1

1

2

3

4

5

6
****

7 UNITED STATES SENATE
COMMITTEE OF VETERANS AFFAIRS

8

9 Field Hearing: Caring for America's Aging Veterans

10
****

11

12

13

14 TAKEN AT THE FIRST UNITED METHODIST CHURCH,
TUPELO, MISSISSIPPI,

15 ON JULY 3, 2008, BEGINNING AT 10:35 P.M.

16

17

18

19 (APPEARANCES NOTED HEREIN)

20

Reported by: MEAH M. BENNETT, CSR 1708

ADVANCED COURT REPORTING
P.O. BOX 761
TUPELO, MS 38802-0761
(662) 690-1500

APPEARANCES:

SENATOR ROGER WICKER

WITNESSES

CHRISTA HOJLO, DNSc, Director, Nursing Home Care, Department of Veterans Affairs
BILL THOMAS, MD, Founder, The Eden Alternative
STEVE McALILLY, Chief Executive Officer, Methodist Senior Services, Inc.
ROBERT JENKENS, Director, The Green House Project
LOIS CUTLER, PhD, Research Fellow, School of Public Health, Division of Health Policy and Administration, University of Minnesota

15

16

17

18

19

20

21

22

23

24

25

1 TABLE OF CONTENTS

2

SENATOR WICKER: Well, thank you very

much. I want to tell you, as a member of the Senate and as a veteran myself, I very much believe in punctuality. But the press grabbed me, and Kyle Stewart tells me, when the press wants to quote you or give you a little publicity, it is a good thing to cooperate, even if it makes us a minute or two late. But, welcome. We will have a few introductory words and then begin. But, at this point, I would ask that all of us stand for the flag presentation which will be made by Troop 12, a troop where my son, Daniel, achieved the rank of eagle scout. Troop 12 is a part of the Yocona Area Council.

(Whereupon, Troop 12 presented the flag of the United States of America.)

SENATOR WICKER: Thank you. And our pledge will be led today by Mr. Rex Mooney, president of the Vietnam Veterans of America, Chapter 842. Brother Pastor, after the pledge, I am going to ask you to come up and lead us in an invocation.

MR. MOONEY: Please join me in the Pledge of Allegiance to our flag.

(Whereupon, the Pledge of Allegiance was recited by all present.)

PASTOR: Let's pray. Lord, on this day of a new beginning of a new day, we honor You with our lives. We remember how we are to respect our elders and those who have given of their service. And so we come today to deliberate, to understand what it is that makes our nation great, to honor those who have come before us who have given sacrificially of their lives. We remember this because of Your sacrificial giving of Your Son and our Savior. So be present in this hearing. May we honor You with our lives. Be in our speech and be in our hearts and be in our action, be in all that we do for the sake of Your kingdom, amen.

SENATOR WICKER: Thank you, Brother Andy. And you may be seated. I very much appreciate your attendance today, and welcome to this field hearing

of the United States Senate Committee on Veterans Affairs dealing with the subject of caring for America's aging veterans. At this point, I want to introduce to you two members of the committee staff who have traveled from Washington, D.C., to be with us today. And stand as I call your name: Aaron Sheldon. Aaron is a staff member for the chairman of the Senate committee, Senator Danny Acaca of Hawaii. And then John Towers -- please stand, John -- is a staff member for Senator Richard Burr of North

Carolina, the ranking minority member of the committee. So we appreciate these staff members taking their July 3rd to come here and be with us today.

Now, we have a distinguished panel of witnesses that I will speak more about later, but let's just have them, at this point, stand and turn around, if you don't mind, so that we can make sure that we get a face with a name. Dr. Christa Hojlo --

now, did I pronounce that correctly?

DR. HOJLO: Yes, sir.

SENATOR WICKER: I think I butchered it pretty bad on public radio this morning. But just think of high and low. Dr. Hojlo is director of VA Community Living Centers and State Veterans Home Clinical and Survey Oversight. Then, next to her -- and we'll just go down the line -- Dr. Bill Thomas, founder of The Eden Alternative; then, in the center, our own Tupelo representative, Steve McAlilly, chief executive officer of Methodist Senior Services, Incorporated; then Robert Jenkens, director of The Greenhouse Project; and Dr. Lois Cutler, research fellow, School of Public Health, Division of Health Policy and Administration, University of Minnesota -- came all the way from Minnesota. So, thank you, and

let's give a warm Mississippi welcome.

And what I am going to do, I am going to make just a few remarks, and then we will take

testimony individually from each of these witnesses. And I'll give Dr. Thomas warning that I will ask Dr. Thomas to go first on that. But welcome to this hearing. I did not realize, until we got into this, that I am the first Mississippi senator ever to serve on this particular committee, Senate Veterans Affairs Committee. We have had many distinguished Mississippians precede me in the halls of the U.S. Senate, but they have served on other very important committees. I am glad to be holding this committee hearing in Tupelo, Mississippi.

Now, Tupelo is famous for many things. We had a big tornado one time. We have a native son named Elvis Presley, who hasn't been around here very often, recently. And we're proud of the many accomplishments that we have made, in terms of job creation and manufacturing and economic development, but increasingly, this city has become known as the birthplace of a revolution in long-term health care. In Mississippi, actually, we are proud to be on the cutting edge of long-term health care reform. We're here today to discuss ways to keep that momentum

going and consider how we might expand the successful formula that we have put into place here known as The Greenhouse Project, to work within the Department of Veterans Affairs and the VA system.

These distinguished witnesses have, I think, set some sort of record for long distance traveled to a Senate Veterans Affairs field hearing, and I do appreciate their attendance today, as well, of course, as the staff members. And thank you all for coming and participating. We have many veterans here, and we have representatives of the a number of the veterans service organizations. So welcome, and let's begin our testimony with Dr. Bill Thomas. He is the one who started this excitement. Do we call you Bill or William?

DR. THOMAS: Bill is fine.

SENATOR WICKER: Bill is okay. Bill is a geriatrician and a trailblazer in the realm of elder

care. He developed the greenhouse model and created The Eden Alternative to help facilitate long-term care transformation in the United States of America. Dr. Thomas, welcome, and proceed in your own fashion. We're glad to have you.

DR. THOMAS: Thank you very much, Senator. And thank you for hosting this hearing, and

thank you for holding it in Tupelo, Mississippi. I think it is very important that we draw attention to the fact that the first greenhouses were created right here in this community by pioneers from this community. I have given thought, of course, to what I wanted to say to you and to the committee, and I will leave it to others to talk about some of the details about the greenhouse. I think that is important, but I thought I might spend some time talking about the nature of the field of long-term care, in general, and the nature of change in that field, and what is going on and how I believe that

our veterans should be benefitting from the improvements in the field of long-term care that are underway right now.

Let me say, first off, that historically, it is our nation's commitment to veterans that started us down the path of providing care to older and frail and disabled people. It was actually after that -- what I'll refer to as the War Between the States, otherwise known as the War of Northern Aggression, it was after that conflict that our governments respectively started making a provision for commitment to veterans. And, indeed, that commitment was expanded upon enlarged after World

War I, and again after World War II. So, in fact, it's been an important part of the fabric of our national promise to our veterans that we would provide for them in their later years as they provided for us in their earlier years.

Now, early on, that promise was delivered

in the form of institutional long-term care. We, as Americans, I think, as we're prone to do, we followed the logic of economics, economies of scale. We followed the logic of the Division of Labor and created large institutions that focussed primarily on the tasks that needed to be accomplished and put those tasks, unfortunately, ahead of the people being served. And the result was really what we have come to know in America as the 16,000 long-term care institutions created and are currently being managed today -- 16,000. And I would like to point out something that people often don't realize; there are more nursing homes in America than there are McDonald's restaurants. And it is a fundamental part of our health care system, and it is increasingly clear that it is based on flawed assumptions from decades and decades ago.

So, what is changing. What is changing is an industry-wide acknowledgment that you have to

put the person first. You have to put relationships first, that economies of scale cannot and do not apply to human relationships. Fundamentally, long-term care is, more than anything else, about the care. And care is a habit of the heart. It is a human activity, and it does not scale up the way a furniture factory does, where, clearly, it is better to build a bigger factory and a bigger assembly line, because it is more cost effective.

What we're increasingly learning -- and I think Dr. Cutler will address this, in part -- is that it is not cost efficient to attempt to scale up human relationships and caring. Because what happens is people begin to feel lost. They begin to feel that they are just a number. And I think it is wrong in all circumstances, and I think it's particularly wrong when that kind of existence is what we offer to our veterans.

