, matches and mismatches with current services, and impact on fees.
- In step 3, the CLT informs facility leaders (and suppliers and partners, as needed) of current and emerging resident and stakeholder requirements at Leadership Huddles, at Leadership Summits, and in other communications (Figure 1.1-2).
- Knowledge Management then organizes information on needs, expectations, and organizational knowledge related to requirements by resident and stakeholder group and identifies potential new services and modifications to current services (step 4). The findings from this process are communicated to the SPMT for the SPP environmental scan (Figure 2.1-2). Requirements are also used in managing relationships (3.2b[1]), designing key work processes, and determining work process requirements (category 6).
- In step 5, the SPMT evaluates the listening methods and the Resident and Stakeholder System with PDCA during the SPP to account for industry trends and integrate feedback from performance excellence award applications.

A recent strategic decision and APEX service innovation have emerged from this process. First, all new construction will involve private rooms only in response to market preferences. In addition, surveys, focus groups, and response cards at a number of facilities revealed that residents wanted educational opportunities available online, at the facilities, and at local education institutions. In response, TL decided to locate all new facilities close to a college or university.

One service innovation is the installation and upgrade of facility media centers. Beginning in 2005, scores on residents' satisfaction with communication in the Packer Patient Satisfaction Survey and volunteer-administered surveys were flat and sometimes even declining. Resident and Family Councils and focus groups showed an emerging trend: residents in all regions (and the potential resident population) desired the immediacy of cutting-edge technology for communication, and current residents wanted a place where they could use (and get help with) modern technology to communicate with each other and with family, friends, and the rest of the world outside the facility. In response, based on a suggestion from an employee at Whodathot Assisted Living, TL began setting up ADA-compliant media centers at the facilities in 2009 and assigned volunteers as helpers in the centers.

Even after the media centers were installed, some facilities still received complaints from Resident and Family Councils, and employees learned during rounding and from resident advocates that many residents felt isolated from family and friends in spite of open visiting hours and the availability of telephone and e-mail communication. In response, TL began adding Voice-over-Internet Protocol (VoIP) capability, webcams, and high-quality headphones to the media centers to enable two-way communication with video. An increasing number of residents now depend on VoIP to talk with friends and family, especially those at a distance. For example, just after installation of VoIP in Pine Island Assisted Living in Knoxville, a resident saw his great-grandchild in Italy for the first time via VoIP. After a discussion in a Parkinson's disease support group at Wayfarers' Way, the installation of speech recognition software in some facilities extended the availability of VoIP and other technologies to residents who cannot use computer keyboards or other hand-operated input devices. Family members also participate in care meetings over VoIP and video.

In another example, discharge surveys in 2009 indicated residents' increasing desire to be as active as possible, especially postacute/posthospital residents who are undergoing rehabilitation. TL now offers activities such as weekly outings to community center pools, expanded walking and wheelchair paths and gardens at the facilities, and offers wellness gym memberships to assisted living residents.

3.2a(2) Residents, families, and community members seek information and support via the mechanisms shown in Figure 3.1-2 as part of the Service Follow-Up Process (Figure 3.1-3). Inquiries received from the listening mechanisms are logged in the CRM database via the TillingNet CRM Portal and are routed to the group that can most quickly answer (as well as the resident advocate, if appropriate). The group follows up, and a call or e-mail 24 hours later ensures that the response met the inquirer's needs. The importance of collecting this information in the CRM database is reinforced with reminders on TillingWeb, in e-mails, on facility bulletin boards, at all employee meetings, and by CLT members during facility visits.

Families have access to support and up-to-date information in facility-specific areas of the TillingNet Resident and Family Portal, as well as the facility's Spillbook site, which includes daily activities, menus, and other information. In 2011, TL installed an interactive system in which family members and health care providers can access a resident log and communicate with the resident or with employees from any location via the portal using a security code, if the resident allows this access.

TL's large number and variety of communication mechanisms (Figure 3.1-2) allow for variety in residents', families', and other stakeholders' levels of relationship with the system and levels of comfort with various mechanisms. For example, a resident who does not want to or cannot attend Resident Council meetings or focus groups may express a need at a care conference, via a family member, or in the weekly informal surveys. Other residents are more comfortable sending an e-mail from the facility Web site.

Information and feedback mechanisms for the community and physicians are also tailored to their needs. The annual surveys and the volunteer-administered surveys include questions on preferences for communication methods, and questions about access to information are asked at Resident and Family Council meetings.

3.2a(3, 4) The corporate Knowledge Management Department manages the Segmentation Process (Figure 3.1-3) to validate existing resident and stakeholder groups; identify new or emerging market segments for future growth; and sustain TL's core competency in designing, innovating, and managing facilities to support various lifestyles and deliver excellent clinical outcomes. The information is reported to the SPMT for the SWOT analysis performed during the SPP (Figure 2.1-1).

- Step 1 of the Segmentation Process involves gathering, analyzing, and integrating information, data, and organizational knowledge from listening posts (Figure 3.1-2), such as industry conferences, memberships, and periodicals; demographic and psychographic studies of aging and disease management; population trends; and open houses for prospective residents.
- Step 2 is the validation of existing segments and identification of emerging segments and market opportunities as part of the SPP, followed by criteria analysis to separate resident groups into subgroups for the purpose of collecting and analyzing information.
- In step 3, the final segments are communicated through the Knowledge Management Group.
- In step 4, information, data, and knowledge are organized by segment to meet regulatory requirements as appropriate for processes such as the SPP.

From the Segmentation Process, TL learned that the system needed to group residents by the service offerings within skilled nursing (Figure P.1-1) and to consider residents across service offerings by age, gender, lifestyle, level of care needed, and facility. For example, skilled nursing residents are distinguished by level of mobility to ensure that they have the appropriate daily social interaction they need and want.

Information gathered from the listening mechanisms is analyzed with the Resident and Stakeholder System (Figure 3-1-1) and used in the SPP to identify opportunities for innovation. The Knowledge Management Group captures this information in the TillingNet CRM Portal.

3.2b Building Patient and Stakeholder Relationships
3.2b(1) The facilities acquire new residents from referrals by residents, the medical community, insurance providers, independent living facilities, senior centers, and families and friends. TL reaches these groups at open houses, in focus groups, and via the public Web site. Monthly open houses were instituted in 2009 based on input from the communities and residents' families in many of the service areas.

In 2011, after determining that most residents systemwide selected TL's facilities based on recommendations from friends and the medical community, TL began sending health care providers and insurers marketing products that they can forward to prospective residents by e-mail. In addition, a dedicated Strategy and Marketing staff member educates the medical community and insurance companies on the system's offerings. The best advocates for TL, however, remain the families of current and former residents.

To build and manage resident relationships throughout the stages of care, the resident advocate remains a point of contact for the resident and family members as care requirements change from assisted living through skilled nursing care. The SPMT works with the CLT to review the standards and develop service offerings to meet each resident group's needs. Besides serving as a listening post, the three discharge surveys (3.1a[2]) remind residents to use TL's services again if the need arises and to refer others to the facilities.

3.2b(2) Established in 2005, the corporate Service Delivery Recovery Team (SDRT), managed by the Knowledge Management Department, captures and manages complaints with the Service Delivery Recovery Process (Figure 3.1-3). The team, which includes members from all services and regions, records complaints and their resolution on the CRM Portal, summarizes them, and communicates them to corporate Knowledge Management, along with the actions to prevent recurrence (4.1a[3]). The facility director sends a personal note (on paper or by mail) to each resident or stakeholder who has issued a complaint. The note thanks the individual and details the action taken.

TL receives complaints from the support mechanisms (Figure 3.1-2) as well as from the department of health hotline and Medicare. An ombudsman works with departments of health on complaints. After the SDRT's annual evaluation of the Service Delivery Recover Process, the team created a grievance-reporting tool to help facilities meet regulatory requirements for reporting and resolving resident and family grievances.

After a PDCA cycle by the SDRT in 2010, TL set the current goal for resolution of all concerns at five days, which exceeds industry practices, as it ensures a full review and analysis of each complaint and potential review by the medical staff or health department. CMS requires a written response to each complaint within 21 days, but most complaints received by TL are resolved within 48 hours by the facility Collaborative Care Teams, which report complaints to the SDRT in the CRM Portal. To ensure that this time frame is met, the SDRT reviews open complaints daily and escalates them to the next level of the system if resolution is not progressing.

Category 4: Measurement, Analysis, and Knowledge Management

4.1 Measurement, Analysis, and Improvement of Organizational Performance

4.1a Performance Measurement

4.1a(1) TL's performance measurement system is based on a cascading methodology that begins during the SPP with the SPT's selection of associated measures for system-level strategic objectives. Corresponding system and facility-specific strategic objectives and action plans are assigned APEX measures and goals, which are transferred to the systemwide APEX scorecard and reviewed monthly by the CLT. Relevant measures and goals are cascaded throughout the system via scorecards (Figure 1.2-1).

In addition, service-offering (skilled nursing and assisted living) scorecards enable the system to measure performance horizontally and vertically. Measures selected (Figure 4.1-1) must meet five criteria: (1) availability of external comparisons that identify benchmark performance; (2) relationship to systemwide or facility long- and short-term objectives; (3) quantifiability; (4) relationship to a core competency, strategic challenge, or strategic advantage; and (5) alignment with the vision, values, and mission.

TL collects most data and information for APEX performance tracking with the Web-based TillingNet Information Management System (Figure 4.2-2). Applications and portals within the system capture clinical, satisfaction, financial, and administrative data and information for managing day-to-day operations and monitoring progress on achieving strategic objectives. Facility employees enter either manually abstracted or electronically downloaded data and information and transmit them to corporate headquarters via the TillingNet Performance Tracking Portal (PTP), which is encrypted and HIPAA compliant. Because the portal is Web based, the hardware and software are housed at and maintained by corporate headquarters, minimizing costs for individual facilities. All SNFs and most ALFs provide access to the TillingNet applications. Results can be aggregated in many ways, such as by service, department, or facility.

In 2009, TL served as an EnnovularMR alpha test site for the company's EMR, with much of the initial development and testing cost covered by a Health Resources and Services Administration grant. For long-term care and postacute services, the EMR, which interfaces with the TillingNet

Figure 4.1-1 Sample Systemwide APEX Scorecard Measures

Action Plan Time Horizon	Key Measure	Review Frequency	Results Figure
Strategy 1. Resident satisfaction and engagement			
Short-term	Resident satisfaction	Monthly, quarterly	7.2-1
Long-term	Residents' willingness to recommend TL		7.2-11
Strategy 2. Quality of care			
Short-term	Patient Safety Index	Monthly	7.1-3
	Long-stay SN residents with UTI	Daily, weekly	7.1-5
	Long-stay SN residents placed in restraints	Daily, weekly	7.1-6
	Long-stay SN residents with pressure ulcers	Daily, weekly	7.1-7
Long-term	Baby-boomer volume growth	Monthly	7.5-14
Strategy 3. Financial sustainability			
Short-term	Operating margin	Monthly	7.5-1
	Operating margin by state	Monthly	7.5-3
	Days in accounts receivable (AR)	Monthly	7.5-7
	Days cash on hand	Monthly	7.5-8
Long-term	EBITDA per facility	Quarterly	7.5-11
	System market share	Annual	7.5-13
Strategy 4. Preferred employer			
Short-term	Employee vacancy rate	Monthly	7.3-7
	Savings from improvement projects	Quarterly	7.1-21
Long-term	Overall employee satisfaction	Annual	7.3-4
	Willingness to refer a friend to work at TL	Annual	7.3-5

Data Repository, enables employees to collect clinical data and information in real time to support daily operations and the measurement and analysis of APEX quality and safety indicators. Currently, 14 of the 16 SNFs use the EMR, and all facilities will use it by 2014. The system is phasing in the EMR in this way because of the expense of acquiring and maintaining the facility-specific hardware needed to operate the EMR on-site.

TL tracks quality of care with the measures included in CMS's Nursing Home Compare database. These measures address the vision to be among the top 10% of SNFs and ALFs, and the database allows for a wide range of comparisons. For the preferred employer strategy, the Clinical Excellence Group chose measures aligned with the APEX value of agility (innovation) and supporting the strategic objectives relating to workforce satisfaction and engagement.

The BOD reviews the system APEX scorecard quarterly, and the CLT reviews the scorecard data monthly as a basis for deciding whether redirection of strategic objectives, action plans, or measures is warranted. In addition, regional vice presidents use monthly scorecard data for skilled nursing and assisted living to review progress on strategic and operational plans. These reviews feed into SWOT analyses for TL's services in preparation for the SPP, and they are part of the basis for systemwide decisions on strategic direction.

At the facilities, trained employees either collect clinical data and information in real time through the EMR or manually abstract the data. Alarms and prompts allow employees to immediately identify issues, such as drug interactions and missed assessments. Actions taken are documented in the EMR. Routine reports compiling these issues are reviewed monthly by the facility's Collaborative Care Team to see whether additional action, such as RCA, is necessary.

4.1a(2) The corporate Knowledge Management Department guides the selection and use of comparative data and information based on CLT-approved selection criteria. For example, all APEX goals are based on comparisons representing best-in-class levels, and clinical measures used within each facility and service must be industry endorsed (e.g., by the National Quality Forum) or required for external reporting to CMS (e.g., comparative information on incidence of pressure ulcers, use of restraints, and incidence of urinary tract infections [UTIs]). Figure 4.1-2 shows how the system uses some of its key sources of comparative data to support operational and strategic decision-making.

All facilities are expected to use comparative data, beginning with the performance of other TL facilities, in tracking APEX performance measures via the TillingNet PTP. Facility leaders and employees are expected to include top-performer data in all analysis as a basis for identifying best practices. In preparation for their facility visits (1.1b[1]), CLT members use comparative data to identify areas of APEX performance.

4.1a(3) The SDRT, managed by the Knowledge Management Department, selects and ensures the effective use of

voice-of-the-customer (VOC) data and information. The SDRT establishes APEX goals for responding to VOC mechanisms and resolving complaints; aggregates and analyzes the data by facility, region, and service offering; and identifies system-level opportunities to improve the resident experience. Each facility also has a team (often made up of Collaborative Care Teams) serving in this role. To promote best-practice sharing and innovation, the SDRT routinely shares aggregated VOC and complaint data, in addition to lessons learned from improvement projects, with facility teams on TillingNet. The teams review trends to see whether action is needed at the facility level.

Facility-specific questions on the Packer Patient Satisfaction Survey allow facilities to tailor the measurement of satisfaction to their own residents and stakeholders (3.1a[1]). In addition, facility leaders and the CLT review informal feedback from focus groups and Resident and Family Councils. Facility leaders and the CLT review the VOC mechanisms and share the results with employees to solicit ways to better meet customer needs and encourage APEX innovation.

4.1a(4) The corporate Technology Group, led by the vice president of knowledge management, ensures that TillingNet remains current. The Technology Group is supported by the systemwide Technology Team and Health Information Technology (HIT) Steering Committee, made up of representatives from each region as well as EnnovularMR employees and Information Technology (IT) faculty from partner universities, who provide information on leading-edge applications. The Technology Team and HIT evaluate TL's measurement system annually. The results feed into the environmental scan used in the SPP. Each facility submits suggestions on how to improve the functionality of performance measurement methods.

Figure 4.1-2 Use of Comparative Data

Packer Patient Satisfaction Survey: Annual review of results; monthly review of action-plan progress
CMS: Quarterly occupancy and utilization volumes reviewed by the BOD
USSN Data Dispatcher: Monthly, quarterly, & annual review of results against those of other industry organizations
Caring Colleagues: Annual review of workforce survey results; monthly review of action plans
NursQM: Annual review of nurse survey results; monthly review of action plans
TillingNet PTP: Monthly review of APEX operational, financial, staffing, clinical excellence, and other data by facility leaders & the CLT
Moody's Investor Service: Monthly financial reports for comparative analysis of performance by the CLT, BOD, & facility executive directors
OSHA worker injury rates: Monthly review by Safety Committee

In their monthly review of short-term measures, the CLT, regional vice presidents, and facility executive directors identify internal or external changes that may require adjustments in APEX measures or goals, or the creation of additional measures. These adjustments are communicated to the vice president of knowledge management, who manages them through the Technology Group.

4.1b Performance Analysis and Review

4.1b The system of cascading APEX scorecards, with systemwide tools and templates integrated into TillingNet to ensure consistency and ease of use, supports analysis and review of performance. For example, each facility uses the same template to create a scorecard containing systemwide APEX measures relating to core competencies and strategic objectives. The template includes recommendations on when and how facilities should review their performance to enable results (and conclusions or actions based on analysis) to flow "up one side and down the other" (Figure 1.2-1). Formulas built into the template visually flag performance as better than goal (green light), best in class (bright blue light), or unfavorable (red light; 2.2a[5, 6]).

TL offers regular training sessions in person and over Tilling-Meet, as well as tutorials and webinars on TillingWeb, to educate facility employees on the use of APEX scorecard data. TL collects data both operationally and strategically. For example, webinars on statistical process control (SPC) and SWOT analysis help facilities create a robust measurement system that aligns with the corporate system while reflecting the facility's distinctive population and needs. Analyses performed are based on the type of data and information under review (Figure 4.1-3). All results and conclusions from corresponding analysis are entered into the TillingNet PTP.

In quarterly accountability sessions, the BOD reviews APEX scorecard data to assess TL's success in achieving strategic objectives and 90-day action plans. Monthly CLT meetings, supported by quarterly miniretreats, assess TL's current state relative to its core competencies and strategic plan to see if course corrections are needed. Monthly, facilities review their current state relative to individual APEX goals, other TL facilities, and external comparisons. Facilities that are not meeting goals are given the status "strategic need for action plan oversight" (2.2a[6]). In addition, the Technology Group, along with the Technology Team and HIT Steering Committee, assesses the APEX performance measurement system and TillingNet annually using the Baldrige Criteria for Performance Excellence. During the annual evaluation, review measures are tested to confirm their usefulness in addressing the system's needs and challenges.

4.1c Performance Improvement

4.1c(1) The LEAP Office tracks projects systemwide through the APEX quality coordinators at each facility and manages the content on TillingNet Best Practices and Improvement Portal, TL's repository for lessons learned and best practices that emerge from review findings across facilities, departments, and work processes. Members of the Technology Group, Technology Team, and HIT Steering Committee assist facilities with their performance reviews. Twice a year, each facility holds an internal APEX improvement conference, where projects are showcased and wider application within the facility is discussed. Each year at the systemwide Best of Tillingate conference, the vice president of knowledge management and the LEAP Office showcase APEX innovations and best practices, and communicate priorities for improvement to the facilities.

Figure 4.1-3 Performance Reviews and Analyses

Review	Analyses	Recipient & Use
BOD, CLT: Systemwide scorecard progress (monthly & quarterly); accountability sessions & miniretreats	Trends, comparisons, internal benchmarking of best practices	CLT and systemwide: Systemwide current state, progress toward future state, need for midcycle revisions or changes to strategic plan
SPT: SPP environmental scan	Projections, SWOT analysis, competitive positioning, contingency analysis, ratio analysis, market share, impact analysis, correlation analysis	SPP: Future trends and analysis of TL's current state
Regional vice presidents with facility leaders: regional operations assessments (monthly, quarterly)	Trends, internal comparisons	CLT: Performance levels, conclusions, actions
Facility & department leaders: facility scorecard (monthly)	SPC, trends, control charts, comparisons, RCA	Regional vice presidents of operations and nursing: Performance levels, conclusions, actions
Collaborative Care Teams: Facility rounding (daily), unit supervisor (weekly)	RCA, comparison analysis, staffing capacity and acuity analysis	Facility leaders: Identification & analysis of previous day's events or issues, assessment of staff levels against resident acuity, review of resident/family issues

4.1c(2) Before determining projections, the vice president of strategy and marketing, along with the SPT, analyzes corporate, regional, and facility-specific review findings; best-in-class comparisons; and competitor data. Other considerations are current population and demographic trends, economic forecasts by region, regulatory climate, consumer preferences, and historical performance trends related to core competencies, strategic advantages, and strategic challenges.

4.1c(3) When larger-scale improvement opportunities are identified during the SPP and routine APEX performance reviews (Figure 4.1-3, 6.2b[4]), the CLT charters LSS teams through the LEAP Office (6.2b[4]). The LEAP Office quantifies systemwide improvement opportunities from these projects and, after approval by the CLT, disseminates priorities and best practices systemwide on the TillingNet Best Practices and Improvement Portal and at Best of Tillingate. After TL began using LSS in 2009, the number of opportunities increased, so the LEAP Office created a prioritization tool for the CLT to use in selecting improvement opportunities with the potential for the greatest impact. Reward and recognition programs (5.2a[3]) also encourage the translation of innovative thinking into APEX improvements.

The CLT also communicates improvement priorities and innovation opportunities at the Leadership Summits, in Leadership Huddles, and on facility and unit bulletin boards (see Figure 1.1-2). Suppliers, partners, and collaborators learn about these priorities and opportunities by participating in the SPP. In addition, the Technology Group meets quarterly with the EMR supplier to discuss priorities and challenges. Supplier scorecard review meetings also involve discussion of improvement and innovation.