So what is changing? We're learning to

put the person first. We're learning to create small scale environments where relationships matter most. And I think our veterans deserve the benefit of this research. I know that some of the other speakers are going to talk about some of the research funding and the grants that are being made to support this. I

think it is really essential that our veterans get the full benefits. And I'll close, actually, my comments with a simple analogy that I use that is really effective for me in my work. I grew up in a rural area, a good close-knit small town family. And one of the things --

SENATOR WICKER: Where did you grow up?

DR. THOMAS: Upstate New York, a fine, fine place.

SENATOR WICKER: Absolutely.

DR. THOMAS: I am actually the grandson of World War II veterans. And my boy, I'm proud to

say, is enlisted in the United States Coast Guard, so it is personal to me, as well. So my feeling about this is my family taught me that sometimes half a loaf is better than no loaf at all. And I grew up understanding that you don't always get what you want, and sometimes you have to have something for less than you might have preferred. But my work on the reform movement of the greenhouses has taught me another lesson, and that's that sometimes it's not about half a loaf. It is about getting it right.

And I sort of imagine, kind of, what it would be like to tell our service people, you know, half an aircraft carrier is better than no aircraft

carrier. Half a fighter jet is better than no fighter jet. Half a tank is better than no tank. Well, it doesn't make sense. People need the tools that are properly created and properly designed to do the job you're asking them to do. And one thing I want to make clear to the committee and committee

staff, and to you, Senator, is that I think it is very important that, as the Veterans Affairs Committee looks at this, and the agency looks at this, that you understand that the greenhouse is a complete model created to do a specific thing, and that is create a life worth living for the people it houses and shelters, and that taking one piece ,or half of it, or one little part and calling that enough is a mistake, just as providing our service people with a one-winged aircraft would be a mistake.

This is a case where we have to get the whole thing, because in order for it to work effectively -- and I'll leave it, for example, to Steve McAlilly to talk about the experience right here in Tupelo -- this is a case where half-measures are not necessarily the desired outcome. So, you have given me the honor of your attention and the honor of testifying before you, and I want to say thank you very much.

SENATOR WICKER: Okay. I think I am

going to change the order here. First of all, can everybody hear in the back? I think, Mr. McAlilly, I am going to go to you next, if you don't mind. But I want everyone to understand exactly what we're describing here. This -- I think what we have said is that this is an innovation that began here in Tupelo. It has moved to other sections of the state of Mississippi now. United Methodist Senior Services has been very active in this, and without which, we probably wouldn't be here today.

We want the best care possible for everyone, but certainly for someone who has served our nation in the armed services and kept us free and risked life and limb during the time of conflict. We deserve and they deserve the very best that we can provide. And we have heard from Dr. Thomas that this involves relationships, and we're trying to research this. But, Mr. McAlilly, you have got your testimony in front of you, and I don't want to throw you off,

but I would hope that you could describe, for those who have not been out to the greenhouses here in Tupelo, exactly how it looks, how it differs from traditional long-term health care, and why you think it is better. Now, having thrown you that curve, we

welcome Steve McAlilly. And let me tell you a little more about him -- CEO of Methodist Senior Services here in Tupelo. His leadership and vision were important in advancing a new, and at that time, unproven concept in long-term health care. Perhaps you can discuss, Mr. McAlilly, whether that has now been proven. But we look forward to hearing your insights, and we appreciate your work here locally and your willingness to be part of this hearing. Steve, take it away.

MR. McALILLY: Thank you, Senator Wicker. We welcome you back home.

SENATOR WICKER: Well, thank you. It is good to be home.

MR. McALILLY: And we're honored to be here with you and the staff members from the United States Senate and this panel of witnesses. We are honored to be able to have this chance to talk about the very thing you mentioned. I feel a little bit like Dustin Hoffman in the movie Tootsie with the curve you just threw me, except I'm not the one throwing the curve. You were. I hate to be stuck to a script, so I was already thinking of varying from that, anyway. So that will fit just well.

SENATOR WICKER: By the way, your

prepared statements will be made part of the permanent record for the committee. We appreciate that.

MR. McALILLY: Essentially, a greenhouse is a small group home for 10 or fewer elders who need skilled nursing care or assisted living services. The design is crucial to it, just as the keystone of an arch is crucial to the arch. If you pull the

design, you pull the space away, and the whole thing falls, we believe. In that small group home, we provide private rooms and private baths for the elders. And there is a hearth there in the center of the house with recliners from Sam's, and everybody has their favorite chair and their favorite spot. The kitchen is like a great room. The kitchen is right there. There is food always available, like there is at home. They can go into the refrigerator or eat cookies off of the kitchen counter, their kitchen counter.

There is a big table next to the kitchen where all of the elders and the staff members sit down together and eat. And the way we -- I don't think operate is the right word, but the way it functions is just like at your house. The kitchen table, I would bet, is the most sacred space in your

house, and if your best friend comes over at mealtime, you're going to put a plate out for them, and they will join in fellowship and activity at the

kitchen table, rather than go into the dining room with the fancy china and sit down. That's the way we function in a greenhouse. And we've had family members have weight problems because they come over and eat because the food is so good.

SENATOR WICKER: That is another Mississippi problem.

MR. McALILLY: Dr. Thomas describes it -- and I steal his words all of the time, and he knows it. I think I have permission, and usually I give him credit, but he describes it as the world's most inefficient nursing home or the world's most efficient home health delivery system. The nurses come over and ring the door bell, just like they would if you were having home health brought into your home. And they come in, and they do their nursing. They do their medical treatment, and then they locally have 10 clients there within 6500 square feet, rather than 10 clients scattered all over Tupelo, Mississippi. And they do their thing, and then they leave and go to the next house.

The house revolves around the elders, the

people who live there. And we make decisions and we put the resources as close to the elders as possible, because that's where they make the biggest difference. So what that means to us, they are dollars that go into buildings. And so the building is better. It is home. It costs a little more than a traditional semiprivate nursing home. It does. But we move those dollars that are in the system to the front line, where they make the biggest difference. The other part of that is the staffing levels among the front line staff, and pay. I will go ahead and put this word out there. It used to be hard to say this in Mississippi. The front line staff member is a shahbaz. And that means --

SENATOR WICKER: How do you spell that?

MR. McALILLY: S-H-A-H-B-A-Z, and it comes from a great story that Bill Thomas tells about the first shahbaz. It's a Persian word that means

royal falcon. And it's given the CNA, the certified nursing assistants -- they are the shahbazi. That is the plural of shahbaz, or so Bill tells us. We believe it, anyway. But it has given them a new purpose and function. Their job is to protect, sustain and nurture the elders who live in their house. And they cook. They do light housekeeping.

They do the personal laundry. They oversee and participate in the activities in the house. They are a self-managed work team. They self-schedule themselves. And just in terms of growth of people who work there, we have seen astounding results and decrease in turnover and just self-worth. They have become people -- they were people stuck in jobs that, I think, the system caused them to be smaller than they were. But in this vessel, in this system, in this house, in this space, they have been enabled to become who they were created to be. Now, that is the

first part, I think, of what is a greenhouse -- a small group home where we do skilled nursing care. But the other piece is the culture.

SENATOR WICKER: The same people who would be admitted, traditionally, to a nursing home --

MR. McALILLY: Absolutely.

SENATOR WICKER: -- as we have known to expect it, are housed in the greenhouse.

MR. McALILLY: Cared for in the greenhouse. There has not been a person yet in Tupelo, Mississippi, in our greenhouse homes that, because of their frailty or medical needs, that we haven't been able to serve in a greenhouse. And they

are designed to provide everything, in terms of treatment and care, that the traditional nursing home was designed to provide. And we do it.

And people are doing that in Tupelo every

day. The people who have the finances to provide 'round the clock care, they are doing it. And that is why, to us, it is not that novel. It is just, duh, that kind of reaction. Why did we ever do it the other way? Because people still do it, and people are cared for there in their homes, if they have the money to do it. But in this system, there is the money there to do it right now, today. And we have proven that over the last five years.

SENATOR WICKER: Okay. Let's do this, Steve, let's take another four to five minutes on your testimony, and then I'll have a couple of questions. And I think we'll probably have an opportunity for some back and forth. Can everyone hear?

UNIDENTIFIED SPEAKER: We're having a little of trouble hearing the --

SENATOR WICKER: Okay. We'll ask the witnesses to speak right into the microphone. I think it is on. Just speak -- just put your mouth right up to it like you are Mick Jagger.

MR. McALILLY: Can you hear me now? Basically, as we started this journey -- you met Bill Thomas, and when he talked about relationships, that's what it is about. And it started with the relationship that he and I developed that goes on now about 10 years. And as you heard, when Bill talks, he talks about truths with a capital T. And his truths that he talked about in Eden Alternative made perfect sense to us.

We started this journey in 1994. We wanted to build a nursing home. We believed the essence of dignity was a private room with a private bath. We didn't understand why, when people got old and frail, they had to move in with a stranger with a sheet pulled between their beds. That just didn't sound right to us. The other thing is we wanted to create a place, as we built this new nursing home, in which the children of frail elders would feel pride, rather than guilt, that their parents were living there.

So we started this journey looking for the best design. And Bill started talking about the Eden Alternative, and we got to know him. And we realized we were asking the wrong questions, and the system is asking the wrong questions. The

stakeholders asked, what quality insurance and total quality system can we put into a nursing home to improve quality? What the question really ought to be is, why has proven quality systems in other industries not made much of a difference in a nursing home? The stakeholders asked, what type of regulations or penalties can we put on people who are operating nursing homes so that they will improve compliance, when the question ought to be, what is wrong with the system that, no matter how many regulations and how tough penalties are, that quality and satisfaction is not consistently changed?

The stakeholders asked what oversight and

control can we put on this industry to improve outcomes? Here's what you have got, you've got a CMS, State Departments of Health, State Medicaid division, ombudsmen, State Attorneys General, looking over this industry's shoulder. The question is, what is wrong with that picture? Why does this industry need that much control and oversight? And the bottom line is people still say a short prayer when they walk in the door of a nursing home: God, save me from this.

And so we started asking those questions and moving along, and we came up with a wonderfully-

designed nursing home. And Bill, pick my brain -- it was going to be a 140-bed replacement for Cedars Health Center on the Traceway Campus, a state-of-the-art design with 20-unit neighborhoods, or pods, and a town hall in the middle that would remind them of home. And we were proud of what we

had come up with. And one day Bill was in Mississippi, and we were talking, and I was enthusiastically describing that nursing home, and he goes, you know, I don't think that's what we ought to be building anymore. And that question haunted me for a long time. And then he came up with the greenhouse concept.

To the credit of the good people in Tupelo, our board of directors here had the courage to stop that project that we had invested thousands of dollars in, and evaluate Bill's ideas. And when we did, we realized they made sense. We realized that the question was home, not home-like. The question was, why do we do it this way? Why was this ever a good idea? The question is, why don't we cook the food in the presence of the elders, instead of having it carted down the hall? The ideas just made plain sense to us, and as a matter of intuition and a matter of heart, our board of directors had the

courage to go off on this idea without scientific data.

Now, I think Dr. Cutler will talk about the research data that verifies that we were right, but our anecdotal data is that people who were in wheelchairs are walking again. People who wouldn't eat in the nursing homes started eating and gaining weight again. People who hadn't had a visit from a friend or a family member in years started having company again. Family members, as I mentioned, started gaining weight. Every way you look at it, it's been good.

Now, it is hard, because we're not transforming something. It is not just the design, it is the culture. We're replacing the whole culture. And when you get to deal with changing people's paradigms, it is hard. And sometimes the paradigms filter the data so that we don't see the need to change. And I think that's really where we are in the system.

SENATOR WICKER: Okay. Now, we're going

to put your whole statement in the record, and then you can get back to us and make some other points that you would like to, after the others have had a chance to talk. How long have we now had greenhouse

25

nursing home care in Tupelo, Mississippi?

MR. McALILLY: Since May of 2003, just over five years.

SENATOR WICKER: Okay. I think I was there for the opening of that one. It's hard to believe it's been five years. How many people are currently housed in that type of care here at the Tupelo campus?

MR. McALILLY: There are 112. We started out with four homes of 10 persons each, and then we opened six more the fall after Katrina hit. And those houses have 12 persons each, so we have 112 people who live in greenhouse homes here in Tupelo. We have another two greenhouse homes on one of our other campuses that provide assisted living, and

we're building six more 10-person homes in Yazoo City, as a part of the Martha Coker home system there.

SENATOR WICKER: Does United Methodist Senior Services have what we would call traditional nursing home kind of beds?

MR. McALILLY: We do.

SENATOR WICKER: And that is all over the state?

MR. McALILLY: We have three -- including the Traceway campus, we have two other campuses with traditional nursing homes; Trinity Health Care in Columbus and Doogan Home in West Point.

SENATOR WICKER: Okay. How do you decide who goes to the greenhouse and who goes to the more traditional nursing home?

MR. McALILLY: Well, the first level is the people in the Columbus area want to stay in Columbus, so they apply to move to Trinity Health

Care. Here in Tupelo, Traceway Campus, as you know, is large and has about 420 total people that live on that campus. Those people have -- they are people who are living independently in cottages and apartments, people who need assisted living at the Mitchell Center, those people have first priority to move into a greenhouse when their care needs get that high. And then, if we have space or openings, the greater Tupelo community is able to move in. And it's on a -- we need to put your name on a waiting list. And we've had, in essence, 99 percent occupancy and a long waiting list since we opened.

Now, the first 40, they were pioneers, too. Our medical director at the time thought we were crazy for moving those people out there in the woods. Now, if you talk to him, he thinks he

invented the thing, and we let him think that. We're proud for him to say it was his idea.

SENATOR WICKER: Well, thank you for your testimony. Our next witness, as I said, is from the University of Minnesota, Dr. Lois Cutler. And Dr. Cutler was part of the team that studied the greenhouses in Tupelo. I'm told they found multi outcomes that we'll hear about today, and these outcomes have given credence to Dr. Bill Thomas' vision and proved his hypothesis that there is a better way to handle long-term care.

Dr. Cutler, is that true? Is this the wave of the future, or is this just a nifty thing that we're spending a little extra money on here in Tupelo that we can't replicate?

DR. CUTLER: Our hope is it is the wave of the future.

SENATOR WICKER: Okay. Let me just ask you to get right up next to that, just scoot right up next to that microphone. My dad is on the next to last row. He is 80-hmmhmm years old, and he wants to hear you.

DR. CUTLER: Okay. My hope is, our dream

is, our expectation is that it is the wave of the future. We can change, and our data has shown that

this is a good model of change. And now, Senator Wicker and ladies and gentlemen, my name is Lois Cutler, and I am one of the researchers that studied the effects of the first four greenhouses in Tupelo, Mississippi and outcomes for the residents, residents' family members and front line staff. My background is in housing and design, as well as gerontology. This testimony also reflects the views of Dr. Rosalie Kane, the director of the study. For the record, we would like to include the article on a greenhouse study that was published in the prestigious Journal of the American Geriatrics Society.

SENATOR WICKER: That will be made part of the record.

DR. CUTLER: Thank you. We conducted research over the first two-and-a-half years of the

greenhouse experience, and we compared the results to the traditional nursing home on the same campus and a second traditional nursing home, Trinity, located about an hour and a half away. At four points in time, each six months apart, we interviewed residents, family members, and all nurses-aid level staff at the greenhouse and the two comparison studies. We also compared results of the minimum

data set, the MDS, a national assessment protocol conducted in all nursing homes, for the residents in the three settings.

I personally spent many, many, many hours observing how the space was used in the greenhouses. Were residents with dementia using the space differently? And I also wanted to see how the staff and the visitors used the physical space. And what we found is the greenhouse residents experience a better -- and this means they are significant findings. The greenhouse residents experienced a

better quality of life on many dimensions of quality of life that we measured, and are even more satisfied with the services in the nursing home and the place where they live. Now, this is just a generic version of all of the findings that you'll find in the article.

Family members -- our greenhouse residents spent more time visiting, and we calculated the time, were more satisfied with the residents' care, and were more satisfied with how their own needs, as family members, were met. For example, they were better satisfied with their own communication with the nursing home. Compared to the nurses-aid level staff in the comparison nursing

home, residents' assistants in the greenhouses had more intrinsic success and were more likely to believe that they had the ability to bring about better outcomes for residents in psychological and

social dimensions, that they knew the residents in their care better and were more likely to remain in the job.

And for me, personally, the staff change is one of the key models or key parts of this concept. The staff, they were partners in everything they did. Using the quality indicator measured nationally for all nursing homes, the results for greenhouse residents were as good as in a comparison setting -- in a few cases, better. This is important because we want to make sure that no harm was done to quality of care with the greater freedom and quality of life experienced by greenhouse residents.