4.2 Management of Information, Knowledge, and Information Technology

4.2a Data, Information, and Knowledge Management

4.2a(1) The corporate Technology Group maintains TL's high standards for managing and safeguarding data, information, and knowledge (see Figure 4.2-1). The HIT Steering Committee gives advice and oversight on regulatory requirements governing confidentiality, EMR implementation, and the protection of residents' health information.

Figure 4.2-1 Methods for Managing Data, Information, Knowledge, and Information Technology

Data, Information, & Knowledge	
Accuracy	• Data collection training & internal audits by Knowledge Management Department • Audit functions within applications • CMS validation of data & information submitted to Nursing Home Compare
Integrity & Reliability	• Reliability testing before application launch • Computer literacy training • Electronic alerts under certain conditions, such as inconsistent or missing data within the EMR • Antivirus & spyware software with continuous updates • Monthly audits of backup processes by Technology Group • Training of employees on system use
Timeliness	• Deadlines for flow of data & information identified & coordinated by Technology Group • Reporting schedule from Knowledge Management Department • Transactional electronic data transfers
Security & Confidentiality	• "Need-to-know" access identified by supervisors for each employee • TillingNet encryption software • Employee confidentiality agreements & ethics training • Business associates agreements with partners, suppliers, and collaborators • HIPAA-compliant e-mail; compliance monitoring by Technology Group • Security firewalls and antivirus/spyware software • Random checks for breaches by Technology Group • Risk assessments in annual IT evaluation • Daily data backups stored at headquarters & off-site at two remote locations
Hardware & Software	
Reliability	• 24/7 help desk for trouble calls by Technology Group • Aggregation, trending, & analysis of calls to identify fixes and enhancements • Monitoring & reporting of IT uptime • Detailed operations manuals for each application • Quality control on all applications • Routine updates pushed out from Technology Group • Reliability testing before application launch • Preventive maintenance & quarterly inspections for all hardware administered by Technology Group
Security	• Secure sign-on & passwords • Continuously updated firewalls & antivirus & spyware software • Random checks for breaches by Technology Group • Risk assessments in annual IT evaluation • System lockout features
User-Friendliness	• Annual end-user surveys on ways to make systems easier to use • Super-user forums to pilot new applications before full launch, by Technology Group • End-user representation on all Technology Group teams

Figure 4.2-2 TillingNet Information Management System

at least twice a year or when a problem arises that the Help Desk cannot solve.

4.2a(3) The Knowledge Management Department, LEAP Office, and network of APEX quality coordinators and PDCA/LSS teams manage the exchange of knowledge among employees in all departments and facilities. Exit interviews and cross-training (see 5.2c[1]), mentors who work with future leaders, and the development of standard operating procedures for all facilities capture critical workforce knowledge. When appropriate, residents, family members, rehabilitation service providers, and physicians serve on PDCA and LSS teams. In 2008, LSS teams began mapping critical processes in order to identify the most efficient and effective ways to accomplish critical tasks. The process maps are used to train new employees.

The TillingNet Best Practices and Improvement Portal and PTP transfer knowledge stored in the data repository throughout the system and to residents, stakeholders, suppliers, and partners, and aid in the rapid identification, sharing, and

4.2a(2) Employees, suppliers, partners, collaborators, residents, and stakeholders have access to the data and information on the TillingNet Information Management System's Web-based interface (Figure 4.2-2). TL maintains cutting-edge applications within the industry that meet applicable ADA requirements. The system includes secure downloads, secure interfaces, and encrypted file transfer capabilities. The HIPAA-compliant e-mail feature of the EMR makes residents' medical information available to hospitals. After appropriate approvals are received from individual residents (or families if the resident is unable to make medical decisions), off-site physicians have access to residents' medical information through a secure interface via TillingNet.

Wireless Internet service (for residents and employees) has been installed at 80% of the facilities, and the service will be installed at the remainder, including the former Bellburn Care Group facilities, within the next year. The Technology Group also oversees access to the intranet and Web sites. The group's Technology Team maintains the facility media centers. Updates and computer checkups take place on a regular schedule, and Technology Group members visit all facilities

implementation of best practices. The data dictionary available in TillingNet ensures that users are consistent in data definitions and information shared. The Purchasing Group manages procurement centrally on the TillingNet Inventory Control Portal. Barcode scanning and inventory controls allow the transfer of storage and delivery information to key suppliers. The routine delivery schedules maintained by many of the SNFs are also managed in the portal. At quarterly meetings, the corporate Operations Management Group and suppliers exchange feedback and updates on how the process is working.

TL's EMR, with secure links to hospital and physician partners, captures information on skilled nursing residents' health history, assessments, and treatments, and rapidly transfers critical information to and from facilities. In addition, the system's contract with Wall-to-Wall Pharmacy includes e-prescribing capabilities in all facilities, which allows rapid transfer of the information needed to order, prepare, and dispense medications. Over TillingMeet and TillingWeb, employees in different locations may participate in facility-specific improvement conferences. The *APEX Performance* newsletter, twice-yearly facility APEX improvement conferences, and

Best of Tillingate conference highlight outstanding employee performance resulting in best practices.

For improvement activities and strategic planning, TillingNet enables headquarters and all facilities to assemble reports, APEX scorecard results, and newsletters and distribute them electronically. Facility and unit bulletin boards also display APEX scorecard data. Employees are encouraged to submit creative ideas for ways to improve processes. Information owners identify what data and information they need to carry out specific planning functions. For example, the SPT and CLT identify and assemble the data and information needed for the SPP.

4.2b Management of Information Resources and Technology

4.2b(1) The Technology Group, in collaboration with the HIT Steering Committee and Technology Team, manages the hardware and software used throughout the system (Figure 4.2-1). The Technology Group's Information Technology (IT) Plan, created with the HIT Steering Committee, addresses the management of all information resources and technology within TL. The plan is based on the system strategic plan, and it is evaluated following the distribution of strategic objectives to align the plan with systemwide goals and objectives. Additional resources needed are identified and submitted to the BOD for approval.

The HIT Steering Committee is responsible for workflow and process redesign, testing, training, go-live, change management, user adoption, and optimization of hardware and software for the capture, storage, and processing of resident

health information, including the EMR. The Technology Team has similar responsibility for management of financial and administrative data and information.

Subteams (called domain teams, such as the EMR Domain Team and the Computerized Order Entry Domain Team) report to the Technology Group and manage various segments of the IT architecture. Each domain team includes representatives from principal user groups (e.g., nurses, pharmacists, medical directors) to ensure that software meets their needs and is user-friendly. All clinical domain teams include health information technician representatives who ensure the security and confidentiality of residents' protected health information. In each region, a nurse certified in nursing informatics guides and supports the clinical domain teams.

4.2b(2) TL ensures the continued availability of hardware and software by operating redundant systems with daily backups of all data and information. Backups are housed in two off-site remote computer centers. In collaboration with the Emergency Preparedness Team (EPT), the Technology Group maintains IT emergency and disaster plans that are reviewed and updated annually and participates in emergency planning activities, including annual disaster drills.

In the event of a system failure, such as an electrical outage, all facilities follow computer downtime procedures. All SNFs are also equipped with backup generators for the operation of critical systems. The IT emergency and disaster plan includes mutual aid and transfer agreements with other organizations to ensure the continued availability of data and information.

Category 5: Workforce Focus

All dealings with the workforce center on the 5E system. TL *educates* the workforce members in best practices for resident care, *equips* them with the tools and resources they need, *empowers* them by creating a culture of delegated responsibility, *engages* them through leaders' passion for their work, and *encourages* them to grow. As the face of the system, the workforce plays a key role in achieving the strategic objectives (Figure 2.1-3).

5.1 Workforce Environment

5.1a Workforce Capability and Capacity

5.1a(1) Assessment of workforce capability and capacity needs is continuous (Figure 5.1-1), with formal plans and assessments during annual budget planning (Figure 2.1-1). The SPT, regional vice presidents, and facility directors assess workforce capacity and future needs, and levels are monitored on facility APEX scorecards. On every shift in each facility, staffing needs are assessed based on resident acuity levels, and staffing requirements are adjusted accordingly (5.1a[3]).

Formally, workforce capability is assessed with the APEX Performance Management System, quality monitoring, skill and competency assessments, peer evaluations, and resident satisfaction scores. Residents' needs and the core competency in developing clinical and service competencies for a caring and exceptional staff are the main drivers of capacity, with adjustments for differences in required competencies from facility to facility.

5.1a(2) TL aims to attract employees who demonstrate a passion for the care of individuals who need skilled nursing and other assistance to support their lifestyles. All employees are expected to demonstrate the APEX values in providing relationship-based care. TL also looks for candidates who live locally and represent the diversity of the system's communities in ethnic background and age. The fact that most employees and residents come from the communities surrounding the facilities creates continuity, as community members move from their homes to a facility for a short or long stay.

Figure 5.1-1 Workforce Capability and Capacity
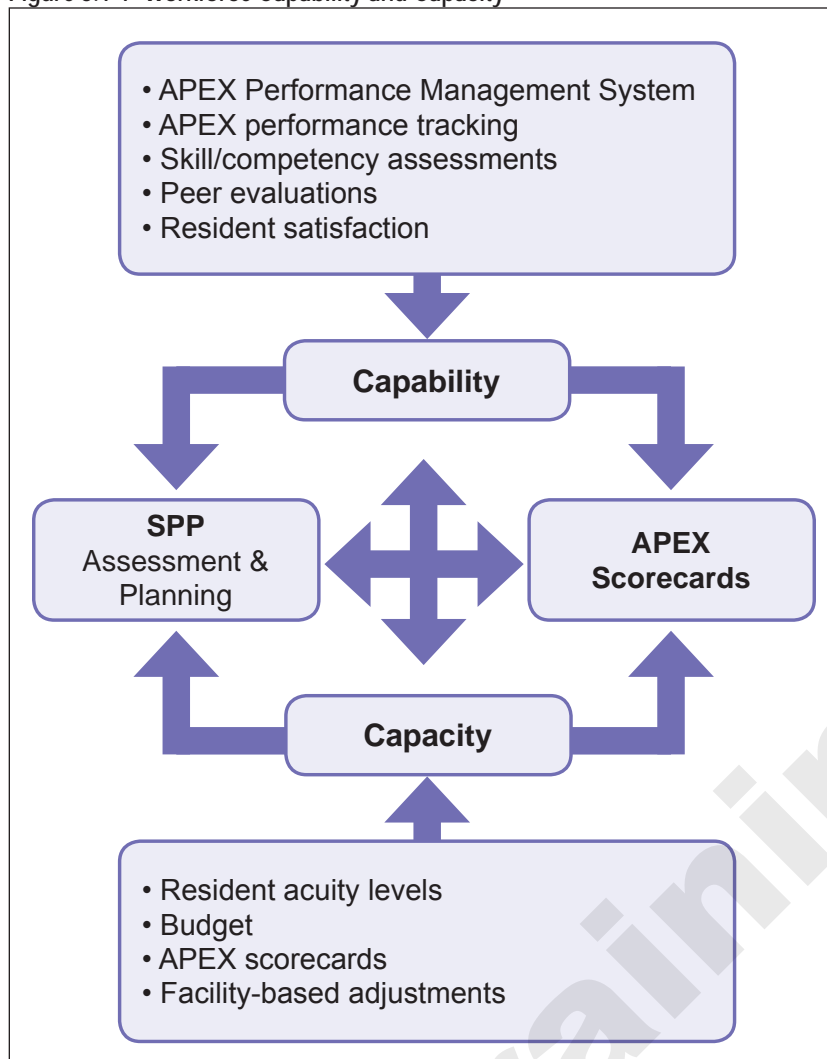
To recruit and orient employees, each facility uses a common hiring and orientation process developed at the corporate level and managed by corporate HR. Facilities seek potential employees and volunteers at local recruitment fairs and from employee referrals; advertising; search firms; and local high schools, universities, and civic organizations, with a focus on ensuring that the workforce reflects the APEX values and the system's diversity goal.

Other important recruitment sources are TL's college and university partners, including students who have served internships and preceptorships at TL's facilities. Graduates of the University of Knoxville, a partner and recipient of the Council of Nursing Colleges (CNC) and Pandora Kettle Academy Award for Geriatric Care, have an evidence-based foundation in the care of seniors. Collaborations with high schools in each of TL's communities (P.1b[3]) bring the younger generation into the facilities for tutoring, as volunteers, and sometimes eventually as employees. All prospective employees undergo federal and local background checks.

All new employees attend a systemwide orientation, which takes place at the local facility and is directed by the vice

president of knowledge management. The orientation includes systemwide content, such as the vision, mission, APEX values, and core competencies; the Compliance Program and Code of Conduct; an introduction to the strategic plan; and process improvement using PDCA. This content is delivered over TillingMeet, webinars on TillingWeb (e.g., on PDCA), and VoIP discussions with the CLT member championing the content area. Each facility also conducts a facility-specific orientation and mandatory education programs in concert with the vice president of knowledge management.

5.1a(3) Agility, an APEX value, is an important factor in organizing and equipping the workforce to respond to the daily needs of residents and their families. Based on current evidence and Caring Colleagues survey results from resident care employees, the Clinical Excellence Group instituted an acuity-based staffing system in 2005. Although the resident acuity level is fairly static in the facilities, acuity-based staffing allows for increased staffing and capability when necessary. The main mechanisms for adjusting staffing are the float pool in SNFs and the universal, cross-trained employee position in many ALFs. In addition, recreation therapists are cross-trained as CNAs.

In 2006, with acuity-based staffing in place, the Clinical Excellence Group helped the facilities establish interdisciplinary Collaborative Care Teams, as appropriate: one for each skilled nursing service offering at the facility, and assisted living teams at ALFs. These teams equip employees with the means to embrace relationship-based care and provide individualized and excellent care, which form the basis of TL's core competencies.

Each skilled nursing team consists of an RN case manager, a pharmacist, CNAs, an occupational therapist, a dietary worker, a housekeeper, a maintenance staff member, and a Technology Team member. Members are assigned to teams for six months or longer if they choose. Each team is responsible for the total care of a defined number of residents. The teams round and huddle daily to plan care and to identify each resident's personal and environmental needs, drawing from the float pool when acuity levels or volume increases. In ALFs, the cross-trained universal employee creates this flexibility. Since the inception of Collaborative Care Teams, employee responses to the statement "I would be proud to refer a friend to work here" on the annual Caring Colleagues survey have increased to the top-decile level (Figure 7.3-5).

TL manages employees and volunteers to exceed expectations and address strategic challenges and action plans with the APEX Performance Management System. Under the system, employees meet annually with their supervisor (and volunteers meet with the volunteer coordinator) to create an APEX

Performance Goal Plan in support of the facility's strategic plans and action plans (Figure 1.2-1). For the past two years, all employee goals have included goals for resident outcomes and satisfaction, which empower employees to be accountable for results. The annual APEX Performance Evaluation and incentive pay are based on employees' contribution to attaining those goals.

5.1a(4) Changes in TL have reflected the ever-present changes in health care, with the most recent change being the acquisition of the Bellburn Care Group. The five facilities were integrated into TL within the period projected in the strategic plan with no interruption in service and no reduction in employees. This is due to an integrated SPP that incorporated all aspects of the system (delivery of resident care, engagement of a skilled workforce, and facility operation and management) and that allowed for disciplined budget and workforce planning, as well as formal, fiscally sound staffing adjustments based on acuity and volume. Throughout the integration period, the CLT and facility leaders monitored corresponding action plans and goals for all aspects of the transition and made just-in-time adjustments when action plans and goals were not achieved. TL has had no layoffs in its history.

To plan for the increase in APEX-performing employees required by the four new facilities to be built by 2016, TL will leverage cross-training and partnerships with local colleges and universities, which give the CLT, facility leaders, and other employees access to scholarship around its care population and give each facility access to qualified individuals to recruit. The facilities precept students in clinical disciplines, such as nursing, clinical laboratory sciences, physical therapy, occupational therapy, and social work, and in health care administration.

5.1b Workforce Climate

5.1b(1) The executive director of each facility is the risk management/safety officer and serves on the systemwide Safety Committee, which reviews all facility and system health, safety, and security policies and procedures. The committee meets monthly via TillingWeb to review health, safety, and security measures (Figure 5.1-2), including progress toward APEX goals, unexpected events, and newly identified best practices. As part of daily rounding, Collaborative Care Teams review observations of potential safety hazards in the workforce environment. The system has met its safety and security goals for the past four years.

In 2008, funded by a consortium grant from the four states supporting the initial employee education and the purchase of safe lifting and transfer equipment, TL's SNFs were among the first in their states to adopt a safe lifting policy. TL credits this effort with decreasing the number of work-related back injuries at the facilities.

To protect employees and volunteers from injury by agitated residents, TL mandates education in safe dealing with dementia and TBI agitation for all employees and volunteers in SNFs (5.2c[2]). Workforce injury rates have decreased 20% since this initiative began. The Safety Committee also works with

the EPT on relevant parts of the Emergency Preparedness Plan (EPP; 6.1c).

The Safety Committee arranges ergonomic and other accommodations for employees based on a standard needs evaluation, available on request from corporate HR. For example, the EMR is available in large-screen format, and speech recognition software was purchased for a director of nursing who injured her writing hand and could not transcribe meeting minutes and reports.

After smoking was identified five years ago on the employee survey as a particular concern, the Safety Committee and corporate HR began an aggressive smoking cessation program consisting of education, support groups, and mentoring. Now, 27% of employees identify themselves as smokers, down from 40% five years ago.

5.1b(2) Workforce services and benefits are structured to meet the varying needs of employees who span generations, states, and family needs. The cafeteria-style benefits package is self-funded. Full- and part-time employees receive

- medical, dental, and prescription insurance with domestic partner coverage;
- disability insurance;
- retirement plans;
- life insurance;

Figure 5.1-2 Workforce Health, Safety, and Security Measures

Measure	APEX Goal
Annual tuberculosis screening	100%
Annual influenza vaccination	98%
Back injury rates	≤ 5%
Injury unrelated to resident care	10% decrease
Injury from agitated resident	Annual 10% decrease
Lost time to injury	Annual 10% decrease
Blood-borne pathogen exposure cases	zero
Smoking cessation education	5% increase in employees who stop smoking
Safe lifting education & competency	100%
Fire system testing & drills vs. plan	100%
OSHA citations & fines	Zero
Monthly equipment safety checks	100% accurate
Monthly testing of panic alarms, elevator phones, & dementia unit door alarms	100% functional
Backup generator testing	100% functional
Weekly inspection of parking lot lighting	100% functional

- flexible spending accounts;
- discounts on landline and wireless telephone service; and
- free parking.

The Employee Assistance Program (EAP) is available to employees and volunteers. Employees who move to another TL facility receive relocation assistance.

Professional staff members who precept professional students in partner colleges and universities receive tuition waivers in the departments for which they precept. Through tuition waivers in exchange for precepting, the directors of nursing at two Tennessee facilities fulfilled the education requirements for LNHA licensure. Residents may audit courses and are granted full tuition waivers at partner education institutions, and volunteers who contribute at least 100 hours of service a year may also audit courses. Employees may be reimbursed for up to $2,000 in tuition annually for course work and attendance at conferences related to their APEX Performance Goal Plans.

5.2 Workforce Engagement

5.2a Workforce Performance

5.2a(1) TL determines the drivers of employee and volunteer engagement by analyzing responses to engagement assessments (5.2b[1]) and aggregated APEX performance data. As HR identifies new and shifting elements of engagement, the facilities identify action plans and measures and, as appropriate, disseminate them to the system level. This information becomes part of the environmental scan reviewed during the SPP, when TL makes adjustments to plans.

5.2a(2) The alignment of individual APEX Performance Goal Plans to the APEX values, vision, mission, and strategic plan and the cascading of corporate goals to facility goals reinforce empowerment: the importance of each workforce member to the facility's and the system's success. Similarly, the Collaborative Care Teams' daily huddle reinforces the importance of each team member's perspective on decisions related to the facility's needs, enforces empowerment and engagement with delegated accountability, and establishes a climate of willingness to innovate. This innovation reflects the APEX values and is an important factor in TL's UUSN Voyage to Distinction and Gemstone Designation. This collaborative approach to work also leverages the ideas, experiences, and thinking of employees across the facilities. Monthly on TillingWeb, the Clinical Excellence Group coordinates cross-facility discussions of Collaborative Care Teams' innovations and challenges.

5.2a(3) Initial workforce-related inputs to the SPP via the environmental scan (Figure 2.1-2) inform TL of what it needs to do to maintain a highly skilled and engaged workforce, and the APEX Performance Evaluation integrates compensation, incentive, and reward and recognition in support of high performance. The formal, annual performance review includes self- and full peer evaluations, quality monitoring, skill and competency assessments, and resident satisfaction scores related to the employee's APEX Performance Goal Plan, as well as responses from the supervisor and employee. The individual employee's performance is compared with preestablished APEX goals that cascade from the facility's and the

system's goals, and future development goals are set. Corporate HR and the facilities monitor licensure and credentialing requirements, which are included in APEX Performance Goal Plans and Evaluations.