Elders in the two greenhouses that were dementia-specific functioned better in the greenhouses than in their previous space in the large dementia care units. We speculate that the greenhouses are successful because of the small scale and the emphasis on normal quality of life and because of the model of care-giving that allows front

line staff and other staff to really know the

residents. The greenhouses are also successful because of the physical setting with -- and we feel the private rooms are incredibly important. And inviting shared spaces evoke a particular kind of behavior for residents and staff alike.

We are pleased that the Veterans Administration is considering developing similar small house model nursing homes at the Trence Administration Medical Center long-term care programs, including the nursing home care units and long-stay units. The model should be adaptable to many veterans in the medical center campuses, particularly those where the nursing homes are older and are slated for rebuilding, and where land is available to build a small-house style nursing home. Although, perhaps, not in the scope of this committee, we also believe that this model is very suited to nursing homes in the State veteran homes that and are operated by many State governments in

partnership with the VA and the local veterans medical center.

The Veterans Administration programs are characterized by a high degree of professionalism among the staff members, in nursing, social work and other fields, and has shown historic leadership in

clinical geriatrics and geriatric team building. Some of the building blocks for a successful greenhouse project are, therefore, already in place. A small-house nursing home program such as the greenhouse requires a high degree of skill, flexibility and commitment from those who will serve as leaders, educators and middle managers. Please read the article, and you will find more results, but this is an overview, and we did find the concept to be very, very successful. Thank you.

SENATOR WICKER: Thank you very much, Dr. Cutler. We're now going to move to Robert Jenkens, who is with us today from the Robert Wood

Johnson Foundation, a group that I came to know as a state senator, when I was working on the public health and welfare committee in Jackson, and later as chairman of that committee. We appreciate the work of the Robert Wood Johnson Foundation.

The Greenhouse Project's goal is to put a greenhouse in every state within five years. So we'll have an opportunity to hear about the lessons learned from Mr. Jenkens today. If you could, Mr. Jenkens, start off by telling us a little about the Robert Wood Johnson Foundation, and speak right into the microphone, if you don't mind. And then go

from there to your prepared testimony.

MR. JENKENS: Sure. Thank you, Senator. The Robert Wood Johnson Foundation is the funder for The National Greenhouse Replication Initiative. The Robert Wood Johnson Foundation has provided funding to the nonprofit that I work for, NCB Capital Impact, to implement the program. And they have done that

because they are the largest grant funder in health care in the United States. They are a foundation that was established initially by the man who started the Johnson & Johnson Pharmaceutical Company, and he had an enormous commitment to the health and health care of all Americans.

So the foundation has worked for years in many areas of improving health care and health delivery systems. They have not worked in long-term care with skilled nursing care. They had worked to provide alternatives to skilled nursing care in the community, but they really felt that the system of nursing home care in the United States was, as Bill said, so deeply flawed and broken from its years of focussing on the medical model and the institution that they didn't believe that they would have an impact. And last week, in a really very good Wall Street Journal article, the foundation was on record

for saying it was the greenhouse model, it was coming down to Tupelo and meeting Steve and seeing the enormous successes that Lois documents in her research, that convinced them that they could actually have an impact on long-term care, and changing it to be something that you or I would want to either have someone we loved or cared for in a greenhouse, or would ourselves be happy living in a greenhouse. And I think, as Steve said, the prayer that we all say to ourselves when walk into a typical nursing home doesn't happen in a greenhouse. And that's been a success. And The Wall Street Journal article documents the foundation's, really, I think, amazement that they have been able to partner with Steve and Bill and the others to create greenhouses around the United States to make a change that they didn't believe was possible up to five years ago. So that is the reason for their involvement in this field.

We have been working with the Robert Wood Johnson Foundation at NTB Capital Impact for the last

about 13 years on a variety of programs to improve long-term care for aging Americans, and particularly aging Americans with relatively low income and lack of access to the private health care that Steve

mentioned that you can receive.

I am the director of The Greenhouse Replication Initiative, which is the latest Robert Wood Johnson Foundation grant in this area. As you mentioned, the grant is a five-year partnership. It is a partnership between Bill's Center for Growing and Becoming, the Robert Wood Johnson Foundation, and then, very importantly, the really pioneering providers like Steve and Mississippi Methodist Senior Services who have taken an enormous risk. As Steve said, they didn't have Lois' research, but they believed in the concept, and they have made this happen.

The grant totals 15 million dollars, and that provides a variety of technical assistance and

tools development, and that is a small revolving loan fund to help organizations create greenhouse programs. I'll focus my comments today on the successful implementation of the greenhouse model and how best to provide incentives and support to the Department of Veterans Affairs to include the greenhouse model among the many excellent culture change initiatives that they are working so hard on today to improve the care for our veterans.

Let me say first how proud I am of the

greatly-enhanced quality of life and care outcomes that are being achieved in the greenhouse homes across the country, and to say how important it is that these are based on Dr. Bill Thomas' concept and the pioneering work of Steve McAlilly and his team at Mississippi Methodist Senior Services in Tupelo, Mississippi. We know from Dr. Cutler that these results show a very significant improvement in areas

that we have worked for years and years in long-term care to improve, without success. And it is important that we take these successes forward, not as the only option, not as the predominant option, but as a choice among the others for all Americans, including our veterans.

The success of the greenhouse homes in Tupelo has inspired many others, and I am pleased to report today that there are 41 greenhouse homes open and operating across the United States. They are on 15 partners' campuses in 10 states. We have another 139 greenhouse homes in development on 19 campuses in an additional 12 states. So, in total, we're in almost half the states. You mentioned our goal is to be in all 50 states, and we think we are well on our way to doing that.

The dramatic improvements shown by

Drs. Kane and Cutler's research indicate that, fully-implemented, the greenhouse homes can provide

the improvements in the areas that Lois mentioned, including for our veterans. What I am particularly pleased about is that these improvements are in the areas that have been so hard to crack before, areas including privacy, dignity, autonomy, individuality, emotional well-being, meaningful relationships and activities, reductions in depression, reductions in induced dependence and incontinence.

Each of our operating greenhouses report similar improvements to the Tupelo greenhouse results. And next year we will start a broader research project to look and to document that these same improvements that Lois and Rosalie Kane found in Tupelo are able to be replicated, that there wasn't something in Tupelo, maybe in the water or the creeks, that made this a distinct place where it won't happen again.

The outcomes, however, I think, are important to note. We need to have the full implementation. Bill talked about half of an aircraft carrier or a one-winged aircraft. And I do think it is important that it is understood that while, for instance, the self-managed work teams

stand alone as a good idea, they support all of the outcomes and accomplishments of The Greenhouse Project. And they are integrated in ways that are really very complex, and they can't be pulled out and segmented. So we do have people who come to us and say, we don't know about the self-managed work teams, or we don't know about the fully-detached houses. And I think it's important, as you all consider helping support and spread the greenhouse concept, that it is supported in a way that at least the core principle, which can be implemented very flexibly, but that those core principles are present in every greenhouse, or we will have lost the magic that has started in Tupelo. And I can say that because I have worked on assisted living for many years as an advocate, especially for people with low incomes, to have access to high-quality assisted living. And that is a movement that started very pure and has

been diluted over the last 15 years by people who used the name and applied half or a third of the concept. And the results in assisted living today are no better than what they would have been in a traditional board and care home or another model of care that has been since really discredited.

So I would like to emphasize that The

Greenhouse Project, and helping veterans' homes adopt The Greenhouse Project, really needs access to people like Steve and Bill and the technical assistance that the Robert Wood Johnson Foundation has sponsored. Because we have learned from each success of implementation and the importance of the different pieces coming together in a flexible way to support the individual needs of campuses across the country. Let me stop there, and thank you very much for this opportunity to be part of the hearing.

SENATOR WICKER: Well, thank you very much. And our final witness is Dr. Christa Hojlo.

And as we said before, she is director of the VA Community Living Centers and State Veterans Home Clinical and Survey Oversight. Who pays your salary, Dr. Hojlo?

DR. HOJLO: The Department of Veterans Affairs.

SENATOR WICKER: The Department of Veterans Affairs, okay. Well, we look forward to hearing your testimony today. We have already heard that -- we have already heard some excellent compliments from Dr. Cutler about the VA and the professionalism of the staff working for our veterans. "The Veterans Administration programs are

characterized by a high degree of professionalism among the staff members." So we're glad to have that testimony as part of the record. But what can you add, and what can you tell the viewers, the audience today, as well as the committee?

DR. HOJLO: In order to do that, I would

like to stay with my written testimony --

SENATOR WICKER: Yes, ma'am.

DR. HOJLO: -- because I think it is important for the audience to understand the context of the services that we provide in our VA Community Living Centers. So, if I can do that, sir.

SENATOR WICKER: Absolutely.

DR. HOJLO: And then I certainly would be willing to answer some questions as we move forward. First of all, I would like to thank you for hosting this hearing. And I am truly honored, and your staff knows that. I am truly honored to be able to appear before you as a representative of the 13,000 community living center employees serving our nation's greatest and finest. I am proud to report that the Veterans Health Administration is following the lead of the innovators at this table by providing a dynamic array of services to veterans of all ages who require care in VA Community Living Centers.

The VA owns and operates 133 community living centers from Puerto Rico to Hawaii, with an average daily census of more than 11,000 veterans in fiscal year 2007. These facilities range from 20 beds to 240 beds, and we serve approximately 49,000 veterans annually with a budget of approximately 2.7 million dollars, and we do offer a dynamic array of services. This is an important concept, dynamic array of services. We have identified in the VA that some of our services are short-stay, similar to those covered under Medicare in the private sector, and then we also cover long-stay services. And the short-stay services, for example, are for veterans in need of rehabilitation or short-stay, post-hospital care, or short-stay for veterans awaiting placement someplace else in the community. And short stay is generally less than 90 days.

We also offer long-stay services for veterans with a disability rating of 70 percent or greater or who are in need of nursing home care for a

service-connected condition requiring lifelong care. VA Community Living Centers also offer respite care to any family members who care for veterans at home, and we offer hospice care in a kind and supportive environment so veterans may be with their loved ones

and have the opportunity to live fully until they die with dignity.

Through its community living centers, the VA provides care to veterans of all eras. And this is very important, because in the nursing home arena today, we often hear reference to elders. However, our members are not all considered elders. It is a very important concept for us. So, for example, we do offer care to veterans from World War II, from Korea, Vietnam, the Gulf War, and then the new cohort of veterans of Operation Enduring Freedom and Operation Iraqi Freedom.

Some veterans have short-stay needs, and others require longer stays, as I said earlier.

Whatever their specific situation, we are there to help. We are sensitive to the fact that these different groups will have different expectations and different clinical needs. However, we are confident that the VA has the resources and the right strategy to address the interests of all veterans requiring care in these settings.

The term nursing home conveys certain impressions and ideas that do not reflect the VA's approach to care. Informing a young, severely-injured veteran, for example, that he or she

will need to live in a nursing home can be extremely distressing because the term often invokes stereotypical images of being cared for in a large institutionalized and geriatric setting. Consequently, we no longer use the term nursing home to refer to our facilities, rather, we refer to them as community living centers. This terminology more accurately conveys the VA's philosophy of care and

our commitment, and represents more than a name change.

This change in nomenclature is important because it emphasizes that the veterans residing in our facilities are unique individuals who have basic rights to privacy and autonomy that must be respected. The VA's policies have evolved to clearly reflect and encourage the transformation in the culture of care. We are significantly improving work and care practices at existing VA facilities, and we are adjusting our designs for new centers as well as when renovations are in place.

Traditional nursing home designs have been centered on the needs of staff. The nurses' station, for example, served as the central gathering place, and events are planned according to the staff's calendar. In contrast, the VA's approach is

similar to the greenhouse or small house model first developed here in Tupelo. We believe that our

residents should be able to live as independently as possible. They decide when to have guests, when to eat, when to bathe and when to sleep.

Nursing care takes place in the veteran's bedroom, not the patient's room -- a very important concept because the bedroom connotes an entirely different approach to personalized care than does the acute care model of a patient room, implying that the person is acutely ill and very sick.

SENATOR WICKER: Dr. Hojlo, are those all private bedrooms, or are some of them --

DR. HOJLO: Sir, because our facilities currently are very old, we still have a fair number of semiprivate rooms, and in some cases, three beds, which we are very consciously attempting to change. In our new construction, our new construction guidelines are very clear that we're committed to private rooms.

SENATOR WICKER: Thank you.

DR. HOJLO: Our residents also choose what they want to eat, and the food is served as if

at home or in a restaurant. Now, again, I just want to deviate here for a minute and say that this is a

huge culture change for a system as large and as complex as ours, and we're actually beginning to serve, in some of our centers -- we're moving away from a mess hall approach to dining, and personalizing. And we have some photographs of what folks are doing.

We respect the dignity of each of our veterans, and we try to simulate life as it might be in a private home. So we also are committed to home, not just home-like. The VA is committed to a veteran-centered model of care, and we are developing formal guidance for our community living centers, with input both from residents and field staff. And again, I want to deviate from the formal testimony for a minute to say that we are in the process of finalizing some official guidance national policies. And for the first time in our history, this set of

national policies, which hopes to be signed on fairly soon, is written from the veteran's perspective. In other words, the policies are typically written by me, in my office, and we have engaged field staff in writing this policy and we have engaged field staff to incorporate veterans' thinking. And we have used the Resident Bill of Rights as the foundation for the document. And again, this emphasizes the person -

centered approach to care.

SENATOR WICKER: Can I go online and find that Bill of Rights?

MS. HOJLO: The Patient's Bill of Rights, I believe so -- the associated Medicaid services. It is a standard bill of rights, yes. The VA is the largest integrated health care delivery system in the United States. To adopt these principles -- and we think that there is even more that we can do to

provide a more personalized environment for our residents. Last month, the VA held a conference for nurse and physician leaders in New Orleans to discuss this culture transformation and to emphasize care for a new generation of veterans.

A chairperson has been selected to oversee a national training program, and a planning committee will meet later this month to discuss the next steps, particularly so that as we design our culture transformation and the approach to care, that we recognize the fact that we are receiving a new cohort of veterans. And we're expanding our age-appropriate care models in several ways in response to the needs of all of our residents.

In some locations, we pair young veterans with each other, in our current models. At other

facilities, the populations reflect several generations. Both models have their advantages. In

an age-specific cohort, we can meet specific needs of younger veterans who are more likely to have young children and similar interests, such as computer technology and electronics, that differ from the interests of older veterans.

In mixed generational settings, however, our older residents can serve as parental surrogates for our young veterans. For example, what we're seeing in the cohorts of veterans that we have, we see the young son of the Vietnam era vets are very often, for example, equivalent to what the young vets would see in their dad's age, and then we have the grandparents.

And in reflecting on that model, we find that, although the generational differences may be significant, they all have one thing in common; they have served our country. And that has created a buddy system and opportunity for these veterans of different cohorts to actually -- for example, when you have a young man or woman with TBI, a brain injury, who is cohorted with some older veterans, the

older veterans actually tend to look out for that young person. And it is quite awe-inspiring to see

the bonding that occurs. So this is to dispel the fact that young people may not do well in an old folks home. When there is a mixing of generations with a consciousness toward what that intergenerational activity could really accomplish, the outcomes are quite touching and quite profound.

SENATOR WICKER: How large of a group are you talking about?

MS. HOJLO: For the Iraqi --

SENATOR WICKER: In this context, you mentioned the settings. How many people are in a setting?

MS. HOJLO: It varies across the country. In the new models, as we're trying to reflect on small house and greenhouse models, we're speaking of about eight to 10. And we have not had the opportunity yet to build those structures.

Currently, our individual nursing home neighborhoods or communities range anywhere from 22 to 30 units. And within those units, we can cohort veterans as well. So it really differs across the country, based on what the population needs are, what the individual veteran's needs are. And our structures also limit --

SENATOR WICKER: So those are the

smallest settings -- those are the smallest groups now in a setting?

DR. HOJLO: Right.

SENATOR WICKER: Is the VA actually looking at trying this 10 or 12 and below setting and actually experimenting with that?

DR. HOJLO: Absolutely, sir.

SENATOR WICKER: When do you think we might be able to break ground on the first one of those?

DR. HOJLO: We have, actually -- we're

working with the National Defense Authorization Act, and we have submitted a budget for several greenhouses within the context of that act. So we're actually having some conversations with Mr. Jenkens. Some of our facilities have engaged in conversations with Mr. Jenkens. We have established a design guide that is actually affirming this direction. I am sorry, I cannot give you an exact date, but I can tell you that there is a strong commitment to moving in this direction, especially in new facilities.

We have an example that I brought here of our facility in Biloxi. It isn't quite greenhouse, but it is very close to cohorting veterans in a smaller setting. So this is actually a first.