For recently acquired or opened facilities, instituting the APEX Performance Evaluation requires additional focus by the CLT and facility leaders until enculturation is complete. To aid the transition, CLT members lead webinars over TillingWeb with high-performing employees at other facilities. Weekly brown-bag lunches with CLT members via TillingMeet and visits by the facility's CLT champion help ensure a successful transition (1.1a[1]).

TL is unusual in the industry in that it uses resident outcome data to drive high performance. The mechanism for this is the APEX Performance Award, which is based on the facility's and the system's performance. Annual pay increases and an "over-the-top" incentive payout for employees, consisting of 2–4% of their base salary, are based on the attainment of the financial, quality, and resident satisfaction APEX goals. Each domain is assigned a percentage score based on strategic plan goals for the year, and everyone in the facility is rewarded based on that score. This incentive has been increasingly successful since its inception in 2008.

In addition, PDCA and LSS team events managed by the LEAP Office recognize the results of teams from all facilities, and winners receive monetary awards. Individual employees may also be recognized for individual APEX Performance Awards, which are based on exemplifying one or more of the values.

5.2b Assessment of Workforce Engagement

5.2b(1) The vice president of knowledge management oversees all assessments of employee engagement. Formally, TL assesses engagement with the annual NursQM for nurses; the annual Caring Colleagues employee and volunteer survey; and review of APEX performance data, employee absenteeism, grievances, vacancies, retention, and productivity. TL works with NursQM and Caring Colleagues to correlate survey findings with drivers of employee and volunteer engagement and to tailor questions accordingly. Findings feed into the strategic plan.

Other measures of employee engagement include HR focus groups, as well as the degree of employee participation in PDCA and LSS teams, community service, and educational activities. The vacancy rate of 0.4% against a nationwide rate of 5.6% evidences TL's success in engaging the workforce (Figure 7.3-7).

5.2b(2) TL reviews workforce indicators during reviews of facility and system APEX scorecards (4.1b). The Safety Committee reviews health, safety, and security scorecard measures quarterly, and action plans are developed as needed.

Because of the belief that an engaged, empowered workforce is critical to the accomplishment of TL's work, the achievement of facility APEX goals is considered a measure of

workforce engagement. Until the cause is determined to be different, a facility that is in "strategic need for action plan oversight" status based on reviews (2.2a[5, 6]) is assumed not to have engaged or empowered its workforce sufficiently. Employee innovations that are translated into practice are also considered a measure of engagement.

5.2c Workforce and Leader Development
5.2c(1) System and facility learning plans—based on an annual educational needs assessment for the BOD, leaders, physicians, the workforce, and volunteers—address TL's core competencies, strategic challenges, and accomplishment of action plans by targeting learning opportunities to the needs of groups of learners. Performance to APEX goals and regulatory requirements are elements of the educational needs assessments. During the annual APEX Performance Evaluation, the employee and supervisor set development goals based on TL's core competencies as well as the employee's individual goals, which are aligned with those of the facility and the system.

Education is based on needs identified from APEX performance data or regulatory requirements. Educational offerings (Figure 5.2-1) include formal classes, orientation, webinars, and just-in-time training. Technical (job-specific) competencies are taught and measured in skill fairs, simulations conducted with local colleges for nurses, competency assessments, and online and blended learning sessions. All employees and volunteers must complete BLS training, which is conducted by

Figure 5.2-1 Workforce Education and Training

Topic	Frequency
New employee and volunteer orientation (5.1a[2])	Monthly
Regulatory compliance	Annual
Ethics*	Annual
Ethics Grand Rounds	Monthly
BLS*	Annual
EMR	As needed
Safe lifting	Annual
Resident safety*	Annual
Safe dealing with dementia and TBI agitation**	Annual
Emergency preparedness, including for mental health interventions in disasters*	Annual
MDS 3.0	Upon hire & as needed
Process improvement*	
LSS, Yellow Belt certification	
Computer literacy and IT system use (specific to employee's function)*	
APEX scorecard data collection & use	

*Required for all employees and volunteers. **Required for all employees and volunteers in SNFs.

local EMS providers under a preferred provider agreement for transfer of the facility's residents.

With the addition of media centers to facilities and the implementation of the EMR, employees and volunteers complete computer literacy training and satisfy competency requirements. To date, all employees have done so. All employees must attend resident safety training and annual emergency preparedness training.

Organizational performance improvement and innovation are topics at employee and volunteer orientation. Continual efforts to compare the facilities and system to best-practice organizations within the industry, as well as the UUSN Voyage to Distinction, support innovation. TL hopes to be one of the first health care organizations serving the senior population to achieve Gemstone status.

Nursing staff members' participation in CNC End-of-Life Care (ELC) and Nurses Advancing Senior Healthcare (NASH) courses at the University of Knoxville supports the core competency in developing clinical and service competencies for a caring and exceptional staff. TL entered into this partnership after responses to the Community Perception Survey indicated that the Tennessee facilities were not seen as contributing to the community. At the same time, the university was having difficulty recruiting faculty for clinical nursing courses. The executive director of Runalong Ridge in Knoxville approached local university administrators, and they entered into an agreement whereby qualified facility employees serve as faculty for nursing students. In the facilities, nurses serve as preceptors for nursing students in their clinical experience. This allows TL to meet a community need, increase capacity at a significant cost savings, and offer educational opportunities to nurses. In addition, nursing staff members are included in ELC and NASH courses, increasing their level of knowledge at minimal expense. Five nurses from the SNF in Knoxville achieved certification in geriatrics from the UUSN through this initiative.

Mentors or mentoring groups assigned to Collaborative Care Teams help the teams investigate APEX best practices to resolve resident or environmental concerns, with meetings held across facilities if necessary via TillingWeb, TillingMeet, or VoIP. As part of performance improvement training, corporate HR and the LEAP Office sponsor "visioning" webinars for frontline employees to encourage innovation from performance analysis. For example, one webinar focuses on ways to foster creativity and risk-taking among employees to enable "out-of-the-box" thinking. Reward and recognition programs also encourage the translation of innovative thinking into APEX improvement successes (5.2a[3]).

Cross-training is an integral part of TL's learning and development system. The universal employee at each ALF undergoes cross-training in the majority of competencies required in the environment, and recreation therapists are cross-trained as CNAs. Cross-training provides a more holistic and responsive environment of care and has sometimes resulted in innovation. For example, in the TBI unit at Gamblers' Row, in Pittsburgh,

two CNAs cross-trained as massage therapists noticed that TBI residents became agitated during the application of splints. The cross-trained employees began using the "M" technique (a method of structured touch) before applying splints, and agitation levels decreased significantly. With assistance from Partridgeberry Nursing College, TL is conducting a randomized control trial of the use of this massage technique.

To address ethical health care and ethical business practices, the Clinical Ethics Committee holds monthly Ethics Grand Rounds via TillingMeet featuring professors of bioethics from partner universities, who work with local facilities to identify concerns.

The transfer of knowledge from retiring workers in many ALFs is a particular challenge. In response, TL offers employees who are intending to retire a 50% workload at 75% pay for three months, during which time the identified successor carries a 50% current-position workload at 60% pay and a 50% future-position workload at 40% pay. CLT members and identified potential leaders participate in NASH education at partner universities and are eligible to take courses specific to their positions.

5.2c(2) TL has moved away from evaluating the effectiveness of learning with pen-and-pencil tests and surveys, which reveal little more than the program's perceived effectiveness and the individual's test-taking ability. Similarly, attendance at an educational session tells little about its effect on resident and organizational outcomes. Instead, TL aligns resident outcomes with the educational process. Educational offerings are evaluated according to posteducation performance on the identified need that prompted the offering.

For example, restraint use increased at the SNFs in 2007, the year after TL began offering TBI care. A review of restraint use across facilities found that TBI residents were being restrained more than necessary. Restraint use decreased after a PDCA team and the nursing staffs dealing with this population across TL did an evidence-based review and created best-practice protocols and education programs for dealing with TBI residents. In 2010, TL received the Newville Foundation Award for improvements in TBI care.

5.2c(3) With peer and self-evaluations in the annual APEX Performance Evaluation, employees and supervisors identify career advancement opportunities for all employees based on system and facility needs, and encourage employees to take advantage of tuition waivers and benefits. Career progression opportunities at SNFs are identified across the system.

Open jobs are posted on TillingWeb, and employees who qualify for a higher-level position within the system receive relocation assistance.

Succession planning for leadership positions is supported by a three-tiered program. The first level, the Gate Way to Leadership I, first offered in 2009, capitalizes on the knowledge and skills of the CLT and introduces future leaders to 5E, 5P, and the basic tenets of leadership within the industry. Topics align with the Baldrige Criteria for Performance Excellence categories, and the interactive sessions allow knowledge sharing and enhance APEX teamwork among participants in geographically dispersed facilities. Participation in the Gate Way, which is perceived as a privilege, requires the immediate supervisor to recommend the employee as having high potential for advancement. Designed primarily to enhance current leaders' skills and develop future leaders, the Gate Way also allows leaders and future leaders to network across facilities. CLT members present segments of the training, which helps keep them current on business principles and trends.

Based on interest level and potential, graduates of the Gate Way may progress to the Gate Way II. For this program, corporate Education and Training identifies at least three graduates of the Gate Way as potential successors for each CLT position. The program includes mentoring by a CLT member and shadowing of that leader to acquaint participants with the role and associated responsibilities, as well as opportunities to serve in an interim role in the position while the CLT member is away for more than five days, such as for a vacation, sabbatical, or leave of absence. Mentors and participants meet in person or over TillingWeb. Gate Way II participants also take college-level management courses specific to their level of practice. Five midlevel supervisors from the program have completed the requirements for LNHA certification, and three nurses have earned advanced certification in nursing administration.

Working with the University of Knoxville and following the model of a leadership initiative at a provider hospital, TL established a leadership academy in 2008 for leaders within the senior living industry. Supported by a grant from the Pandora Kettle Academy, TL and the university developed a set of competencies for leaders in the senior-living industry along with a curriculum for leadership development, with tracks for administration, nursing, nutrition, occupational therapy, and therapeutic recreation. To date, four supervisors, ten nurses, and three nutritionists have completed the program, which was recognized nationally as a best practice in elder care in 2010.

Category 6: Operations Focus

6.1 Work Systems

6.1a Work System Design
6.1a(1) TL designs and innovates its work systems during the SPP (Figure 2.1-1). During step 3, the SPT reviews the core competencies and modifies them as needed. Additional core competencies needed to support the vision and mission are developed during action planning. In step 6, the SPT evaluates the work systems to see whether they are aligned with the core competencies and support the strategic objectives. If the work systems need to be updated, the SPT details these changes in step 7.

Each year, TL conducts a make/buy analysis to determine whether the processes within the work systems will be performed in-house or outsourced to entities that can manage them more effectively and efficiently. The analysis includes a review of potential suppliers to ensure that their mission and values fit well with TL's.

6.1a(2) TL determines and reviews key work system requirements based on input from the SPP environmental scan (Figure 2.1-2), which includes information from listening posts established for residents and stakeholders (Figure 3.1-2) and for suppliers and partners (Figure P.1-6). Work system owners communicate these requirements to work process teams, which develop work process requirements and measures.

6.1b Work System Management
6.1b(1) TL's work systems are Delivery of Resident Care, Engagement of a Skilled Workforce, and Facilities Operation and Management (Figure 6.2-2). Linking work systems to the core competencies, which are linked to and aligned with key strategic objectives, ensures that they deliver value. Each work system owner (a CLT member) sponsors work process teams, ensures that processes are aligned with resident and stakeholder requirements, communicates APEX process measures throughout the system, and refers performance gaps and the need for improvement initiatives to the LEAP Office for action. TL improves its work systems with PDCA (Figure 6.2-1).

6.1b(2) TL controls the cost of work systems primarily with policies, procedures, and employee training. Regulatory requirements and standards are designed into work processes, thereby reducing the cost of inspections. Proactive monitoring of in-process measures allows the identification of opportunities for rapid recovery and improvement.

During the design or redesign of complex processes, LSS teams conduct Failure Modes and Effects Analysis (FMEA) to eliminate failures from the system proactively and therefore reduce recovery costs. Potential failure effects considered include medical errors, harm to residents, facility costs, and employee impact. Since the teams began using FMEA in 2009, recovery costs have decreased from $1.3 million to less than $90,000. As a reactive complement to FMEAs, all errors require RCA.

TL began instituting checklists in 2009 to monitor activities more closely and minimize inspections. Most checklists reside in the electronic TillingNet Performance Tracking Portal, providing an in-process audit of process activities.

The resident safety training required of all employees emphasizes process control, including the use of checklists and event tracking. Events (defined as any nonconformance) are entered into the event-tracking system and prioritized for review and investigation using PDCA. Self-reporting is encouraged, and individuals are not subject to punitive action unless they are found to have been negligent. The type of investigation, which may include RCA and documentation review, depends on the type of event. Results of investigations are shared with employees, when appropriate, via the communication methods (Figure 1.1-2). Employees serve on PDCA teams to find and carry out solutions to high-priority or recurring issues.

The unit supervisor and employees use electronic checklists in weekly rounding to minimize the cost of formal audits. Recurring issues are elevated to the process team for analysis and improvement.

6.1c Emergency Readiness
6.1c The focus of the EPP is on keeping TL prepared for power outages, weather emergencies (tornado, hurricanes, snow/ice, flooding), and fire, as well as for recovery from emergencies. Frequent testing and drills, followed by evaluation and action plans for improvement, ensure that TL is prepared for emergencies.

The EPP consists of (1) the Disaster Plan (covering backup and recovery of IT functions, mutual aid and transfer agreements with other organizations, and coordination with other external entities); (2) the Prevention Plan (including audits and training); (3) the Staff Backup and Recovery Plan (covering emergency staffing plans, transportation, and childcare and senior-care plans); (4) the Resident Safety Plan (accounting for the movement of residents to safe underground locations in the event of tornadoes or for transfer to other facilities); (5) the Communication Plan (including a notification tree); and (6) the Operations Continuity Plan. The EPP is reviewed by the department of health in each state.

The EPT oversees the EPP, with input from the Safety Committee and the Technology Group. Suppliers and partners serve on the EPT as needed. Each year, the team conducts an emergency preparedness analysis that includes reviews of the previous year's activities, the current plan, and readiness for future issues. All employees must attend annual emergency preparedness training.

The EPP is created in conjunction with local communities and first responders, and testing and drills (see Figure 7.1-19) are conducted with community and local hospitals at least annually. TL is a member of Pennsylvania's and Virginia's emergency management planning teams. Evacuation drills take place twice a year, each followed by a review of the drill's effectiveness.

The EPP is reviewed at least quarterly and after any activation of the plan. The CLT reviews identified procedural gaps or deviations and refers them to the EPT for resolution and improvement using PDCA. In 2008, one of these drills revealed the need for TL's second off-site computer center.

Heavy snows over many days and resultant power outages in winter 2011 tested the limits of the EPP. After defining the gaps, PDCA teams made several changes to emergency staffing plans and instituted improvements in employee-related childcare, senior care, pet care provisions, transportation planning, and volunteer coordination. The influenza outbreak in 2010 resulted in changes to specific community-related response plans in which TL's facilities were involved. Currently, the EPT is reevaluating the response plan in light of the 2011 earthquake/tsunami disaster in Japan, since some facilities are within 150 miles of nuclear power plants in areas that are subject to hurricanes and tornados.

6.2 Work Processes

6.2a Work Process Design
6.2a(1) Work processes are identified, and existing work processes are reviewed and validated, as part of step 7 of the SPP. TL designs processes with PDCA (Figure 6.2-1). Each key work process is assigned to the owner of the corresponding work system, who sponsors the team and selects a process owner (typically a functional supervisor or area supervisor who has responsibility for the process), who leads the team. PDCA teams include members from throughout the system, as well as suppliers, physicians, and other collaborators, bringing expertise in new technologies and knowledge of trends in resident care and senior living.

The design team first uses the Customer-Output-Process-Input-Supplier (COPIS) framework to identify all stakeholder requirements and explicitly define the process. The design team then selects APEX measures and performance goals, which may include operational effectiveness measures, such as cycle time, productivity, capacity, cost control, compliance with protocols, and outcome measures (e.g., resident and family satisfaction and improved clinical outcomes). The process is designed, piloted,

modified as needed, and standardized across the system (e.g., with policies, procedures, and training) as appropriate. The process owner oversees monitoring to ensure that requirements are met, in addition to continuing to manage the process and initiate improvements if necessary.

When process measures indicate that performance is declining, process owners contact the LEAP Office for support in forming or re-forming PDCA teams, examine the process, and carry out corrective actions. For complex issues, the LEAP Office asks the CLT to charter LSS teams to eliminate performance gaps (6.2b[4]). In addition, LEAP Office staff members visit each facility at least twice a year to review all APEX quality measures.

6.2a(2) Key work process requirements are gathered from the Requirements Determination Process (Figure 3.1-3), process performance results, community partners, Resident and Family Councils, SABs, FABs (including regulatory updates), and benchmarks. Key work processes and their requirements are shown in Figure 6.2-2.

6.2b Work Process Management
6.2b(1) Each work system incorporates several key work processes. Within the Engagement of a Skilled Workforce work system, the key work processes are Workforce Engagement and Workforce Development. Within these key work processes are others, such as employee recruitment, assistance, training and development, and benefits management.

Figure 6.2-1 PDCA

PLAN
• Establish process objectives/Identify problem
• State requirements/Do RCA
• Define measures & goals
• Define process steps/improvements

DO
• Pilot the process/changes
• Measure

ACT
• Implement the process on a larger scale
• Or modify the process if necessary

CHECK
• Review data from measurements
• Assess effectiveness/Verify that changes achieve desired results
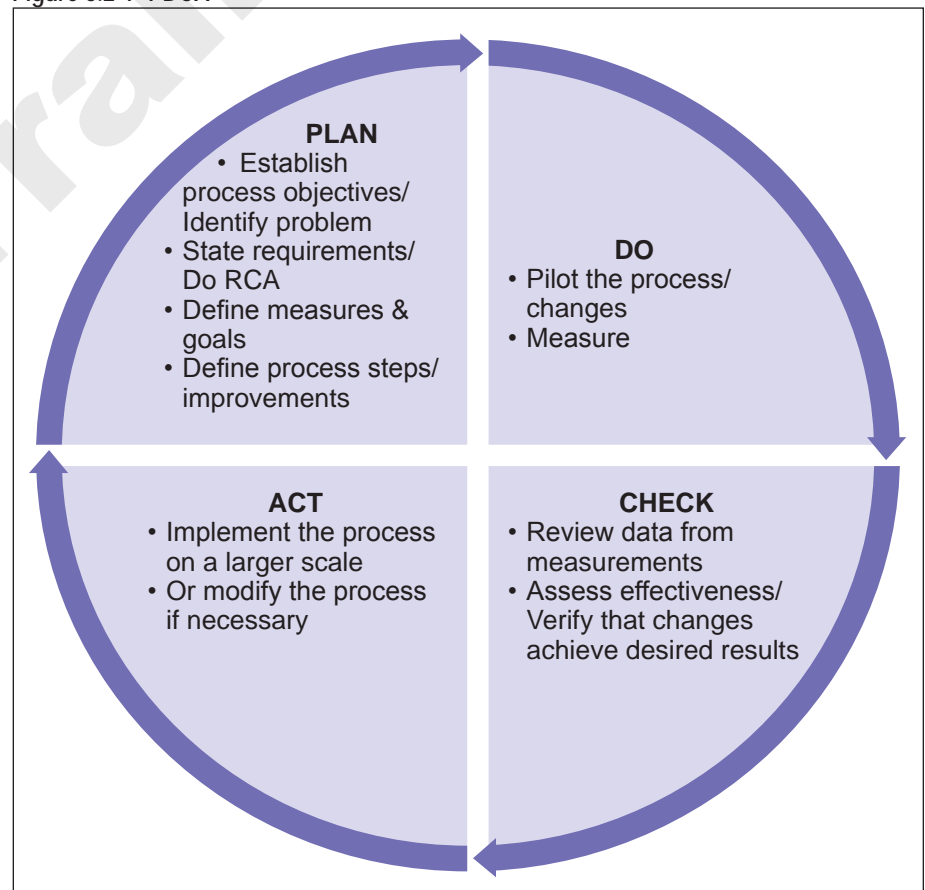
Figure 6.2-2 Key Work Process Requirements and Indicators

Strategies			
1. Understand resident preferences and achieve top-decile resident satisfaction and engagement	2. Advance quality of care and independence for seniors	3. Achieve role-model financial sustainability	4. Be the preferred employer in communities served by TL

Core Competencies			
1. Designing, innovating, and managing facilities to support various lifestyles and deliver excellent clinical outcomes	2. Developing clinical and service competencies for a caring and exceptional staff	3. Designing and delivering rehabilitation services to support residents' activities of daily living	4. Creating an educational environment to support a sense of mastery for residents

Work Systems			
Key Work Processes	**Requirements**	**Process Indicators**	**Results**
Delivery of Resident Care			
Resident application, admission, & discharge	Timeliness, efficiency	Application cycle time	Figure 7.1-10
		Discharge cycle time	Figure 7.1-11
Regulatory compliance	Timeliness, comprehensiveness	Patient Safety Index	Figure 7.1-3
		Compliance training completion	Figure 7.4-3
		Accreditation, HIPAA violations, FDA & ADA findings, IRS findings	Figure 7.4-4
		CMS & JC indicators	Figure 7.4-5
		ADA compliance	Figure 7.4-6
Care delivery	Timeliness, respect, effectiveness, safety, high quality	POC completion, advance directive completion, Patient Safety Index, pain control, UTI incidence, restraint use, pressure ulcer incidence, vaccination rates	7.1a
Development of an educational environment	High quality, availability	Resident satisfaction with educational opportunities	Figure 7.2-5
Engagement of a Skilled Workforce			
Workforce engagement & workforce development	Effectiveness, availability, participation	Employee satisfaction & engagement	Figures 7.3-4, 7.3-5, 7.3-6
		Turnover & vacancy rates	Figure 7.3-7
		Training completion	Figure 7.4-3
Facilities Operation & Management			
Facility management	Timeliness, safety, efficiency, high quality	Facility request turnaround time (TAT)	Figure 7.1-12
		Complaint resolution cycle time	Figure 7.1-13
		IT help desk satisfaction	Figure 7.1-14
		Fire & health inspection deficiencies	Figures 7.1-17, 7.1-18
		Emergency readiness	Figure 7.1-19
		Satisfaction with meals	Figure 7.2-5
Financial management	Timeliness, accuracy	Operating margin	Figures 7.5-1, 7.5-2, 7.5-3
		Days in AR	Figure 7.5-7
		Days cash on hand	Figure 7.5-8
		EBITDA	Figure 7.5-11
		Debt to equity	Figure 7.5-12

In-process measures for work processes (Figure 6.2-2) provide information on their day-to-day operation. Control charts depicting some in-process and outcome measures are posted in employee areas and on TillingWeb, and reviewed at department meetings. When processes do not meet requirements, the process owner reviews the data with employees and recommends a corrective action (e.g., establish a PDCA team). Issues requiring significant personnel or financial resources are referred to the LEAP Office (6.2b[4]). Selected measures (e.g., those on Nursing Home Compare) are posted in resident care areas and on TL's public Web site.