SENATOR WICKER: Are those the pictures that --

DR. HOJLO: Yes. I will go through them. All of the pictures don't reflect Biloxi, but

Biloxi's model is in the drawings that we have.

SENATOR WICKER: Okay. I am going to go ahead and pass these through the audience. We have only one copy -- two copies. We will start one in the back and one in the front. Okay, go ahead. Are you almost finished?

DR. HOJLO: Yes, sir, I am. Some of our facilities are geared specifically to younger veterans with cognitive deficits produced by the trauma of war, usually a traumatic brain injury or post-traumatic stress disorder. And I would like to highlight our Tuscaloosa community living center has established a center with a TBI and PTSD program team for young veterans returning from Iraq and Afghanistan. The VA's community living center in Washington, D.C., has separate living areas for these veterans. As I have said, the National Defense Authorization Act requires the VA to provide age-appropriate nursing home care to veterans in need of these services. And we, to fulfill this mandate, the VA is developing proposals for future modifications

to the environment of care-giving in our facilities to further the goal of the institutionalized nursing home.

So even though we don't have a greenhouse at the moment, we have developed some policies, again, that were recently signed off that gives specific guidance of how veterans coming into the VA nursing homes, particularly the younger veterans, would require definitely a home-like, personalized environment for actually the home setting, even in the context of some of our old facilities. And it is amazing. You'll see by the photographs what we have been able to accomplish, even in some of the current facilities.

We realize we can never completely match the experience of living in one's own home. The VA is taking significant strides toward a more responsive and responsible model of care in a de-institutionalized setting. I thank you for the

opportunity to appear before you today, and ask if you would like me to go through the slides?

SENATOR WICKER: Well, let me ask you, I think we'll try to -- it's 11:44. We're going to try to wind up in 30 minutes. That will get us out of here by 12:15, if that's okay. So let me proceed on

without that. But I do very much appreciate it. Let me just ask you in follow-up, there are VA settings, and you have changed the name, and you say that it is not only a name change, it is actually a change in mindset. What interaction at all do you have -- and you can answer briefly -- with the DOD retirement homes?

DR. HOJLO: Directly, in my position, I don't have any direct working relationship with the DOD. However, through the National Defense Authorization Act, as we design these principles, that act does require some type of interaction between the DOD and the VA. However, the clarity of

that interaction and relationship to the nursing homes or community living centers isn't there. So I certainly would be happy to interface with them. However --

SENATOR WICKER: Here's why I ask -- go ahead. I don't want to cut you off.

DR. HOJLO: The concept of culture transformation is really very new. And in some ways we feel that we need to establish what it means for us, the VA. And in a way, it is take care of your own house and then move it to someplace else.

SENATOR WICKER: Sure. I am just

wondering if you shared data or concepts or research.

And here's what I'm getting to: We had a very interesting meeting with DOD representatives of the armed forces retirement homes, and basically they said the veteran is different, has a different desire

for long-term health care. They loved the mess hall setting. They are used to it on the ship or in the

mess hall. And so breaking it down into a 12- or 10-
person home-like setting is not the way to go. I just wondered if you had found that to be the case in
dealing with veterans yet in another agency? And then I'll let others respond to that question.

DR. HOJLO: Thank you for that question. I believe that we don't really have enough information in the Department of Veterans Affairs to be able to make a judgment either way, again, because
all of this is so brand new. And as we develop the greenhouse model, and as we move the culture transformation forward, we are intending to obtain data and do some research in that area. So I personally am convinced that that's a great opportunity. And what we are doing in our current settings is we are moving away from the mess hall model. You see photographs where we have white tablecloths with a smaller number of veterans. And

anecdotally, veterans seem pleased with that. We're making the atmosphere in the dining rooms quieter. We are not providing medications or treatments during that time, as we did in the past. People would come in and do blood pressure checks and maybe provide insulin or medications during mealtime. We don't do those things anymore. So we're trying to humanize and de-institutionalize the way food is served, but we don't have enough data yet.

SENATOR WICKER: All right. Well, I am going to let other members of the panel address that question. Let me mention this Wall Street Journal article which is already a part of our testimony, and that also will be made a part of the permanent record. It is dated July 24, 2008, by Lucette Lagnado of The Wall Street Journal. And, basically, let's start with you, Dr. Thomas. Susan Feeney, of the American Health Care Association, visits thousands of for-profit and not-for-profit nursing homes and says that you're being overly harsh, that many of the traditional nursing homes aren't able to scrap a large building, but they are changing and

making reforms and changing the culture to a more home-like feel. Are you being a little unfair to the thousands and thousands of traditional nursing homes?

Would you respond to that?

DR. THOMAS: I would love to, thank you. First off, I'll tell you a distinction that I use in my work that is very helpful to me. There are the tens of thousands, hundreds of thousands of dedicated nurses, doctors, care-givers, speech therapists who, every day in America, do the hard work of providing long-term care. These are flesh and blood human beings, and I honor them entirely.

SENATOR WICKER: In a variety of settings.

DR. THOMAS: Oh, yes. Then there is the institutional pattern of long-term care. The institutional mindset that puts tasks ahead of people, the institutional architecture, the nonprivate room, with a sheet hanging between two

beds. I do not honor that. I reject that. I say that it is time to move forward. And I would like to make it really clear that the harshness of my criticism -- and, yeah, I'll use harsh language -- is directed at the system we have created.

What I have found, and I know Dr. Hojlo shares this with me over a long period of time, is that efforts to change the system are very difficult, that I have found in my work and research that making

small changes to an institutional long-term care setting is not only hard to do; it is hard to make the changes stick. And that is why -- and Steve and I share this view -- that I have moved toward a more transformational approach that says it is time to put an end to the warehousing and institutionalization of our elders. And that requires us to develop and test, research and improve new models. And that's

really where I am coming from, and that is where greenhouse is coming from. And honestly, if the chief lobbyist for the nursing home industry says I am being too harsh, then I am probably doing my job.

SENATOR WICKER: Is Mr. McAlilly warehousing elderly people in this traditional nursing home facility?

DR. THOMAS: Yes. And it is not Steve's fault, and it is not the fault of the people who go to work there every day and give their hearts to that work. It is not their fault. It is a pattern, a system that does not provide the kind of dignity and autonomy that our elders deserve.

SENATOR WICKER: Is there data on the other side of this question?

DR. THOMAS: Dr. Cutler would be the one to really talk about this, but I'll tell you this:

The funny thing is there is really no -- I am going to say, Dr. Cutler, you disagree with me, if you

can -- there is no research that shows that institutional long-term care is the best model.

SENATOR WICKER: Okay. He has tossed to you, Dr. Cutler.

DR. CUTLER: He is correct. Fortunately, in the last several years we have been even breaking down studying the institutional model to private rooms, the benefits of private rooms -- and one thing I think -- one thing I do like about the greenhouse model, and what we try to do in any nursing home, traditional or not, that we go into is to subdivide the institution, the greenhouse, into three categories. You have your physical environment, of course, which is very easy to model or to measure. You have got your organizational patterns, and that is where the greenhouses went totally topsy-turvy. And then you have your philosophy of care, which is much more difficult to measure.

I think it kind of makes me -- number one, I am not fond of the word culture change, but it kind of makes me a crazy lady that now we're, all of

a sudden, concerned with person-centered care. And I keep thinking, okay, over the last 40 or 50 years,

who were you centering the care on? And I do digress from your question. And Dr. Thomas is correct; there is not a lot of research, probably -- well, I won't even add that. But there is not a lot of research on contentment in the traditional nursing home.

SENATOR WICKER: I see. Mr. McAlilly, are these facilities in Tupelo coed?

MR. McALILLY: Yes.

SENATOR WICKER: And how are they selected? Are they intentionally coed, or does it just work out that way?

MR. McALILLY: It just works out that way. We try to make the population in each greenhouse as diverse as we can make it.

SENATOR WICKER: Okay.

MR. McALILLY: We think diversity is

healthy.

SENATOR WICKER: Now, what if you want to visit some friends two houses down?

MR. McALILLY: You go visit them.

SENATOR WICKER: Does that happen?

MR. McALILLY: It happens.

SENATOR WICKER: So it's not that you're just locked into these 12 people forever?

MR. McALILLY: No. And that becomes --

you know, there is not a traditional activities program in a greenhouse. What the activity is, is living. So, if you used to visit neighbors in your neighborhood, you have friends two houses down, you go visit them. We know, either -- if a person needs assistance to get down there, we provide that. But it is not like a self-contained prison that you can't get out of. It is a neighborhood.

SENATOR WICKER: I bet this question is in the minds of those in the audience: Is this

something that we can afford? Now, I know, Mr. McAlilly, you say that you offer the care at the Medicaid rate, and yet Methodist Senior Services is a well-endowed charitable organization that is supported by many people of good will all over the state and all over the nation. If it weren't for that, would you be able to offer care at the Medicaid rate? And are we talking about something that would be desirable for everyone, but simply at a time of deficits and the skyrocketing cost of health care, we really can't afford at the federal level? I'll let each member of the panel answer that question. What about the cost, and can we afford this concept that sounds very, very desirable?

MR. McALILLY: I believe, absolutely, you

can afford it. And the reason for that is our operations are strictly based on the income that we receive through Medicaid, Medicare or private pay

residents. The operations are not subsidized by charitable giving in the greenhouses, except for on the front end in the upfront capital of building the building. We did have charitable donations there so we could afford the debt service of payment on the greenhouses. We made a commitment early on. We knew that we were going to spend more money, because we were going from semiprivate rooms to private rooms. But the outright operations on a day-in and day-out basis can be done at the current funding levels that, I think, pretty much everyone receives across the country.

SENATOR WICKER: Mr. Jenkens, you're scribbling notes.

MR. JENKENS: I am. Thank you, Senator.

SENATOR WICKER: I think this really gets to the heart of what the committee will need to know, and that is, is this something that actually can be afforded on a large scale by the federal government?

MR. JENKENS: Yes. There are, I think, three areas that are important to consider with that question. The first is that there is a significant

body of research which shows that improvements -- significant and meaningful improvements in quality in nursing homes does result in lower operating costs, to the extent that we, as a government and a society, reimburse based on operating costs, which we do in many states through the Medicaid program. That would offer some potential for cost reductions. The Wall Street Journal article that you mentioned quotes one of our greenhouse providers in Billings, Montana, that when you compare their operations in a greenhouse to their operations in the remaining skilled nursing home, that they are about $42 a day less in operating costs in the greenhouse.

Now, in the beginning, they were a little bit more. And there is a typical transition that people go through as their operations settle in, but we're beginning to hear anecdotally that same comment

from others. We shift costs from administrative functions and middle management into direct care staff. So we significantly increase the direct care staff, but we believe there are savings from the operational redesign as well as the improvement in quality.

Research has also shown that having about four hours of direct care time per day, which is what

the greenhouse mandates, at a minimum, is one of the surest ways to improve your quality outcome. So the model in building design, as Steve has implemented in Tupelo, is really designed very carefully to look at how do you get the best of our research, the best of our understanding in there. It is a nice combination, but it actually turns out to help reduce cost because of higher quality.

Important from the federal level is that -- and research that we will start next year

should show what we have heard anecdotally -- is that the greenhouse also -- because people know each other better and nurses and physicians can treat people better with better information from the shabhazi, that you are seeing fewer hospitalizations. Our project in Lincoln, Nebraska reports their greenhouse elders, compared to their elders remaining in the traditional setting, had fewer acute illnesses, fewer hospitalizations. That doesn't translate into savings to Medicaid, but it does translate into savings to Medicare. So, at the federal level, it is very meaningful to have a foundation of homes, like the greenhouse, to offer a combined savings to the Medicaid/Medicare program.

Steve mentioned the capital costs, and

the capital costs -- if you were to build any new nursing home, you would face capital costs. We don't

fund capital costs through the Medicaid system. We have caps for development costs, which are generally at about half of what it truly costs someone like Steve to build a greenhouse home. So the one area where the federal government may want to look at expenditures that would be different from what you would have in a typical nursing home setting is around the capital, in order to capture some of these long-term operating savings, which will quickly outpace any capital costs.

SENATOR WICKER: Anyone else want to jump into that?

DR. THOMAS: I would like to say one thing.

SENATOR WICKER: Dr. Thomas?

DR. THOMAS: I think that Dr. Hojlo and the Veterans Affairs group is really very ideally positioned to actually use these kinds of new models to increase quality and create savings. Because what they have, which a lot of us, for example, Steve, doesn't have, is a really integrated system of health

care at work. And in Steve's case, he can save Medicare a lot of money, but it doesn't save Steve

any money, you know, his organization. And the Veterans Affairs group has the opportunity to drive quality to higher levels, generate savings, which go to the system and allow them to provide even better service for the veterans.

DR. HOJLO: Would you like me to comment, sir?

SENATOR WICKER: Yes, please, ma'am.

DR. HOJLO: Thank you. There are several pieces in this that I think are important to be looked at. I would like to just comment about what we talked about earlier about the warehouse model. Prior to the culture transformation movement -- and I will speak about this in terms of VA -- we simply -- somebody in acute care wrote an order and said, "nursing home care." So what my office did was we said, what does nursing home care mean? Well, we

recognize that, first of all, nursing home care truly does offer -- it is a set of services. So you have to be clear on why is the person going to a nursing home and not going home? So we actually articulate it, what those services might look like.

Now, Medicare has a defined set of services, and Medicaid has the longer term. However, even within those categories, there are specific

reasons why people have to go to nursing homes. And we recognize that. So that, in itself, first of all, has cost implications. Because we no longer say, well, just go to the nursing home and figure out what he or she needs -- a very, very important piece of this.

Secondly, there is ample research on the fact that, you know, when folks don't have attention to incontinence, falls, those kinds of things, and they don't have meaningful use of time, then we

increase psychotropic medication use. Costs of care significantly increase because of falls and those kinds of things. So settings and mindsets that provide care delivery in a manner in which you do pay attention to the individualized needs for care -- consistent staffing, for example, very, very important, that the same nursing personnel take care of that same veteran so they protect that person. They know what this person's likes and dislikes and what their needs are, so you can anticipate them, therefore preventing falls and --

SENATOR WICKER: And the veteran has a comfort level.

DR. HOJLO: Exactly, the veteran has -- so the quality of life improves. And we know, as the

quality of life improves, the veterans' outcomes improve. And finally, the notion of meaningful use of time, having something to do all day, not just

Bible, Bingo and birthdays, but actually planning the day around who is this person? We're even changing our approach to care planning. We use the new methodology called I Care Plans, meaning that I, as a care provider, put myself in the shoes of that veteran and not talk about their diagnosis, but plan the care around who is this person who happens to have Alzheimer's, or who is this person who has had a stroke?

So all of those things, I believe, contribute to improved outcomes and hopefully, cost reduction. However, we really don't have enough data. We don't have research yet to document that. This is all very new. And our intent in the VA is that, as we develop and evolve these models, that we will, in fact, contribute to the very important evidence base to make this movement go forward.

SENATOR WICKER: In terms of the progress that we're making in the VA toward advancing the greenhouse concept, Dr. Thomas and Mr. Jenkens, I think the testimony from Dr. Hojlo is that there is

language in the current DOD authorization bill that

will authorize an experiment in the greenhouse concept. And I know that you, Dr. Thomas, are completely sold on the concept for every single elderly American. But is the language in that bill -- you have looked at the language, and is it sufficient to get us to where we need to be in terms of an honest-to-goodness experiment on the ground to see if this will work?

DR. THOMAS: Actually, I would like Mr. Jenkens to start, and then I will pick up on that. Because we actually were meeting and talking about that this morning.

MR. JENKENS: Thanks, Bill. First, I would like to recognize Dr. Hojlo for what I think has really been exceptional leadership within the Department of Veterans Affairs around this issue, not just with the greenhouse, but with culture change and the people that she works with who support her. It

takes a courageous person to do this. Steve spearheaded this in the nursing home industry. And I think Dr. Hojlo is doing that with the VA.

SENATOR WICKER: Particularly courageous to scrap thousands of dollars worth of design and plans when you have a board looking at you.

MR. JENKENS: It is. I think that is very

true. I think that there are a couple of things, in looking at how to move forward and understand whether it works for the VA, particularly. I think pilot sites are very worthwhile. I would recommend a few more pilot sites than two, because I think there is such variety and diversity within the VA system that you might want to start with a slightly larger number around this.

I think you would also want to add to that an initiative a work group between people like Steve, who have done this, Bill, people who are

providing technical assistance at a national level. Because I think one of the challenges that Dr. Hojlo and her team face are, how can a model be translated effectively into the VA system without losing its core benefits, but with not being able to understand exactly how those pieces all play into the results? Bill mentioned we don't know exactly what it is with this whole model that delivers any piece of the results. I think Dr. Cutler would agree that we haven't disaggregated the research enough to know that. So I think the only way we can do that effectively is to talk to each other and make our best educated guesses, based on what we have seen. So I think a work group, as part of that initiative,

would be a very healthy addition.