6.2b(2) Management of work processes incorporates input on residents' expectations and preferences gathered by Collaborative Care Teams and from Resident and Family Councils. During daily rounding by Collaborative Care Teams, employees explain health care service delivery processes and outcomes to SNF residents and their families (if present and authorized). Rounding includes a review of the daily POC and schedule, which are posted on the resident's in-room white board for reference throughout the day. This keeps the resident and family informed and provides an opportunity to ask questions about the resident's care. Rounding in ALFs similarly serves to clarify residents' needs and explain the means of support offered.

6.2b(3) TL's GPO, East Coast Medical, manages the supply chain for medical supplies. For suppliers who are not affiliates of East Coast Medical, the qualification process includes contract management (with defined deliverables, measures, and goals). Each supplier receives a monthly supplier feedback report summarizing these measures, including pertinent survey results. These data are reviewed at least quarterly with each key supplier.

Poorly performing suppliers receive a Corrective Action Report (CAR) requiring the supplier to submit a Corrective Action Plan and be subject to more frequent monitoring. If the nonconformance is not resolved within the defined CAR time, the supplier's contract may be terminated. TL is committed to locally sourcing when it makes economic and community sense, including buying locally grown food when it is available (1.2c[1]).

6.2b(4) The LEAP Office supports facility-specific, cross-facility, and systemwide improvement projects and quantifies improvements systemwide. The office tracks the activities of improvement teams on the TillingNet Best Practices and Improvement Portal, and the teams use the portal to manage their projects and share best practices. The portal displays improvement activities at all facilities, so the LEAP Office and teams can see if another team has conducted a similar project and contact that team to avoid "reinventing the wheel."

Within facilities, teams use PDCA (Figure 6.2-1) for most process improvement projects that emerge from reviews. Process improvement training using PDCA is incorporated into new employee orientation, and all employees must participate in an improvement team as documented in their APEX Performance Goal Plan. All employees are expected to examine their work areas for opportunities and use PDCA with a team. Quarterly team recognition events, as well as the Best of Tillingate conference, highlight and celebrate team results from all facilities, with monetary awards to the winners.

Before beginning improvement activities, the process sponsor and team leader submit a project charter showing key deliverables and timelines to the LEAP Office. The LEAP Office reviews the charters and refers high-stakes, larger-scale systemwide or regional improvement projects requiring significant support, people, and time to the CLT for vetting as LSS projects. Teams with lower-stakes projects requiring less support, fewer people, and a shorter time frame can request PDCA project facilitation from the LEAP Office.

In 2009, recognizing that the facilities needed additional support in designing and improving complex processes with significant financial impact, TL started an LSS program, which recruited and hired one LSS Black Belt and two Green Belts from the U.S. military to teach LSS methods and track and supervise projects. These "Belts" travel to the facilities to conduct Kaizen events, help PDCA teams, or initiate LSS projects. For cost-effective follow-up, and to guide and manage projects with facility-based teams, the Belts typically use TillingMeet.

LSS teams use Design-Measure-Analyze-Improve-Control (DMAIC; Figure 6.2-3) and other LSS tools to improve complex processes. The CLT sets the criteria for LSS projects, and CLT members are involved in the tollgate reviews required at each step of DMAIC. Projects that do not meet the criteria for an LSS project are referred back to the LEAP Office for assignment to a sponsor and support in using PDCA. The nine LSS projects to date have achieved $1.2 million in cost savings and avoidance.

Significant savings have also resulted from department- and facility-based improvement initiatives. Efforts now underway include reducing the costs of incontinence supplies, reducing hospitalizations within 30 days of discharge from SNFs, and reducing vacant bed days.

Figure 6.2-3 Steps and Deliverables in DMAIC

Define
- Define type of project.
- Form expert-based team.

Tollgate review → Project charter

Measure
- Define in-process and outcome measures to demonstrate requirements are met.
- Define data collection methods.
- Map current process; find benchmarks, best practices, regulatory requirements, technology, and internal expertise.

Tollgate review → Baseline, in-process, & outcome measures; process map

Analyze
- Use quality tools to design robust process FMEA.

Tollgate review → Fishbone, RCA, five whys

Improve
- Pilot & implement process.

Tollgate review → Implementation plan

Control
- Monitor effectiveness & cost of process.

Tollgate review → Control chart, survey

Category 7: Results

All results marked with an asterisk represent projections.

7.1 Health Care and Process Outcomes

Comparison data from CMS and on the systemwide APEX scorecard indicate that TL's facilities are among the top-performing facilities in each of the four states, and in 2011, the system received a Gold-level USSN/ALC Excellence Award for benchmark performance on many national measures. Following are internal and CMS quality measures that demonstrate TL's commitment to and delivery of the best in care and resident living.

7.1a Patient-Focused Health Care Results

7.1a TL requires the completion of a POC for all SNF residents (Figure 7.1-1; this is an internal compliance measure, with no comparisons available). Clinicians, nurses, the resident, and the family are involved in creating and reviewing the POC. Since 2007, TL has made significant progress toward the goal of 100%.

SNF residents are required to complete an advance care directive designating a health care agent to carry out their wishes if they are unable to communicate them because of

Figure 7.1-1 SNF Residents with POC Completed
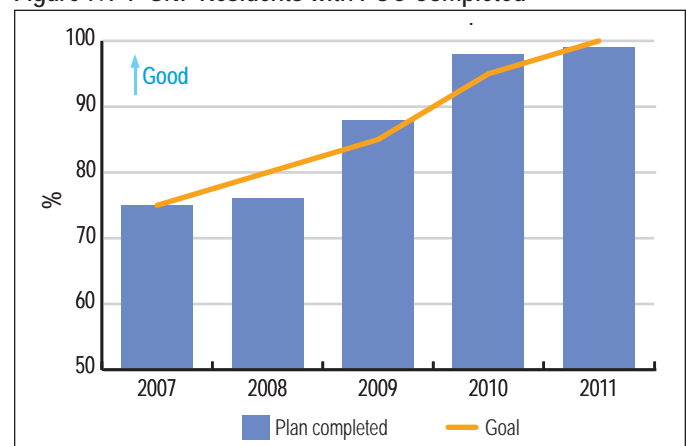
sudden or chronic illness (Figure 7.1-2). All assisted living residents receive information on advance care planning and are encouraged to complete a directive. The facility keeps these directives on file.

Figure 7.1-2 Residents with Advance Care Directive Completed
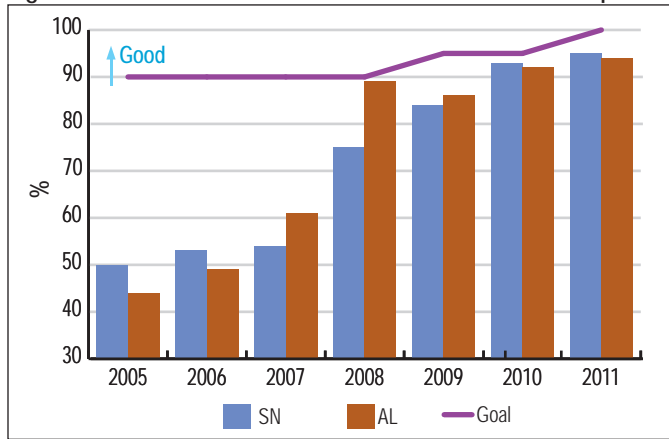
Figure 7.1-3 Overall Compliance with Patient Safety Goals (Patient Safety Index)
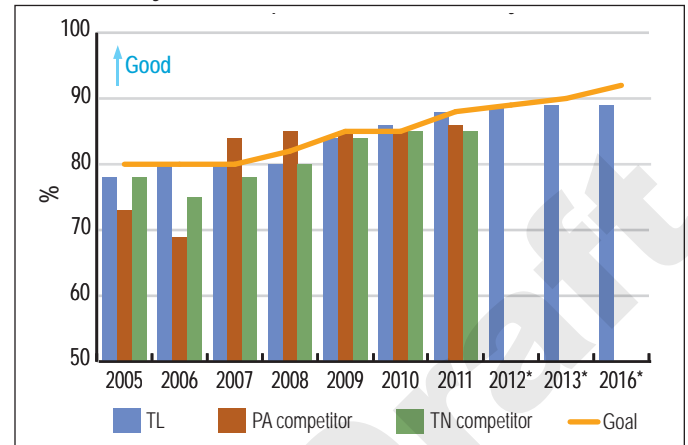
Patient Safety Index (Figure 7.1-3) is an overall weighted average of four indicators reflecting the current NPSGs. In late 2011, these NPSGs were (1) identifying residents correctly, (2) using medicines safely, (3) preventing infection, (4) preventing residents from falling, and (5) preventing pressure ulcers. This measure is tracked for all skilled nursing residents, as well as by facility, and is reviewed and published monthly on the TillingNet PTP.

Rounding checklists have reduced reports of pain for short- and long-stay residents at SNFs (Figure 7.1-4). TL now evidences results for pain control that are better than the CMS average for the nation.

The UTI Best Practices Team, made up of employees from SNFs in each of the four states, has instituted standard proto-cols in each facility to reduce UTI incidence (Figure 7.1-5), including protocols for cleanliness, regular emptying of the bladder, and fluids. Compliance with these protocols has led to UTI rates that are better than the national average and the benchmark. This team received an APEX Performance Award.

The use of checklists to assess skilled nursing residents daily and a falls team at each SNF have significantly decreased the use of restraints (Figure 7.1-6), which should only be

Figure 7.1-4 Long-Stay Skilled Nursing Residents with Moderate to Severe Pain
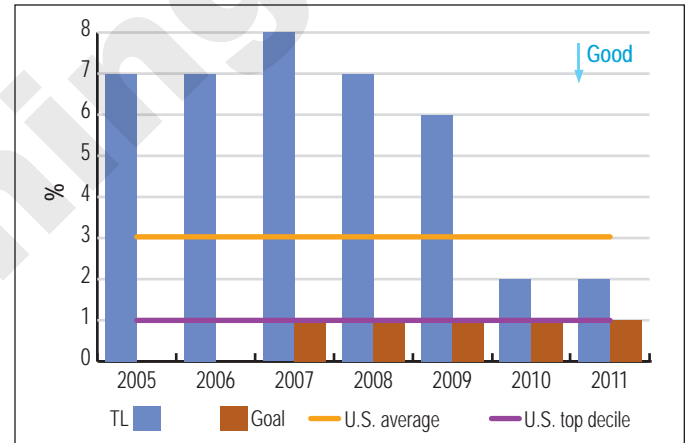
Figure 7.1-5 UTI Rate for Skilled Nursing Residents (%)
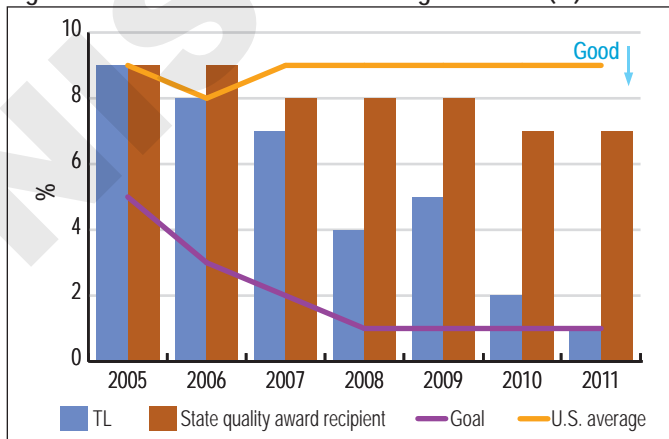
Figure 7.1-6 Long-Stay Skilled Nursing Residents Who Were Physically Restrained
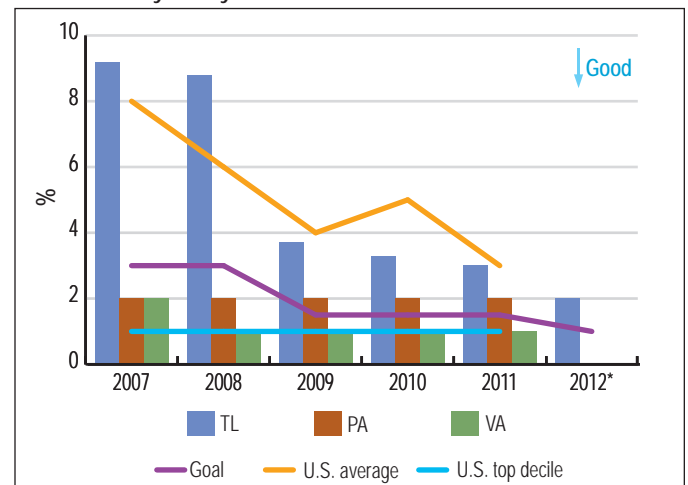
Figure 7.1-7 Long-Stay Skilled Nursing Residents with Pressure Ulcers

Figure 7.1-8 Pneumococcal Vaccination Rate for Long-Stay Skilled Nursing Residents
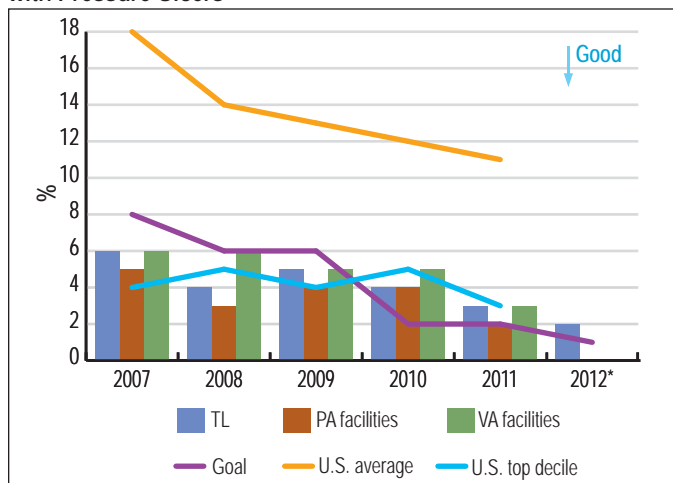
used when necessary as part of treatment. Residents who are restrained daily may become weak, lose the ability to use the bathroom by themselves, and develop pressure ulcers (Figure 7.1-7) or other medical complications.

TL offers pneumococcal and influenza vaccines to all residents (Figures 7.1-8 and 7.1-9). The admission checklist for new skilled nursing residents, revised in 2008, includes an assessment for these vaccines. This has raised vaccination rates.

7.1b Operational Process Effectiveness Results

7.1b(1) Because the time it takes to process an ALF application can mean the loss of potential residents to other facilities, TL has an APEX goal of minimizing application cycle time (from the time a prospective resident submits an application to acceptance into the facility; Figure 7.1-10). Application cycle time increased in 2008, when processing was consolidated at corporate headquarters. TL then moved the application process back to the Operations Groups at the facilities and installed a

modified version of the software application used by Widmark Mortgage for processing mortgage applications. Since then, the cycle time for processing an application for an assisted living apartment across TL's facilities has improved from 54 days to 18 days, largely because of the addition of online applications and the elimination of handoffs.

With skilled nursing utilization rates nearing 100%, timely discharge of residents is important so new residents can be accommodated. Using Lean tools under the direction of the LEAP Office, a team of nurses and case managers has reduced the time to discharge a resident (measured as the time from discharge by a physician to the time the resident leaves the facility; Figure 7.1-11). This reduction is estimated to have generated an additional $845,688 in revenue for 2011. TL has not found a benchmark for SNF discharge time using TL's definition, which is derived from resident and family feedback, but discharge time is shorter than that of two multifacility competitors.

Figure 7.1-9 Influenza Vaccination Rate for Residents
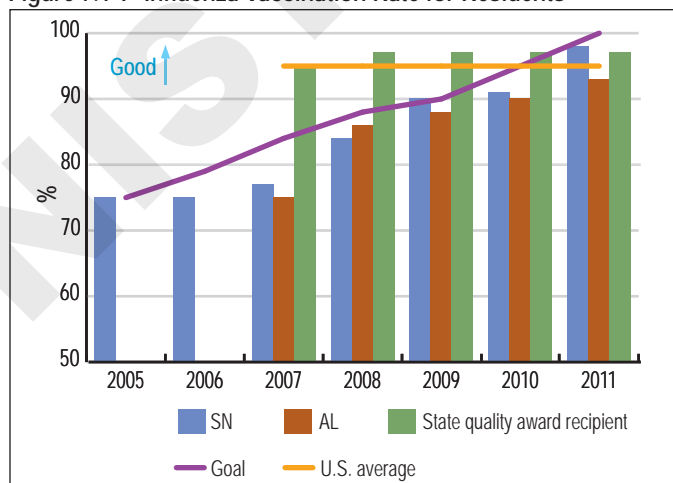
Figure 7.1-10 ALF Application Cycle Time
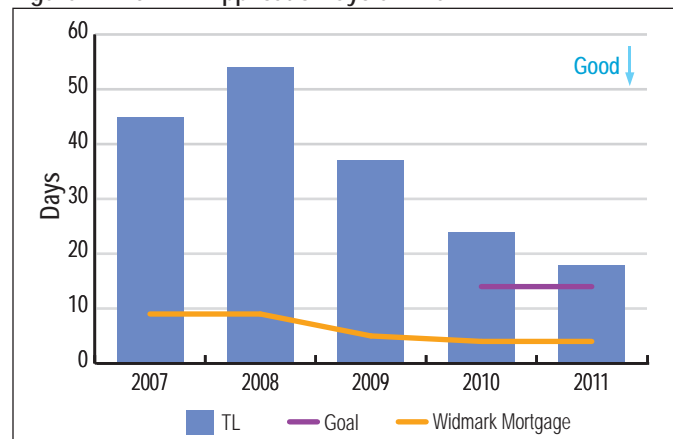
Figure 7.1-11 Average Discharge Time for
Skilled Nursing Residents
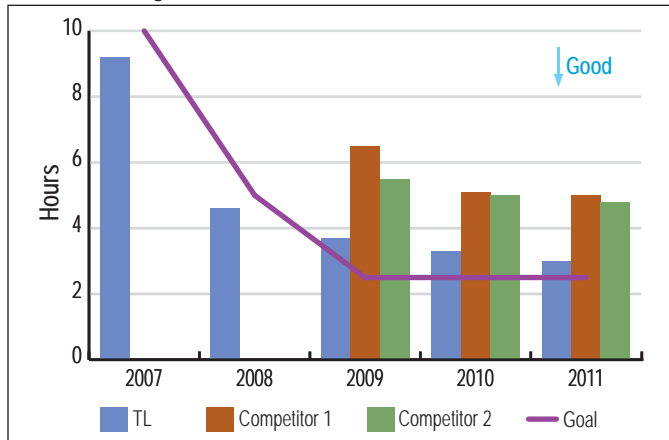
Figure 7.1-12 Facility Request TAT
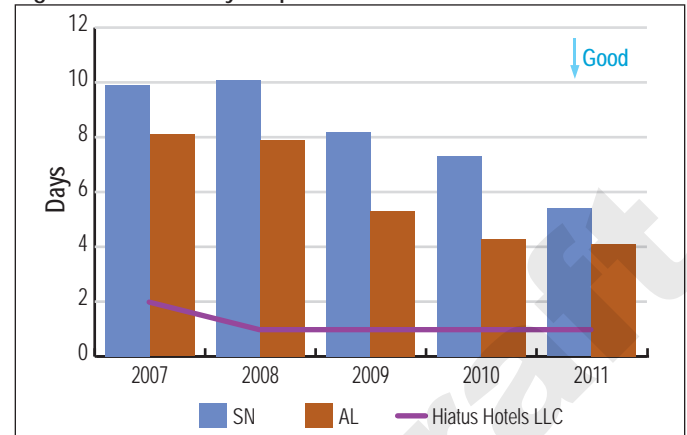
Figure 7.1-13 Complaints Resolved within Five Days
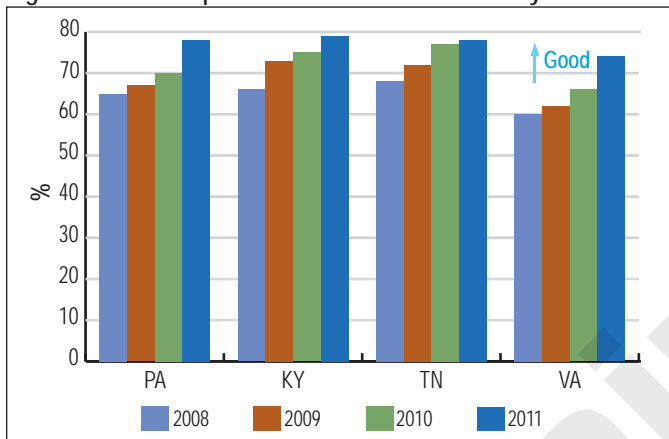
Figure 7.1-14 Satisfaction with Help Desk Response
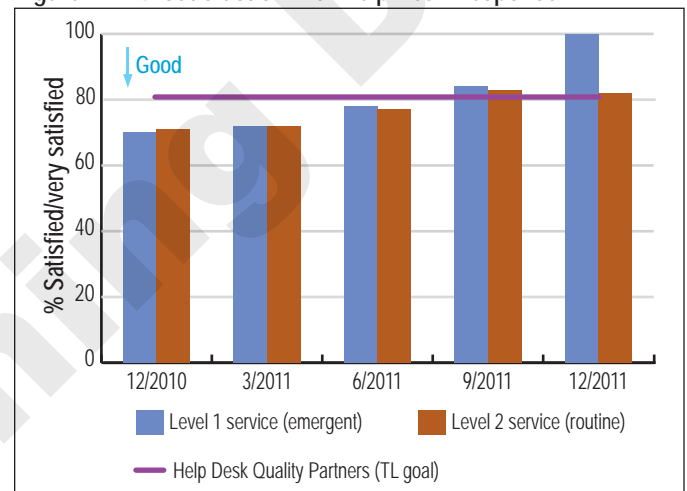
Maintaining pleasant, safe facilities is a requirement of residents and their families. Anyone can submit a facilities request via TillingNet or by contacting an employee and can follow the status of the request online. A cross-functional LSS team eliminated significant waste from the facility work-request process. Rather than benchmarking with other health care organizations, TL benchmarks Hiatus Hotels LLC. In 2012, TL will track facility request TAT (Figure 7.1-12) in hours instead of days.

After the system changed the APEX goal for complaint resolution to five days in 2010, cycle time improved (Figure 7.1-13). The Virginia facilities lagged slightly for several years, but with a change in the regional vice president of operations, results have improved. TL also tracks resolution time by facility.

Employees rely on IT systems as a source of timely, accurate information. By implementing best practices learned from Help Desk Quality Partners, TL's 24/7 help desk has improved its response time. When a service ticket is closed, the submitter of the request receives a survey on the quality of the assistance. These results (Figure 7.1-14) are compiled each quarter. The APEX goal for this measure is 80% for both Level 1 and

Figure 7.1-15 On-Time Delivery: Caubwick Nationwide Linen
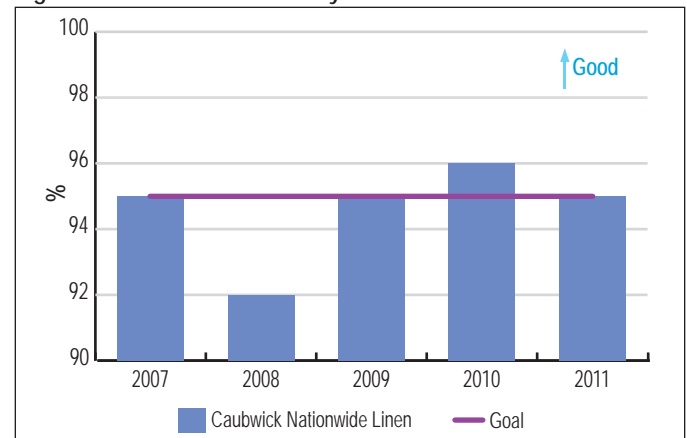
Level 2 calls, which represents Help Desk Quality Partners' industry-leading level.

On-time delivery of supplies and accuracy of prescriptions (Figures 7.1-15 and 7.1-16) are critical to resident care. For pharmacy orders, the APEX goal is zero errors, and any error (e.g., in labeling or dispensing) triggers a CAR.

Figure 7.1-16 Wall-to-Wall Pharmacy:
Prescription TAT and Error Rate
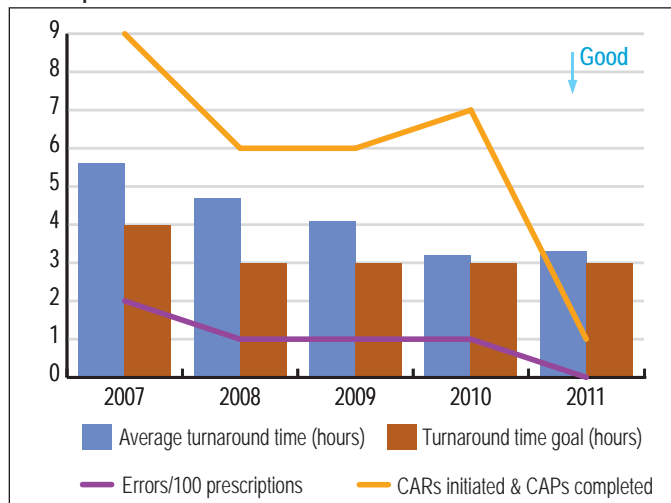
Figure 7.1-17 Average Fire Safety Inspection
Deficiencies per Facility
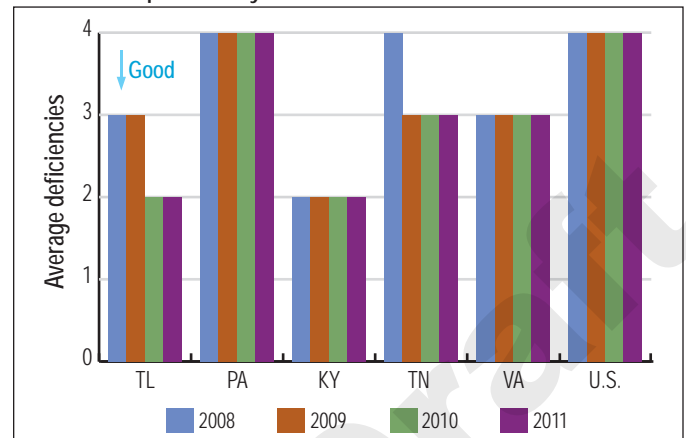
Figure 7.1-18 Average Health Inspection
Deficiencies per Facility
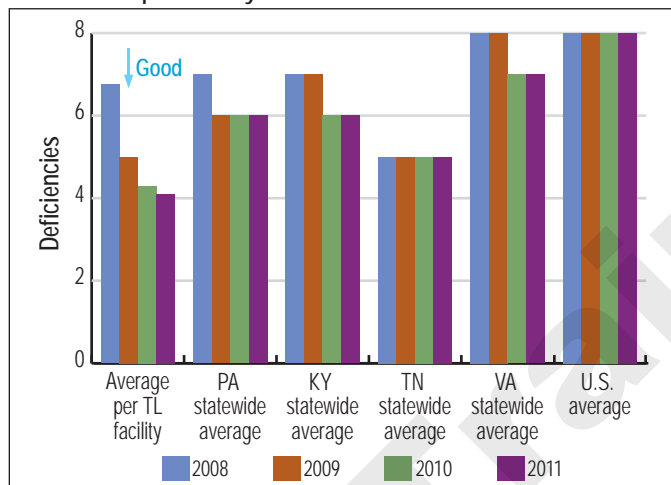
Figure 7.1-19 Emergency Readiness: All Facilities

Activity	Required	Actual Average			
		2008	2009	2010	2011
Fire safety inspections	2	2	2	2	2
Fire drills	12	12.3	13.1	13.5	13.4
Emergency exercises	2	2	2.3	2	2.1
Community drills	1	1	1	1.2	1.2

Improvement projects have resulted in significant savings (Figure 7.1-21). Since 2009, the LEAP Office has chartered nine LSS projects, which have achieved $1.2 million in cost savings and avoidance. In addition to these LSS projects, department- and facility-based improvement initiatives have led to significant savings. In the fourth quarter of 2011 alone, savings for facilities by state were as follows: Pennsylvania, $102,000; Kentucky, $76,000; Tennessee, $46,000; and Virginia, $97,000.

7.1b(2) Frequent testing and drills followed by evaluation and improvement action plans ensure that TL is prepared for emergencies. Results for fire safety inspections (required for state licensing of facilities) are shown in Figure 7.1-17. TL outperforms the national average for fire safety inspection deficiencies per facility and performs equal to or better than the average in each of the four states.

Health inspection deficiencies (Figure 7.1-18) have been declining at the facilities since 2008 as a result of increased internal inspections, reviews, and improvements. In the past three years, no facility has had more than five deficiencies in any given survey, which is better than the state and national averages. To ensure readiness for emergencies, TL holds drills and tests the EPP frequently (Figure 7.1-19).

7.1c Strategy Implementation Results
7.1c Since 2007, the LEAP Office has tracked the completion of action plans resulting from the SPP, improvement activities, and other sources (Figure 7.1-20). This is an internal measure.

Figure 7.1-20 Sample Results for Action Plan Completion
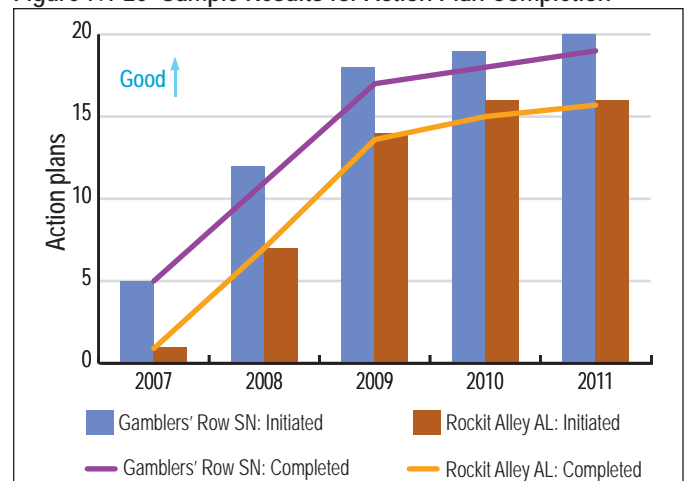
Figure 7.1-21 Savings from Improvement Projects
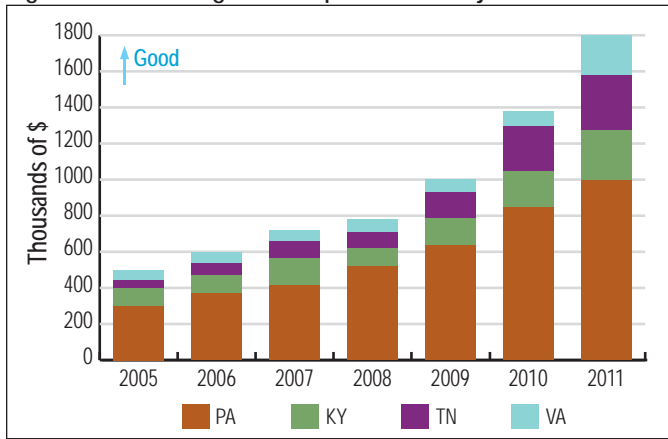
7.2 Customer-Focused Outcomes

TL tracks satisfaction and relationship building systemwide and for each facility by service offering, age group, gender, length of stay, and level of care. A sample of the results is included here. Data and benchmarks are from the Packer Patient Satisfaction Survey national vendor, from CMS, or from TL's own surveys, as noted.

7.2a Customer-Focused Results

7.2a(1) Through the Packer Patient Satisfaction Survey, TL tracks residents' overall satisfaction by service offering (Figure 7.2-1), age group, and gender (Figure 7.2-2) to identify emerging psychographic differences in upcoming generations and differences in attitudes toward personal treatment, electronic media, recreational activities, learning opportunities, and food choices. As competitors do not track satisfaction to this detail, comparative information is not available. This information is important for the system as it plans to increase the volume of baby boomers served. As satisfaction is slightly lower for younger residents, TL is focusing on this area and projects levels of satisfaction equal to or better than those of the older groups. Satisfaction levels continue to be slightly lower for female residents.

Satisfaction with interaction with TL's workforce (based on responses to the Packer Patient Satisfaction Survey; Figure 7.2-3) shows the averaged responses of residents and families. Satisfaction has continued to improve with TL's increased focus on communication with residents and their families.

Figure 7.2-2 Resident Satisfaction by Service Offering, Age Group, and Gender

Figure 7.2-1 Resident Satisfaction by Service Offering
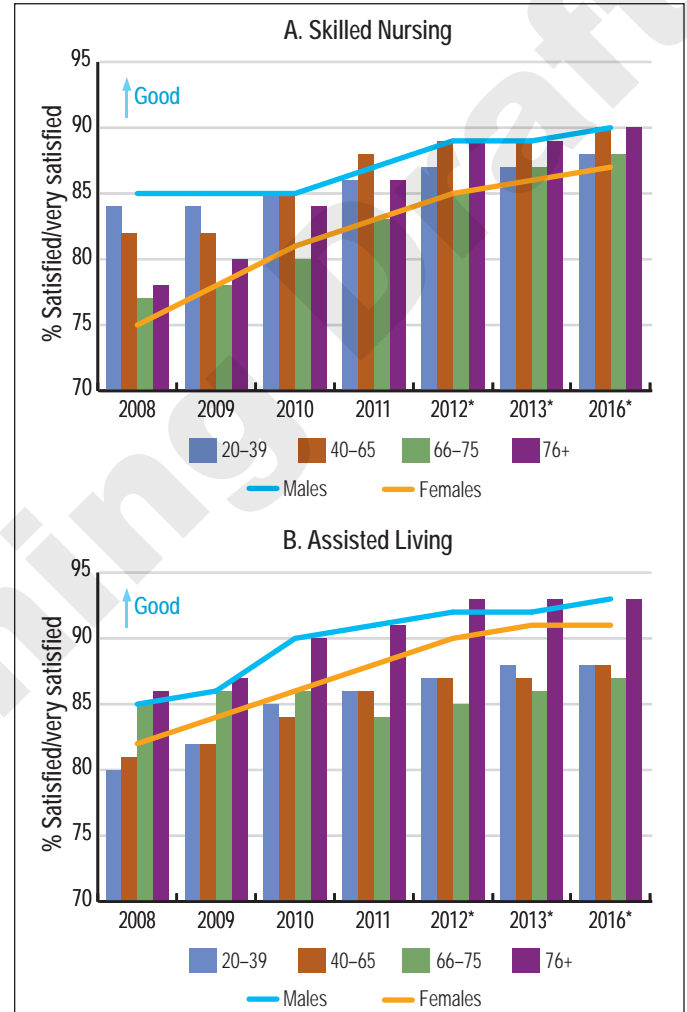
Figure 7.2-3 Resident and Family Satisfaction with Interaction with the Workforce
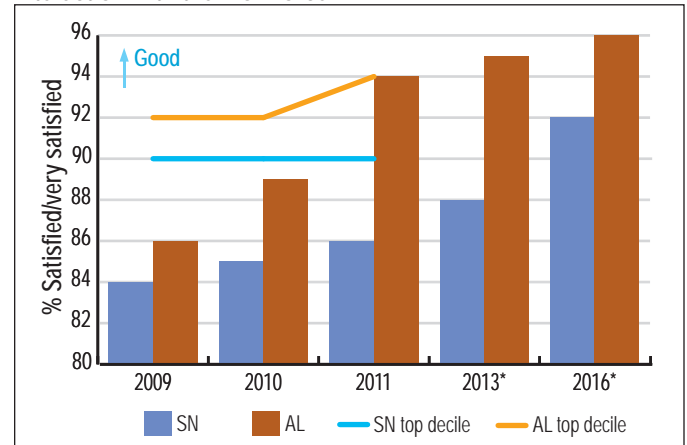
Figure 7.2-4 Resident Satisfaction with
Methods of Communicating outside the Facility

Figure 7.2-5 Resident Satisfaction with Quality-of-Life Services (%)

Service	% of Residents Satisfied or Very Satisfied				
	2008	2009	2010	2011	2012 Q1
Pleasant environment	80	80	83	85	85
Privacy	78	77	78	80	81
Food	70	75	78	80	81
Attentive staff	77	78	79	84	84
Activities & recreation	75	75	76	72	72
Fitness facilities	70	70	75	74	74
Communications	74	78	80	87	88
Educational opportunities	78	78	84	88	92
Rehabilitation services	85	85	90	92	95

TL also tracks satisfaction with interaction by gender and by the age groups shown in Figure 7.2-2. As residents gained access to electronic media in the media centers and volunteers began helping the residents use the technologies, satisfaction with the available means of communicating outside the facility

(Figure 7.2-4) improved in each age group. This question is also asked of family members and tracked by facility.

Satisfaction with quality-of-life services, which TL tracks with internal surveys administered by volunteers, is shown in Figure 7.2-5. Expectations for such services are rising as residents include more baby boomers, who want more activities that take them outside their apartments and rooms. The question on communications was added in 2008, and scores increased with the addition and upgrade of media centers. This measure shows some variation by age group and gender, as noted in Figure 7.2-2. TL also tracks this measure by facility and for families.

Families' satisfaction with the environment in the facilities (Figure 7.2-6) reflects questions on the Packer Patient Satisfaction Survey related to family members' perceptions of safety and security. Satisfaction with communication about the resident (Figure 7.2-7) increased significantly with the addition of personalized secure communication areas for each resident in the TillingNet Resident and Family Portal, which allows families to understand the care being given and to communicate with the facility from any location. In addition, the installation of VoIP capability in facility media centers allows family members who live far from the facility, or those who are away from the area temporarily, to witness residents' condition firsthand. TL also tracks this measure by age of resident, state, and facility.

Ratings tend to increase with each year that families have a member in residence.

Figure 7.2-8 shows results from CMS Nursing Home Compare for payors' satisfaction with TL and with peers in the industry. Since 2009, TL has improved in this measure, and the level is now better than the CMS average.

7.2a(2) TL considers the percentage of residents who move through the stages of care at one of its facilities (Figure 7.2-9) an important indicator of engagement. This is an internal

Figure 7.2-6 Family Satisfaction with the Facility Environment

Figure 7.2-7 Family Satisfaction with
Communication about the Resident

Figure 7.2-8 Payors' Satisfaction with TL's Services

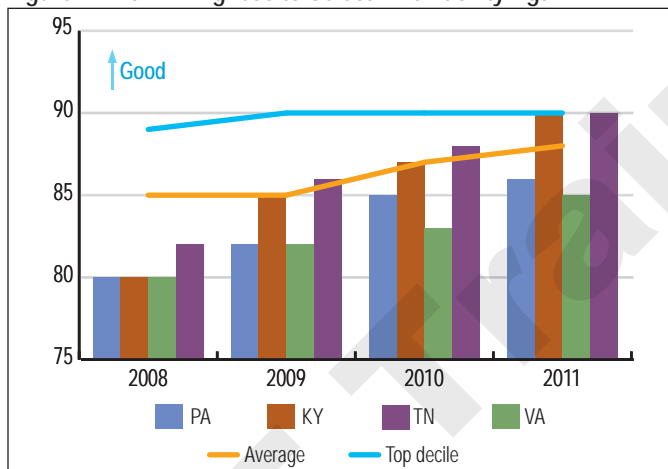
Figure 7.2-9 Residents Moving from Assisted Living, to Skilled Nursing Care, to Acute Skilled Nursing Care

measure. Limitations of this measure are that comparative data are difficult to obtain, as not many organizations track this indicator, and that the sample size is still small, as residents move slowly through the system. In 2011, residents were in assisted living for longer periods, possibly due to increased activity, which may explain the slight downward trend in 2011,

Figure 7.2-10 Willingness to Select This Facility Again

Figure 7.2-11 Willingness to Recommend: Residents

as facilities assist residents in delaying a move to a higher level of care.