Then, of course, providing incentives is very important so that Dr. Hojlo and her team don't have to carry all of the weight and make all of the errors or changes. That can be very difficult, and many people can be very opposed to education

performance indicators or other measures that would help people be inspired to do this.

SENATOR WICKER: Okay. Thank you. We're nearing the end of our allotted time, and I appreciate everyone participating. Let me say I will call on each one of you, if you want to sum it up or make a final statement, say, one minute each.

Before that, I had asked Susan Sweat, on my staff, to give me a list of the staff members here, and in all humility, she did not provide me a name of my own staff. So let me particularly single out Susan Sweat for her hard work. She is part of my Washington, D.C., staff and did a great deal of work, and has been a very effective staffer for you, the taxpayers, in this area of health care, and is now my legislative director.

So, Susan, stand up. This is Susan Sweat. Kyle Stewart, my long-time administrative assistant, is in the back of the room. And Jamie

Ellis, where are you? Jamie Ellis, stand up. Jamie Ellis is my new Veterans Affairs staff member, and he will be working now in the Tupelo office. Thank you, Jamie. And as many of you know, Bubba Lawler, for some 13-and-a-half years, was my veteran staffer. And he and his family surrendered to a call to the mission field, and they are now in Birmingham, England, and I would be remiss if I did not recognize, in a public way, his great service for 13-plus years for the taxpayers in that regard. And Jamie, we welcome you.

So I will -- and again, we appreciate John Towers of Senator Burr's staff, and Aaron Sheldon of Senator Acaca's staff, for coming all this way and being part of this and for supplying me with information and suggestive questions. Let's start with Dr. Hojlo. Would you like to summarize for one minute? And then we'll pass the microphone right on down.

DR. HOJLO: Yes, sir. Once again, thank

you for the opportunity to be present at this hearing. And I would like to, just for the record, to make it very clear that the Department of Veterans Affairs is extremely committed to moving forward with the agenda in transforming the culture of nursing

home care, not only in the VA, but also contributing to that influence in the nursing home industry in the country. And I think it is very courageous of you and your committee to bring this to the front, because I think it is time that, as a country, we started to address the plight of folks who have been assigned to needing nursing home care. And the circumstances in this country have not been ideal. So I appreciate the fact that we are able to move this agenda forward through forums like this.

SENATOR WICKER: Thank you. Dr. Thomas?

DR. THOMAS: I would like to say, first and foremost, thank you to Dr. Hojlo for the work she

is doing, because she is there; she is responsible; she is the person with the obligation to move a giant bureaucracy forward, and I honor that.

SENATOR WICKER: As do I.

DR. THOMAS: Yes. I want to say thank you for that. Secondly, I just want to say, if I may, I think that the Veterans Affairs Committee and your leadership on that committee can help Dr. Hojlo by providing the tools and support that is in the legislative language that can help her go farther faster. Honestly, in the field of long-term care, we definitely have a debate about specific techniques,

but it is very clear that long-term health care in America is moving in this direction, and our veterans need to benefit from that movement. And I would like to strongly endorse the concept of giving Dr. Hojlo improved access to tools and resources to help her move her administration forward in this circle.

Thank you.

SENATOR WICKER: Thank you very much. Mr. McAlilly?

MR. McALILLY: First, I want to say to you, thank you, again. We are honored that you and the Committee are here for this hearing, and the staff members. It is an important time to you, and we're honored that you thought this idea was worthy enough to come to Tupelo. I think, to sum it up for me, the statement is you can't put new wine in old wineskins. And the research is there.

SENATOR WICKER: Where did you get that?

MR. McALILLY: Thirty years ago, we didn't know better, and we were doing the best that we could with what we knew. Twenty years ago and 10 years ago, we didn't know better. We were doing the best that we could with what we knew. Today we know better. There is a difference between food cooked in your home, where you can smell the bacon frying and

hear the dishes rattling and the pots rattling, and sitting down at a 120-room dining hall, or even in a small pod and eating food that was delivered from the central kitchen on a cart to your area.

There is a difference between six friends sitting around their kitchen table playing rook and 45 people in the activity room at a bingo game. And there is a difference between being able to walk out of your bedroom and go out into your den or even out onto your patio and tend the flowers that you planted and 30 people lined up in the hall in their wheelchairs waiting. We know better today. We know better today, and the veterans of our country, those people who have given more than most of us, on this eve of our country's birthday, these people who have risked their lives and given it all deserve the best that we can give them. And we believe that this model of care is the best that we can give them. Thank you.

SENATOR WICKER: Thank you. Mr. Jenkens?

MR. JENKENS: I think I would like to go

back to the quote from The Wall Street Journal article that you mentioned from Susan Feeney. And I think what is interesting to me about that quote, as a representative of the nursing home industry, is

that she criticizes Bill's comments for being overly harsh. She did not criticize them for being unfair. And I think that is an important distinction. I think nursing home providers want to change. As Steve says, they now know better, and they want to change. With courageous leadership, leadership like Steve's and Dr. Hojlo's, I think they will change. They will change by example. They will change by inspiration. But they need appropriate support, and they need appropriate resources to be effective in that change. And I think that's where the committee can have a significant impact to help and assist in moving forward. I would like to add my thanks for your work to both have the hearing and the work that you are pursuing to bring this as an option to the veterans. Thanks very much.

SENATOR WICKER: Thank you very much. And Dr. Cutler, I am tempted to say you have the last word, but actually, that lies with me.

DR. CUTLER: Nor should I. I am speaking from our researchers' perspective with my remarks, and what we found with our research was that, compared to a traditional nursing home model, the greenhouses work. And what I would ask, that as we go forward and do research, and we desperately need

more research, that we not study setting, philosophy, organizational patterns, anything in isolation. It is the interrelationship of these three components of the greenhouses that make them work. And therefore, going forward, I applaud Robert Wood Jenkens for the organization to uphold these three principles. Because think of it as the three-legged stool. You take one leg out, and it is going to topple. So not only research, that we research all of the three

components' interrelationship, which we did in this study, but that -- don't try to study the model in isolation. It needs -- you need to look at the staff and how they interrelate with the elders, and how they interrelate with the family, and then, importantly, which has been somewhat ignored, how they interrelate with the professional staff, the home health component. And I thank you as well.

SENATOR WICKER: And I thank you all. Let me take this opportunity not only to thank the panel and staff members, let me take this opportunity to, one day early, wish each of you a happy Independence Day and to point out to our guests in Tupelo that, until 1:00 p.m. today -- and I am reading from the Northeast Mississippi Daily Journal -- until 1:00 p.m. today, at One Mississippi

Plaza at South Spring Street and Troy, there is a downtown Independence Day kickoff celebration featuring Kay Bain and the Morning Show Band with

free hotdogs and lunch. So you're all welcome to that until 1:00 p.m. today.

And we thank our veterans groups that came today and all of the interested citizens. Thank you to the media for helping us to get the word out. Mr. McAlilly, I am going to end with a quote that I used five years ago at the opening of the greenhouses in Tupelo. The veterans who are actually -- and the elderly people who are actually living in nursing care and living in the greenhouses, of course, can't be here today. But if I could be there and speak to them, I would say that the words of Tennyson are very appropriate to our regard for their service, and particularly the service of those who are veterans. Where Tennyson says, "Though we are not now that strength which in old days moved earth and heaven, that which we are, we are. One equal temper of heroic hearts made weak by time and fate, but strong in will." And with those words of Tennyson, I salute our veterans, those in nursing care, and veterans everywhere on this, the eve of our nation's birthday.

Thank you very much, and God bless America.

HEARING CONCLUDED AT 12:27 P.M.

C E R T I F I C A T E

STATE OF MISSISSIPPI)
COUNTY OF TIPPAH)

RE: UNITED STATES SENATE COMMITTEE ON VETERANS AFFAIRS

I, Meah M. Bennett, CSR 1708, a Notary Public within and for the aforesaid county and state, duly commissioned and acting, hereby certify that the foregoing proceedings were taken before me at the time and place set forth above; that the statements were written by me in machine shorthand; that the statements were thereafter transcribed by me, or under my direct supervision, by means of

computer-aided transcription, constituting a true and correct transcription of the proceedings.

I further certify that I am not a relative or employee of any of the parties, or of counsel, nor am I financially or otherwise interested in the outcome of this action.

Witness my hand and seal on this 11th day of July, 2008.

_____

My Commission Expires:
September 10, 2011

CSR 1708
Notary Public