Willingness to select the facility again if the need arose (Figure 7.2-10) reflects residents', former residents', and families' or friends' responses on the Packer Patient Satisfaction Survey for facilities in each of the four states. While this measure is slightly lower in Pennsylvania than in the other regions because of greater competition, satisfaction is improving due to a focus on overall satisfaction and communication.

Residents' willingness to recommend (Figure 7.2-11) is lower for assisted living than for skilled nursing, reflecting a high-growth area that attracts baby boomers with higher expectations. Satisfaction has increased with a stronger focus on recreational activities, use of media centers, and educational activities. Willingness to recommend is measured with questions on the Packer Patient Satisfaction Survey and is tracked by facility, state, and gender.

The percentage of residents who currently have relatives in TL's facilities (Figure 7.2-12) indicates satisfaction with the system's services. Word-of-mouth recommendations to family members not only increase market share but also increase a sense of community, as residents may have family members living in the same facility.

Professionals' willingness to recommend TL's facilities (Figure 7.2-13) has continued to increase, with the largest increase among partner and attending physicians willing to recommend skilled nursing care. Willingness to recommend ALFs has increased due to a focus on ensuring increased satisfaction in

Figure 7.2-12 Residents with Relatives in TL's Facilities

Service Offering	% of Residents			
	2008	2009	2010	2011
Skilled Nursing	14	15	15	17
Assisted Living	7	9	14	15

Figure 7.2-13 Willingness to Recommend: Senior Centers, Physicians, and Nurse Practitioners
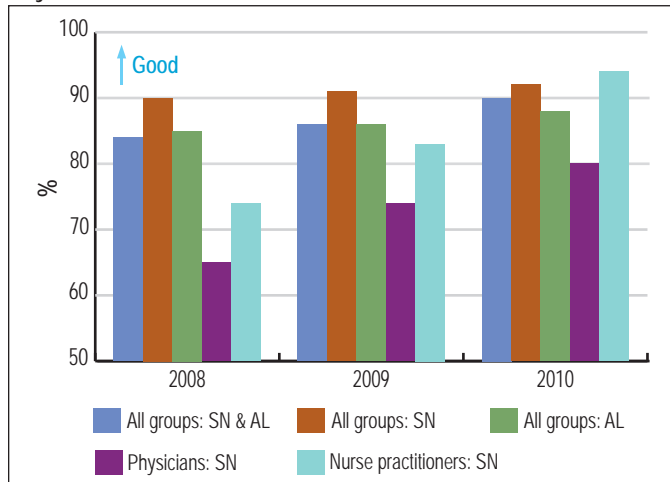
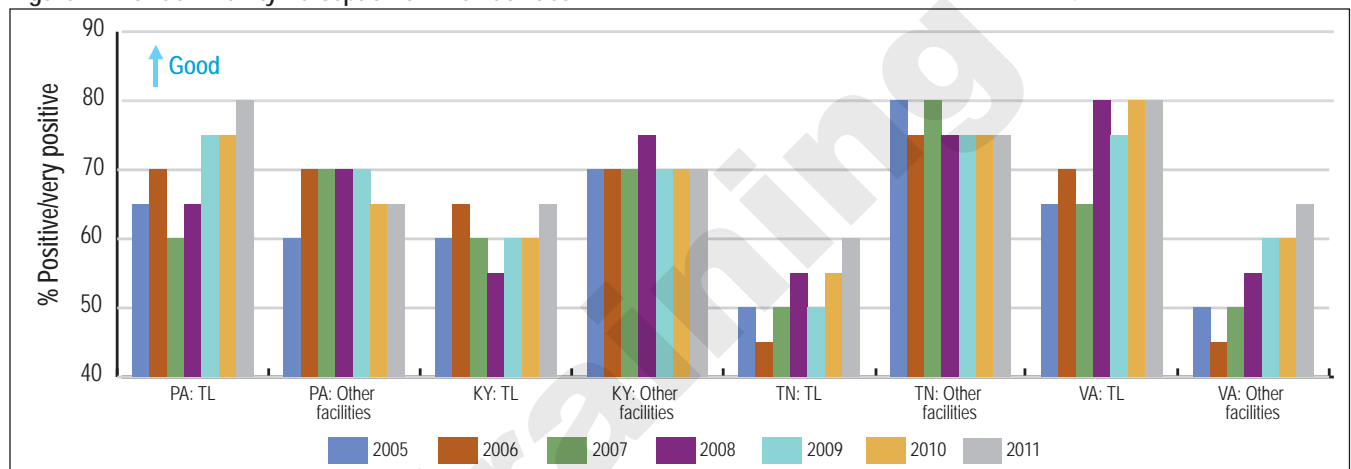Figure 7.2-14 TL's Reputation among Senior Center Users
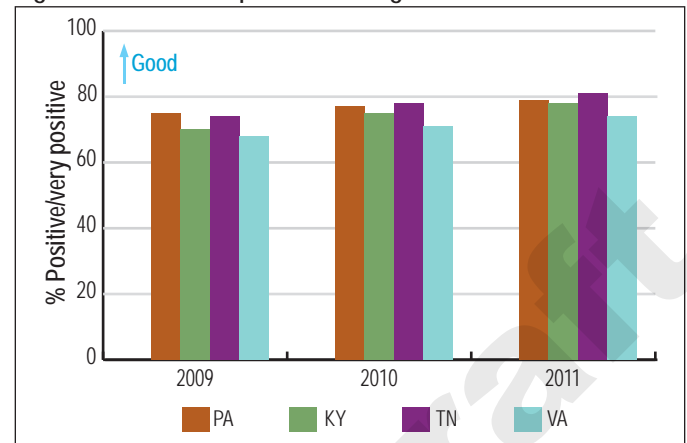
Figure 7.2-15 Community Perception of TL's Facilities

this area, as well as on communication with senior centers and physician groups.

Figure 7.2-14 shows a composite of senior center users' perceptions of TL's services, representing TL's reputation in each region. Reputation is also tracked by facility and service offering.

Figure 7.2-15 shows the Community Perception Survey results for each state. In the survey, randomly selected participants from the community are asked to rate their perceptions of TL's facilities and others in the area from 0 to 100 in increments of 5. A rating of 100 reflects a completely positive perception; 50, a neutral perception; and below 50, a negative perception. The participants may or may not have had personal experience with any particular facility. In spite of intense competition in Pennsylvania, participants there reported more positive impressions of TL's facilities than of others.

7.3 Workforce-Focused Outcomes

7.3a Workforce Results

7.3a(1) TL correlates many workforce results with resident care outcomes to assist in managing capacity and capability. Nursing care minutes as they relate to resident outcomes (Figure 7.3-1) are used to identify employee capability. RN, LPN, and CNA minutes per resident per day have exceeded the national average in all years since 2005, when the acuity-based system was implemented. This measure of staff capability demonstrates TL's commitment to excellence in resident care through the provision of optimal staffing ratios.

As a result of balancing staffing and acuity levels, the use of restraints for long-stay skilled nursing residents has decreased to better than the top-decile level, as has the incidence of pressure ulcers for these residents (Figures 7.1-6 and 7.1-7).

7.3a(2) Back injuries (Figure 7.3-2) result in lost time and increased workers' compensation costs. Since the adoption of the safe lifting policy (supported by the Society of U.S.

Figure 7.3-1 Relation of Nursing Care Hours to
Selected Resident Outcomes
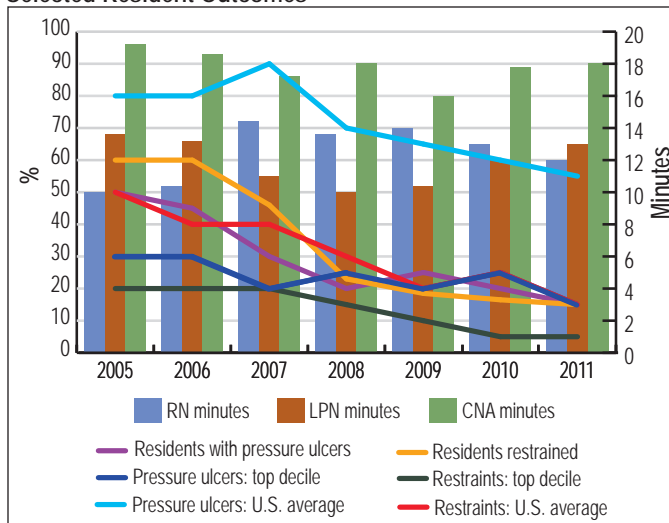
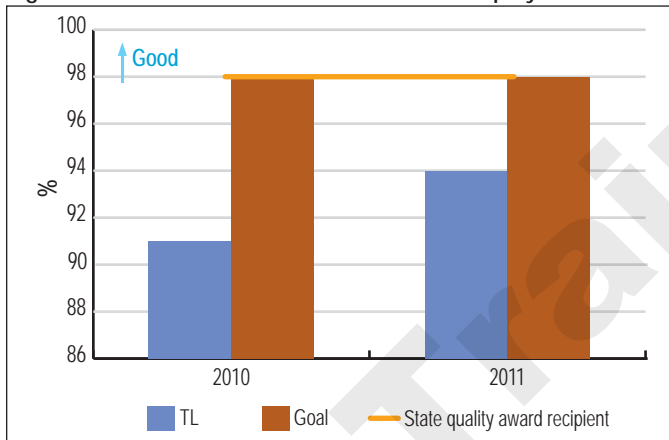Figure 7.3-2 Employee Back Injury
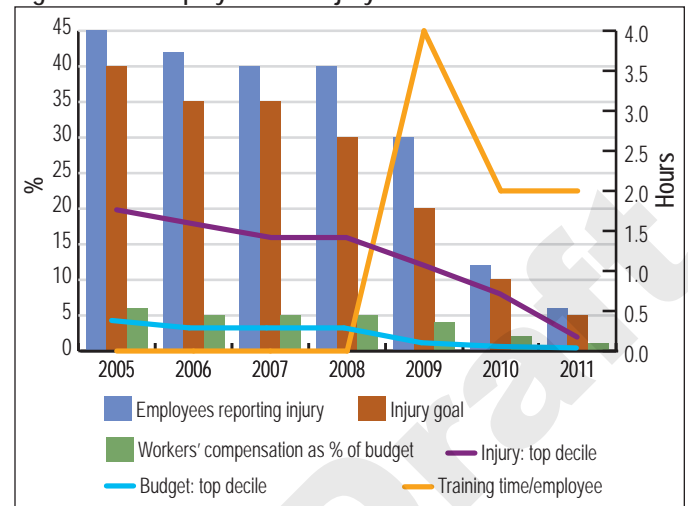
Figure 7.3-3 Influenza Vaccination Rate for Employees
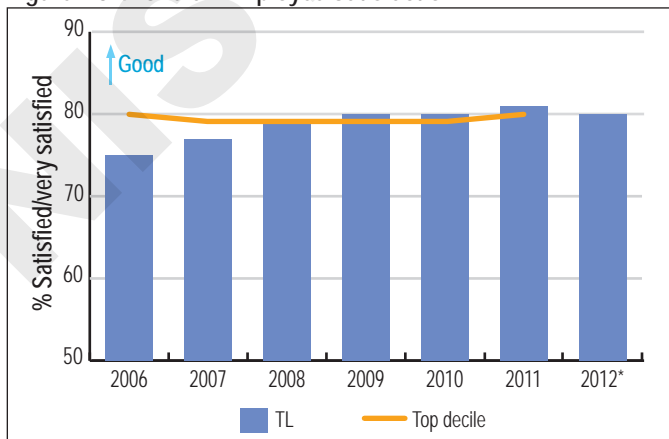

Figure 7.3-4 Overall Employee Satisfaction

Nurses) in 2008, TL's investment in equipment and education has lowered back injury rates and workers' compensation expenses. TL was one of the first skilled nursing organizations to adopt these policies, and the success of the initiative is clear. The expense of the equipment and education has been worth the investment. Training in safe lifting required four hours per employee in the first year of the initiative, and training hours are now stable at two hours per employee per year.

After two and three incidents, respectively, in 2006 and 2007, no employees at the facilities have been exposed to blood-borne pathogens through needle stick or other sharps-related injuries since then.

The influenza vaccine is highly recommended for all TL employees who have contact with residents, and TL is required to screen all employees for tuberculosis. Vaccination rates have improved dramatically in the last five years (Figure 7.3-3), resulting in lower incidence of influenza among residents and fewer employee sick days. In 2010, several facilities began offering low-cost influenza vaccination to residents' family members, and all facilities will begin offering this service in fall 2012.

7.3a(3) Employee satisfaction levels from the annual Caring Colleagues survey are shown in Figures 7.3-4 and 7.3-5. TL measures progress toward achieving strategy 4—being the preferred employer in communities served by TL—with the question "I would be proud to refer a friend to work here." Ratings of 4 or 5 (on a 5-point scale, corresponding to "agree" and "strongly agree") from the Caring Colleagues survey have been increasing since 2006, and, in 2010, TL reached the top-decile level among organizations in the survey's national database. Improvement is related to empowerment through delegated accountability demonstrated within the Voyage to Distinction program, begun in 2008. The program emphasizes the role that every member of the workforce plays in the care of residents.

Figure 7.3-5 Employee Satisfaction: Elements

Figure 7.3-5 Employee Satisfaction: Elements

- I am satisfied with the benefits offered.
- I feel safe & secure at work.
- I like the people I work with.
- I would be proud to refer a friend to work here.
- Benefits: top decile
- Safe & secure: top decile
- Like the people: top decile
- Proud to refer: top decile

Figure 7.3-6 Employee Engagement

Figure 7.3-6 Employee Engagement

- I am proud to work at TL.
- I would recommend TL to a family member.
- I have a voice in resident care.
- Proud: top decile
- Recommend: top decile
- Voice: top decile

Figure 7.3-7 Turnover and Vacancy Rates

Figure 7.3-7 Turnover and Vacancy Rates

- Professional staff turnover
- Professional: top decile
- Paraprofessional staff turnover
- Paraprofessional: top decile
- Volunteer turnover
- Volunteer: top decile
- Vacancy rate

Figure 7.3-8 Employee Tuition Waivers and Reimbursement

Figure 7.3-8 Employee Tuition Waivers and Reimbursement

- Employees receiving waivers
- Employees reimbursed
- Employees enrolled in courses
- Savings from waivers

TL measures employee engagement (Figure 7.3-6) with three questions on the employee survey: "I am proud to work here," "I would recommend TL's facilities to family members," and "I have a voice in resident care." The percentage of 4 and 5 ratings to all three statements on the Caring Colleagues survey has increased since 2006, and responses to the statements "I am proud to work at TL" and "I would recommend TL to a family member" have now reached the top-decile level. Empowerment through delegated accountability in each facility, and particularly Collaborative Care Teams, has been instrumental in increasing engagement.

Turnover and vacancy rates (Figure 7.3-7) are indicators of employee and volunteer satisfaction. Since TL began the Voyage to Distinction program, turnover rates have decreased. Turnover rates for professional staff, paraprofessional staff, and volunteers are all in the top decile of organizations included in the Caring Colleagues database. TL attributes its high retention rate for professional staff members to its partnerships with colleges and universities, particularly the University of Knoxville (5.2c[3]). Volunteer turnover is affected by the fact that younger volunteers often leave the area after several years to attend college.
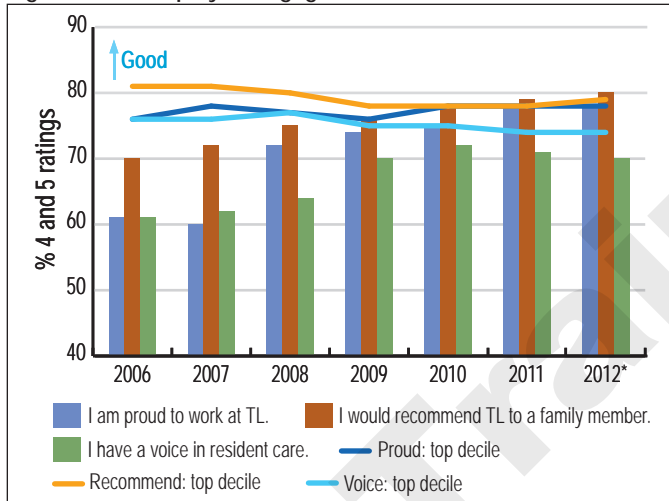
7.3a(4) The tuition waiver program has been successful in both the number of employees taking courses and the tuition reimbursement dollars saved (Figure 7.3-8). The additional staff capability is compounded by the number of employees who have qualified for tuition waivers at the four partner education institutions in Philadelphia, Pittsburgh, Knoxville, and Charlottesville, saving TL the tuition dollars.

The other side of the partnerships with these institutions is TL's provision of clinical experiences for students at the facilities in each of the four states. Each partner institution evaluates its students' clinical experience at the facility, and the findings are documented in the minutes of meetings held each year at the facility. These minutes show overall satisfaction with the clinical experiences at each facility.
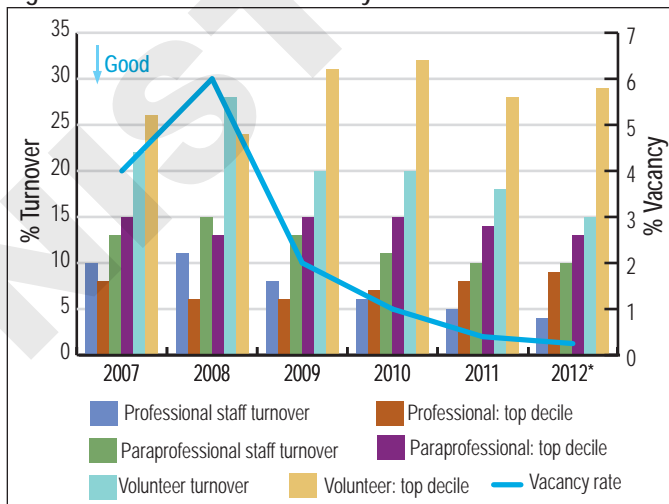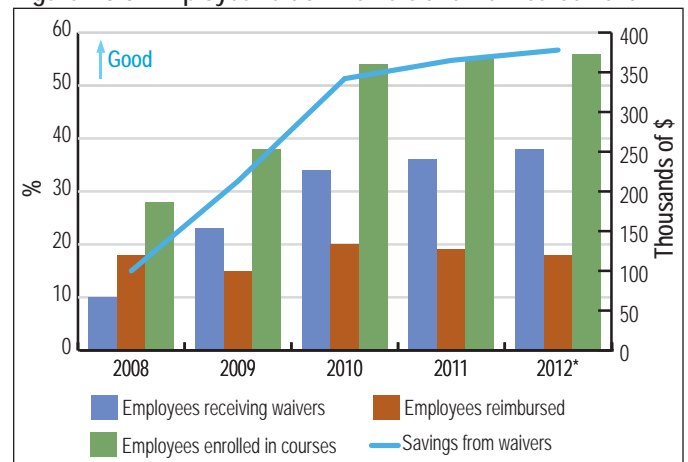
Figure 7.3-9 Employees Receiving
APEX Performance Incentives

Year	% Receiving Incentives
2008	15
2009	24
2010	37
2011	52

Payout of APEX Performance Award incentives (Figure 7.3-9) is based on the attainment of financial, quality, and resident satisfaction goals. The number of employees eligible for these incentives has increased since the program began in 2008. These results evidence employees' acceptance of the empower-ment to improve resident outcomes and their facility's overall APEX performance.

7.4 Leadership and Governance Outcomes

7.4a Leadership, Governance, and Societal Responsibility Results

7.4a(1) TL measures the effectiveness of leaders' commu-nication with staff and volunteers through the percentage of workforce members who give a 4 or 5 rating to the statement "Leaders communicate well" on the annual Caring Colleagues survey. In 2009, TL changed its APEX goal for leadership communication (Figure 7.4-1) from top quartile to top decile after achieving top quartile in 2006 and 2008. TL reached its stretch goal for this measure—to be in the top decile of organizations in the Caring Colleagues database—in 2011.

For strategic plan milestones achieved, TL sets a stretch goal of 100% (Figure 7.4-2) in the belief that it serves as a motiva-tor. Although TL has not reached this goal, the percentage of action plans accomplished has increased since the stretch goal was set.

7.4a(2, 3) Figure 7.4-3 shows employees' participation in compliance training, which employees must complete by

Figure 7.4-1 Leadership Communication: "Leaders Communicate Well"
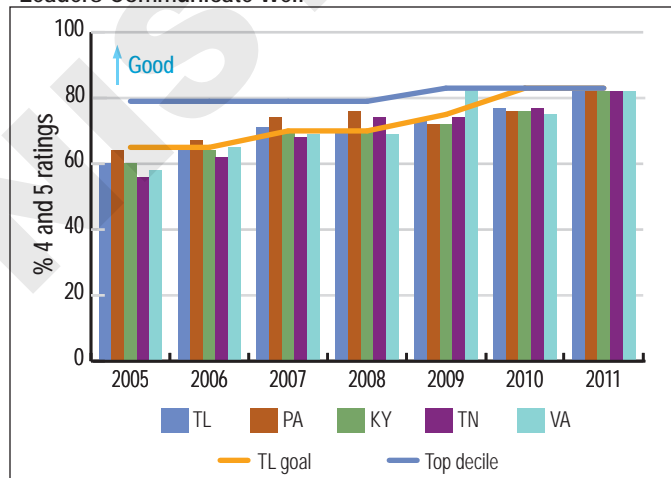
December 31 of each year. Beginning in 2008, pay increases have been withheld for employees who have not completed mandatory training until the beginning of the quarter after the employee does so.

TL tracks legal, regulatory, and accreditation compliance (Figure 7.4-4) systemwide because any fines and violations are single incidents. Although medication errors occur and are addressed, TL has had no ADEs reportable to the FDA since 2005. In that event, TL was not notified of a medication recall, and medications from the recalled group were administered to

Figure 7.4-2 Action Plans Accomplished

| Year	Action Plans Accomplished (%)
2005	75
2006	75
2007	80
2008	80
2009	80
2010	80
2011	90

Figure 7.4-3 Employee Participation in Compliance Training
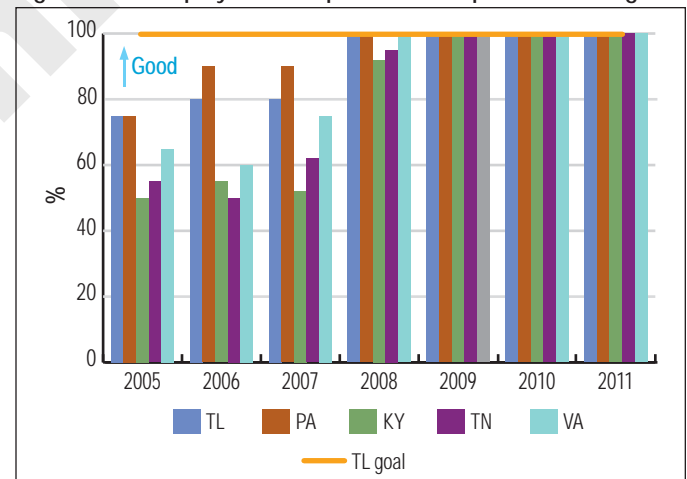
Figure 7.4-4 Legal, Regulatory, and Accreditation Compliance, 2005–2011

JC	2005 (3 facilities), 2008 (4 facilities), 2011 (9 facilities): Full accreditation
State licensure	All facilities licensed
OIG	No citations
OCR	No citations; no inappropriate EMR access
FDA	2005: 1 ADE, no injury
ADA	No findings
Fire marshal	See Figure 7.1-17.
IRS	No fines or penalties

Figure 7.4-5 Five-Star Quality Ratings

A. Overall
B. Health Inspections
C. Staffing
D. Quality Measures
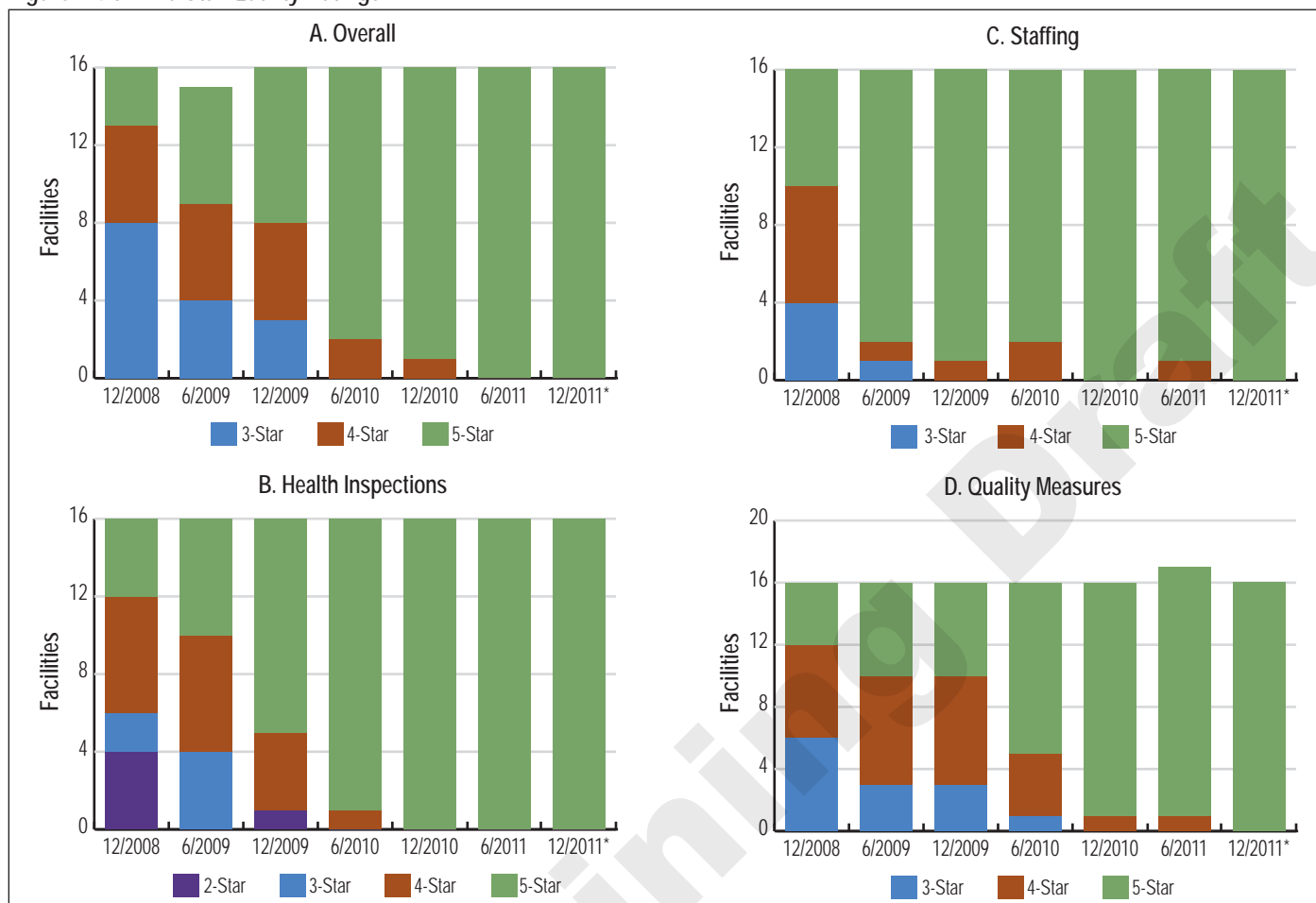
residents. A monitoring system offered by the GPO now alerts TL of recalls.

With one exception since 2005, TL has met its APEX goal of no material findings from internal and external audits and expects no material findings for 2012. A 2010 external audit of a former Bellburn Care Group facility's financial statements resulted in one material finding. TL was permitted to amend the statement in question with a management letter and established internal controls to ensure that subsequent statements followed accounting principles. Potential actions in such cases include the establishment of a corporate integrity agreement or an increase in audit frequency or oversight, but the OIG accepted the correction and took no other action.

CMS's 5-Star Quality Rating System rates all nursing homes that undergo Medicare/Medicaid certification overall and on three measures (Figure 7.4-5). A 5-star rating indicates much above average quality, and one star indicates much below average. The APEX goal is a five-star rating for each of the 16 SNFs, and TL reached this goal in the second half of 2011. Between 2006 and 2008, the total number of facilities increased by 15. This increase included 3 SNFs acquired in 2006 and 5 SNFs acquired from the Bellburn Care Group in 2008. Since then, the CLT has worked to integrate TL's APEX

culture and the 5E system into new and acquired facilities, and the increase in the number of 5-star-rated SNFs shows the success of these efforts.

The health inspection rating, which is based on the past three years of on-site inspections, shows the extent to which a nursing home has met Medicare's minimum quality requirements. The most recent survey findings are weighted more heavily. Most of the SNFs have received 5 stars on the health inspection rating since the first half of 2010. A Methicillin-resistant Staphylococcus aureus (MRSA) outbreak in Tennessee led to health inspection issues during the second half of 2009. In response, TL instituted nasal swab cultures on all residents on admission and quarterly.

The staffing rating considers the number of nursing hours of care provided on average to each resident each day, with consideration for differences in the level of care needed by residents. Contributors to TL's improving ratings in staffing are the acuity-based staffing system, instituted in 2005, and Collaborative Care Teams, instituted in 2006 (5.1a[3]). As that system matured, star ratings for the SNFs began to improve.

The quality measure rating aggregates ten physical and clinical measures for all residents in a nursing home, such

Figure 7.4-6 ADA Compliance, Full Sprinkler Installation, and Asbestos Removal

Figure 7.4-7 Ethical Leadership: "I Trust My Organization to Do the Right Thing"
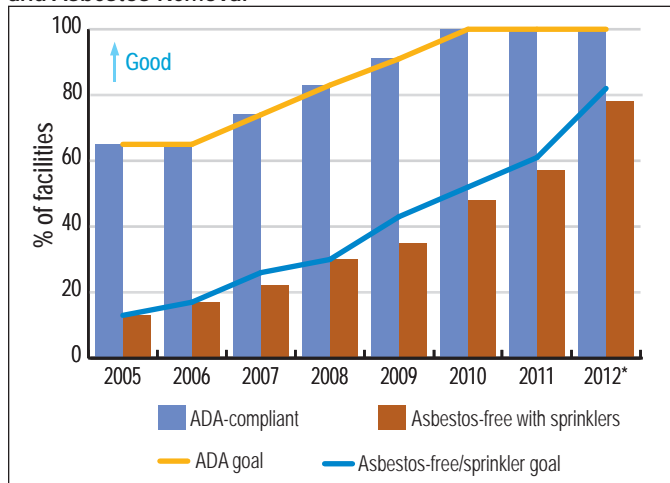
as the prevalence of pressure sores and changes to resident's mobility. The CLT's efforts related to the 5Es, including the implementation of acuity-based staffing and Collaborative Care Teams, PDCA teams, LSS projects, and a consistent focus on APEX goals, have all contributed to improvement in the SNFs' quality ratings.

Figure 7.4-6 shows progress in making facilities ADA-compliant, as well as progress toward sprinkler installation and asbestos removal, which are done concurrently.

7.4a(4) Figure 7.4-7 shows results for TL's measure of ethical leadership: responses to the question "I trust my organization to do the right thing" on the Caring Colleagues employee survey. The percentage of employees who agree or strongly agree with this statement has increased, especially for employees in Tennessee and Virginia.

TL considers compliance with HIPAA regulations, as well as the number of ethics-related complaints filed with the state ombudsman, as an important measure of ethical behavior and the extent to which TL deserves stakeholders' trust. For the past 10 years, the system has had no HIPAA complaints or reportable violations, or ethics-related, ombudsman-filed grievances.

7.4a(5) Figure 7.4-8 shows the average energy use at the facilities. Twelve facilities (four in Pennsylvania, three in Kentucky, two in Tennessee, and three in Virginia) were among the first U.S. SNFs to earn Energy Star certification from the U.S. Environmental Protection Agency, which recognizes commercial buildings that use 35% less energy and produce 35% fewer greenhouse-gas emissions than similar buildings nationwide. Senior-care facilities were added to the list of eligible commercial buildings in 2010. One of the Virginia Energy Star facilities is also LEED certified, based on use of wind turbines and some solar panels, as are all Kentucky facilities. TL expects that wind tower and solar panel installation,
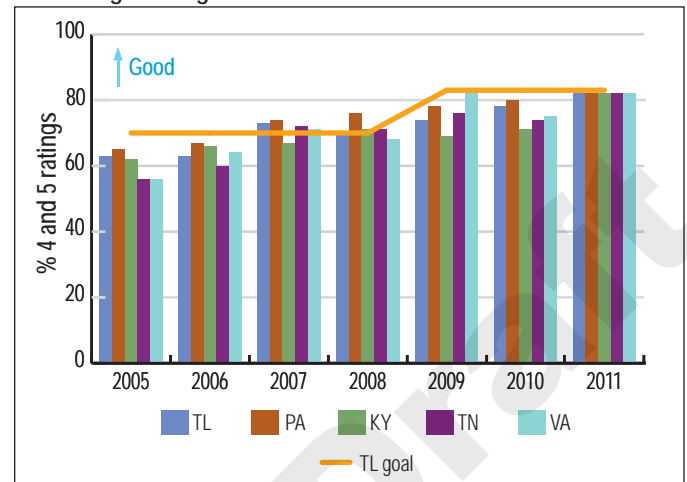
conversion of HVAC motors to high-efficiency models, use of heat from computer data centers, improved hot-water systems and insulation, and use of LED lighting will reduce consumption by 10% each year. Additionally, the system received a 2010 tax credit for 10% of the cost for these upgrades.

Figure 7.4-9 lists the hours donated to some community support activities. In another activity, CLT members helped complete one Habitat for Humanity house in 2007, 2009, and 2010, as well as two houses in 2009.

Typically, students who use TL's tutoring services begin with lower than average grades for their school district and increase their grade-point average (GPA) by 0.5–1.0 point overall (Figure 7.4-10) during the school year. For many, this increase positions them for financial aid for college.
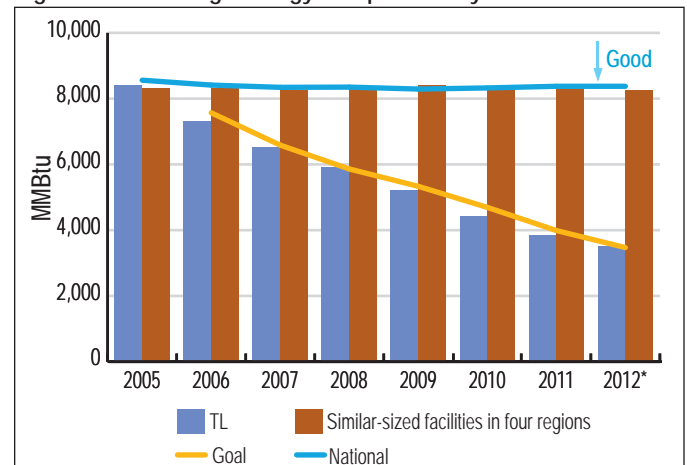
Figure 7.4-8 Average Energy Use per Facility

Figure 7.4-9 Community Support Activities (Average Hours/Leader*)

Activity	2006	2007	2008	2009	2010	2011
Local agency board	20	24	26	30	24	36
Local school board	12	16	14	18	20	35
Roadside cleanup†	118	106	132	164	102	125
Economic development	16	12	14	10	16	14
Regulatory advisory committee	32	32	32	32	32	32
Private industry advisory role	22	18	26	24	24	32

*CLT members and facility executive directors. †Hours include those contributed by additional employees, residents, and students.

Figure 7.4-10 Sample Average Gains in GPA for Students in the Tutoring Program

Year	Wanderers' Way AL (PA)	Rider's Ridge (KY)	Whiskey River Center (TN)
2005	0.1	0.1	0.2
2006	0.2	0.1	0.3
2007	0.4	0.2	0.1
2008	0.2	0.1	0.3
2009	0.2	0.4	0.1
2010	0.2	0.0	0.1
2011	0.2	0.2	0.3

7.5 Financial and Market Outcomes

7.5a Financial and Market Results

7.5a(1) Figures 7.5-1, 7.5-2, and 7.5-3 show TL's operating margin, the commonly used measure of financial return in the industry. Low operating margins are the norm, due primarily to dependence on Medicare and Medicaid revenue streams. Overall operating margin fell in 2008, when TL acquired the Bellburn Care Group's five SNFs. Since then, operating margin has improved, and it reached the U.S. benchmark last year. Assisted living, which accounts for 15% of TL's business, generates a higher profit margin than skilled nursing care because of the revenue streams constituting this service. TL expects overall operating margin to improve toward the goal of being in the top decile in the industry as the system continues to improve profitability by reducing waste through PDCA and LSS efforts, improve market share through acquisitions, and improve marketing. As shown in Figure 7.5-3, operating margin for facilities in Pennsylvania, Kentucky, and Virginia is better than the state average. Information on competitors is from public financial reporting, and U.S. and state comparisons are from Moody's Investor Services.

Occupancy rates (Figures 7.5-4 through 7.5-6) do not include the 2–5% of skilled nursing beds and 3–6% of assisted living apartments that are intentionally left unaccompanied for preventive maintenance, cleaning, or renovation. TL's focus on advancing seniors' independence and quality of life, which is embedded in its mission, has led to an improving occupancy rate relative to its competitors and to the U.S. benchmark,

which is taken from USSN Data Dispatcher. In addition, occupancy rates in all four states are better than the state average (also from USSN Data Dispatcher).

An efficient billing process is critical to maintaining good cash flow throughout the company. Days in AR, an indicator of efficiency, are shown in Figure 7.5-7. As shown, the number of days TL takes to collect payments has decreased from 58 to 50, and TL's AR days have remained better than its competitors' and the U.S. average for most years. Information on competitors is from public financial reporting, and the U.S. average and benchmark are from Moody's Investor Services.
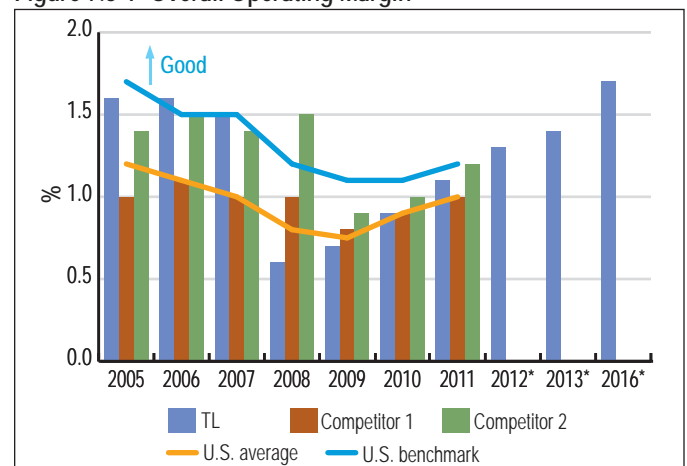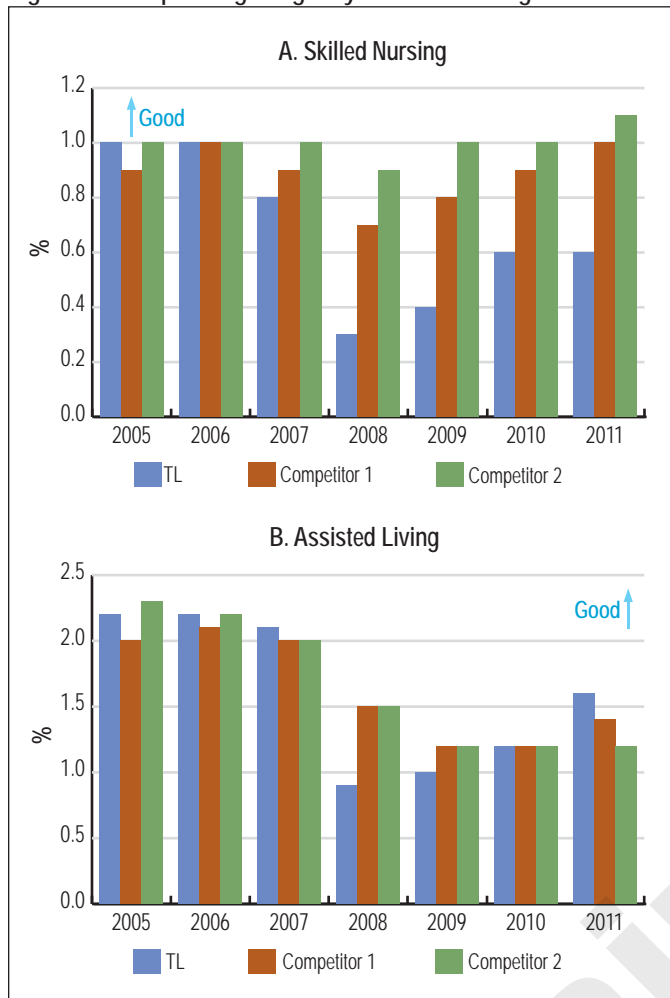
Figure 7.5-1 Overall Operating Margin

Figure 7.5-2 Operating Margin by Service Offering

A. Skilled Nursing

Legend: TL, Competitor 1, Competitor 2

B. Assisted Living

Legend: TL, Competitor 1, Competitor 2

Figure 7.5-3 Operating Margin by State

A. PA

Legend: TL, State average

B. KY

Legend: TL, State average

C. TN

Legend: TL, State average

D. VA

Legend: TL, State average

Days cash on hand (Figure 7.5-8) is an indicator of financial stability, with over 90 days being generally desirable. The U.S. average and benchmark are from Moody's Investor Services. In response to the uncertain financial climate driven by health care reform, the BOD has been proactive in providing an appropriate cushion for the system in case Medicare and Medicaid reimbursements decrease significantly.

Figures 7.5-9 and 7.5-10 show TL's payor mix. Medicaid reimbursement has been declining steadily, and currently, Medicaid payments often do not cover the basic costs of providing care. For this reason, TL's marketing has focused on attracting private insurance to both main services, with good success. TL is anticipating increases in customers with long-term care insurance, particularly baby boomers. Self-pay residents essentially cannot cover the total cost of their care, but TL will continue to support its communities by covering the costs of these residents.

TL uses average EBITDA (Figure 7.5-11) to analyze profitability and compare it to that of its competitors. This measure eliminates the effects of financing and accounting decisions.
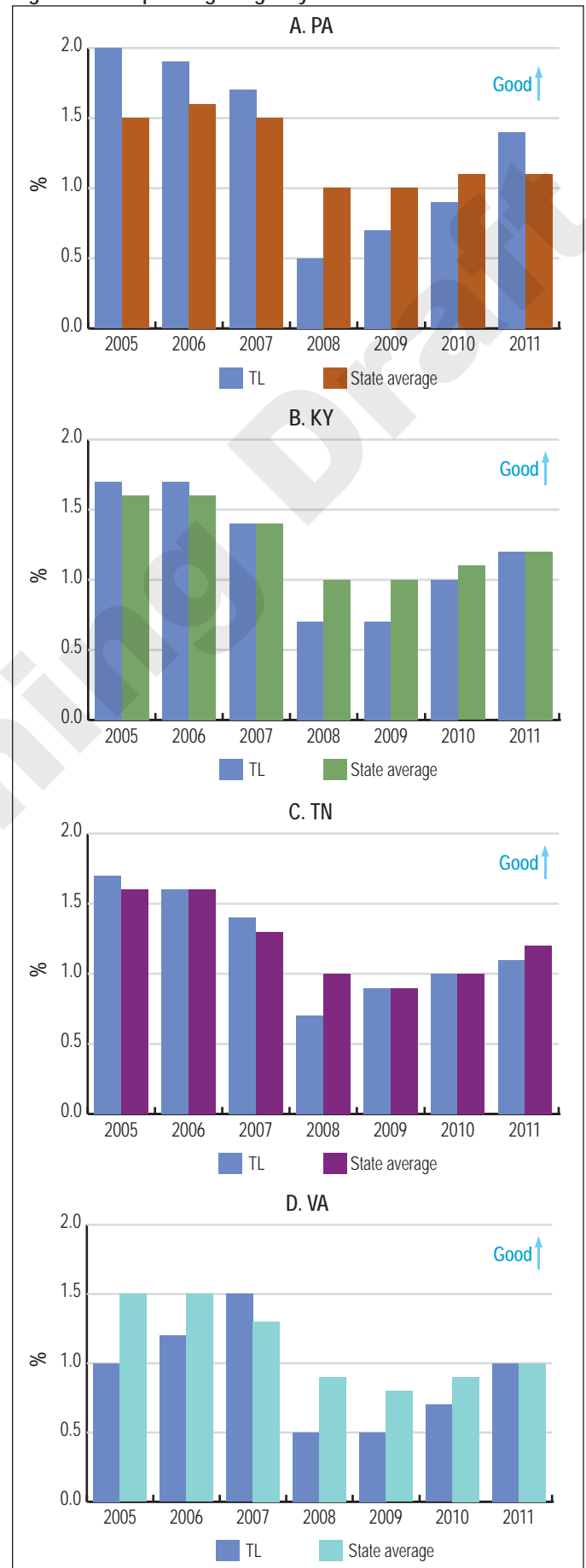
Figure 7.5-4 Overall Occupancy Rate
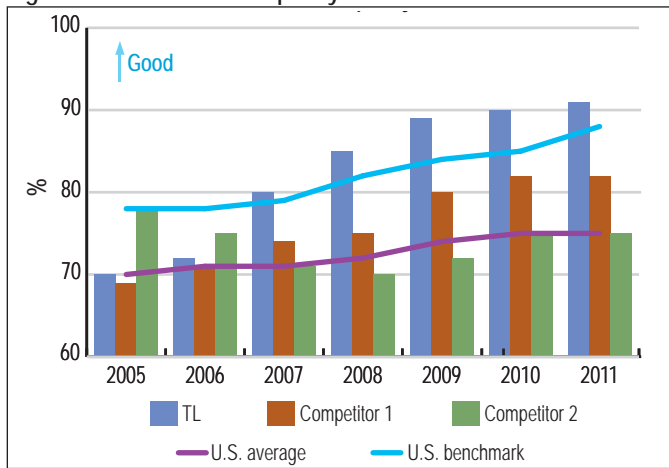
Figure 7.5-5 Occupancy Rate by Service Offering
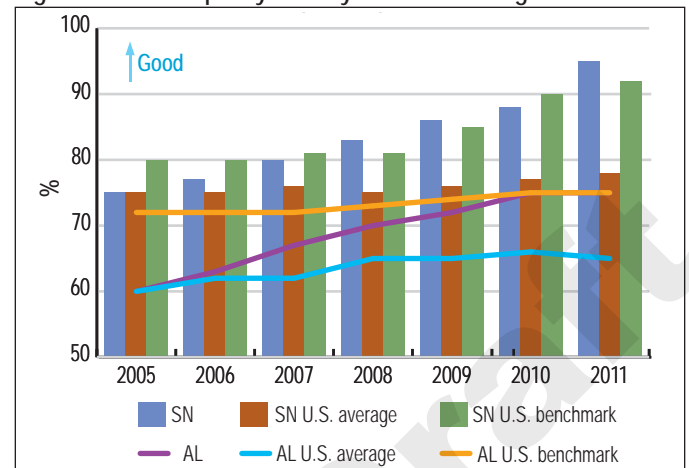
During the purchase of the Bellburn Care Group in 2008 and the subsequent integration of TL's culture and processes into the five SNFs, debt-to-equity ratio (Figure 7.5-12) was higher than desired, but TL has decreased debt consistently since then by increasing occupancy and efficiency in operations.

7.5a(2) TL has grown significantly since 2006, when the system acquired nine facilities. Consistent improvement in market share across all four states (Figure 7.5-13) demonstrates the effectiveness of TL's long-term strategies to position itself for growth and sustainability.

TL's future success depends on its ability to attract and retain baby boomers. A long-term strategic objective is to achieve 25% volume growth for active baby boomers by 2016 (Figure 7.5-14). TL has successfully grown the business by attracting

Figure 7.5-6 Occupancy Rate by Region
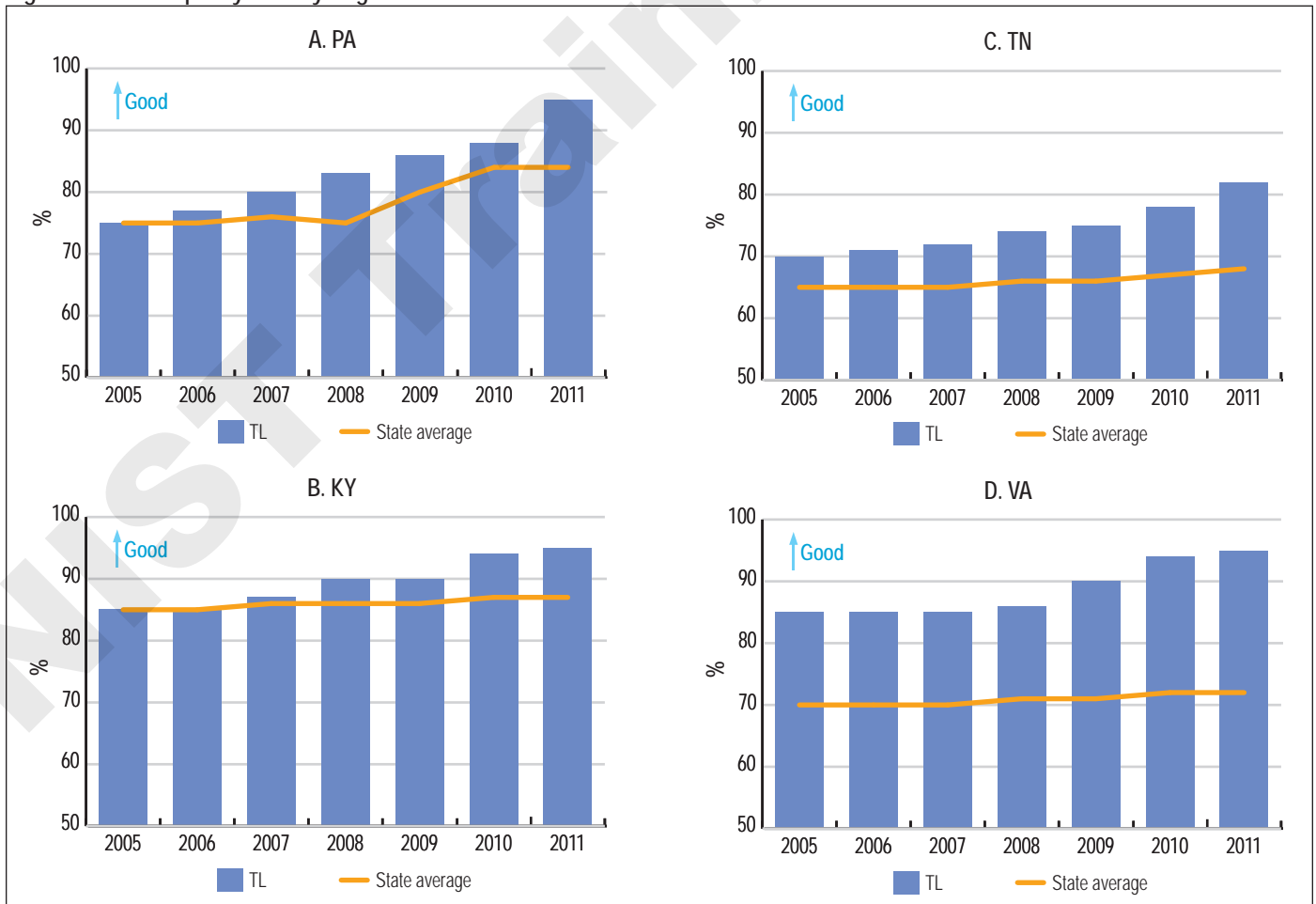
Figure 7.5-7 Days in AR
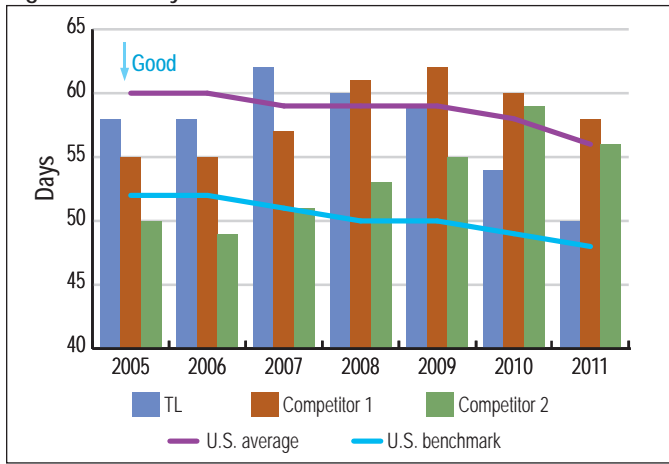
Figure 7.5-8 Days Cash on Hand
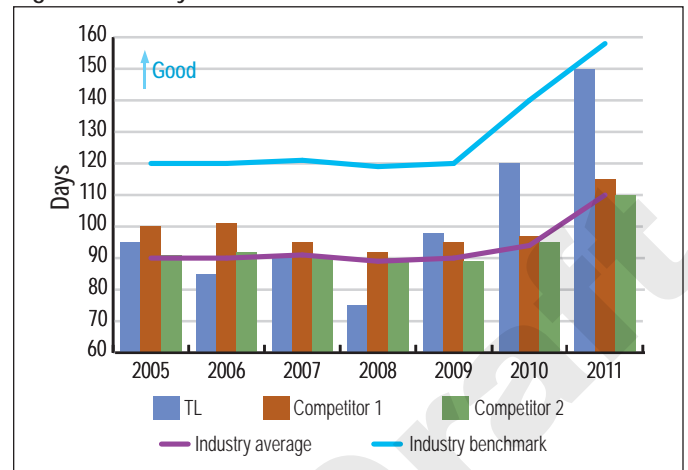
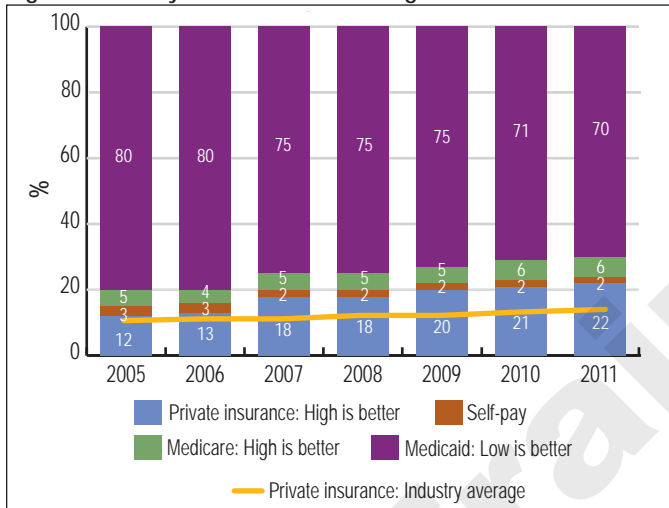Figure 7.5-9 Payor Mix: Skilled Nursing

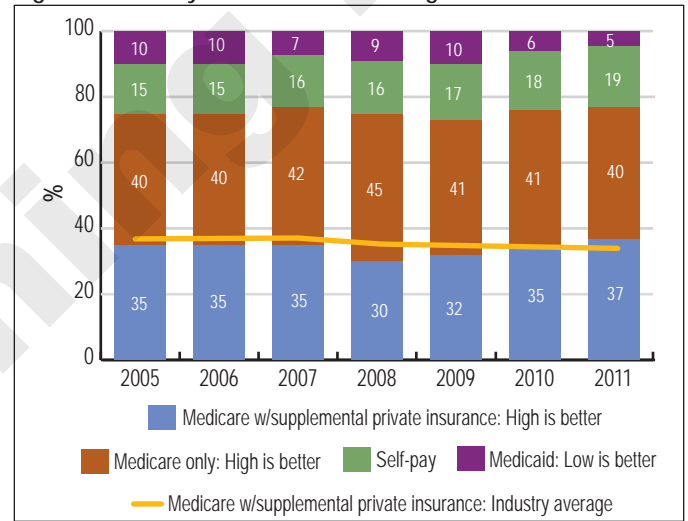Figure 7.5-10 Payor Mix: Assisted Living

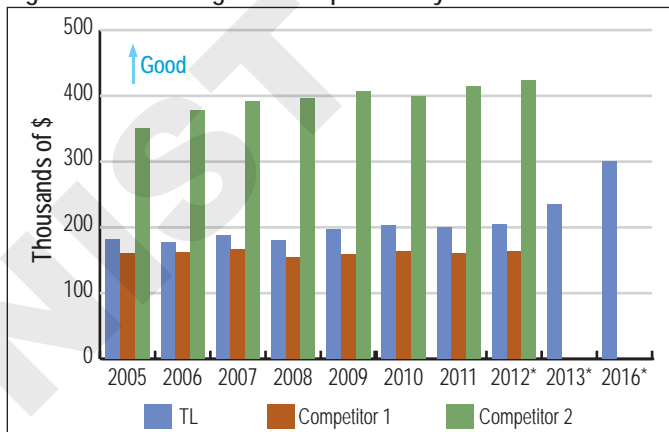Figure 7.5-11 Average EBITDA per Facility

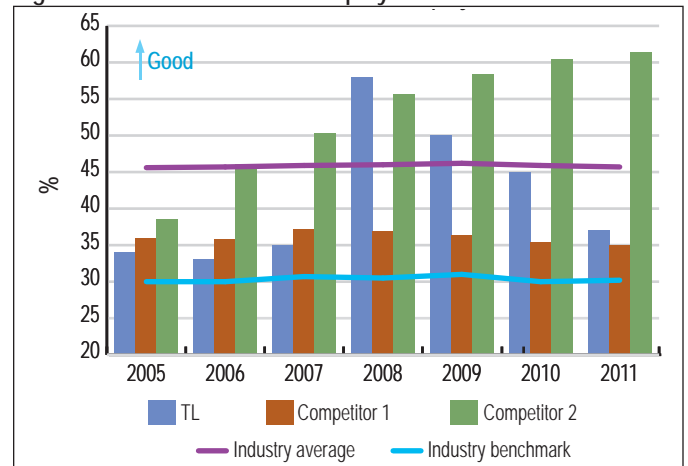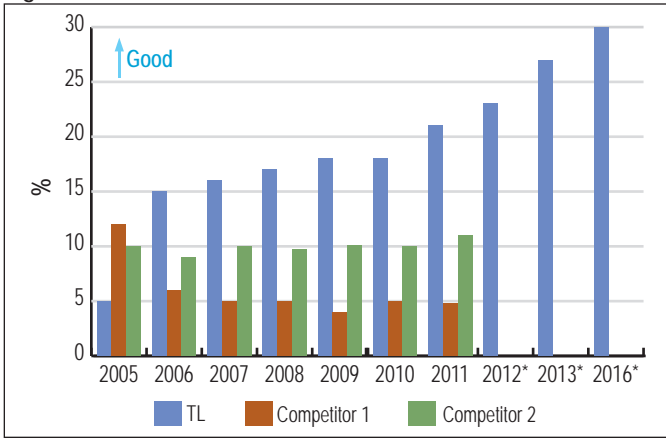Figure 7.5-12 Overall Debt to Equity

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Figure 7.5-13 Market Share

these baby boomers, as shown by consistent progress toward this objective since 2005.

The number of potential resident contacts resulting in the purchase of an assisted living apartment is a measure of the effective acquisition of new residents (Figure 7.5-15). The industry average is nine potential customer contacts for every purchase, which TL has either matched or improved on since 2007. Last year, TL reached the industry benchmark of seven contacts per purchase. TL attributes this improvement to a good reputation within the communities it serves and to increasing referrals from residents and family members. The industry average and benchmark are from the USSN/ALC. TL's good reputation in the regions it serves has helped in this area.
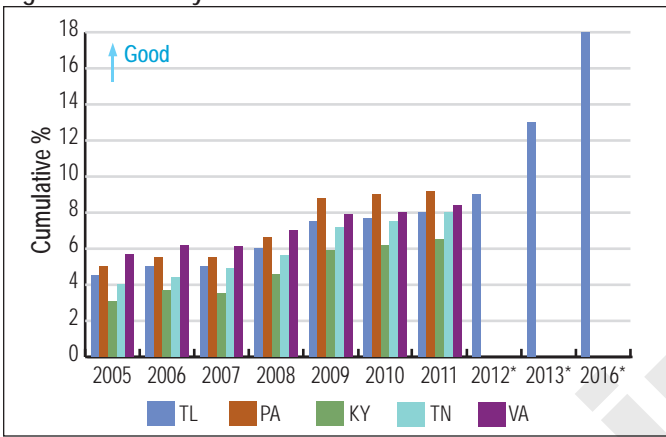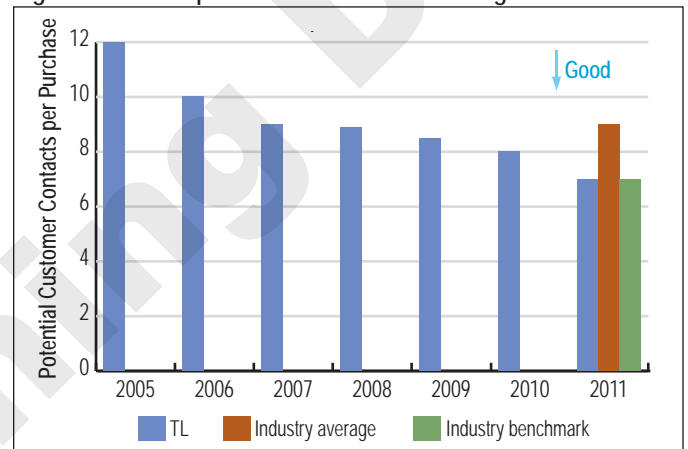
Figure 7.5-14 Baby-Boomer Volume Growth

Figure 7.5-15 Acquisition Rate: Assisted Living

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