

Think beyond quality. Think value.

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By Suzanne Matthiesen

In considering a continuing care retirement community, potential residents will view the amenities and services through the lens of enhancing the quality of life.

However, agreeing to a picture of quality is challenging, because quality is in the eye of the beholder. Although everyone expects service quality, no two persons perceive quality in exactly the same way.

This article explores the perceptions of quality and how adding cost to the equation creates a new formula for consumer value.

ASK CUSTOMERS THEMSELVES TO EVALUATE SERVICE QUALITY

However, this information can go a step further by being used internally with other operational data for performance to systematically identify areas for improvement. Providers might assess service quality in terms of satisfaction related to helpfulness, friendliness, and skill sets of staff; diverse programs and services; and the appearance of the grounds and buildings.

In addition to providers examining the effectiveness, efficiency, and access to services, satisfaction is a complicated issue that drives perceptions of quality and value. In today's highly competitive and complex marketplace, consumer perceptions are changing. Providers run a risk of basing decisions on assumptions that may be out of sync with evolving consumer preferences.

Many providers emphasize aspects of service quality as a way to distinguish themselves from their competition.

American Baptist Homes of the West (ABHOW) continually monitors the pulse of its residents' attitudes about quality. "We benefit from a half-century of wisdom," said ABHOW Strategic Planning Senior Vice President Kay Kallander, referring to the residents' age range of 54 to 104 years old.

ABHOW has ten continuing care retirement communities in California, Washington, and Arizona. Residents are provided with many avenues for sharing their perceptions of quality, but one of the most important mechanisms is an annual resident satisfaction survey. The survey addresses ABHOW's programs, services, appearance, and overall life experiences.

"The results of the survey are tied to our goal setting and quality improvement that may range from better managing risk to providing more and varied services," Kallander

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explained. “We’re elated that eight out of ten residents take time to complete the survey, which requires writing about their experiences and expectations, not merely checking multiple-choice boxes.”

How has the survey led to quality improvement? When a previous residence survey revealed that the residents expected a greater variety of dining options, ABHOW introduced “My Choice.” Residents can now spend their dining dollars on options that suit their tastes and meet their budgets. ABHOW communities feature a variety of menu items and dining settings that range from a lobster dinner in elegant surroundings to a nutritious sandwich served in the community’s grill.

“We found that several smaller dining spaces, each with its own unique ambience and extended hours, are far more appealing to residents than the old model of a cavernous dining hall with mass seatings,” Kallander added.

“We’re witnessing a shift in how people value their space. People used to like larger public spaces and smaller private spaces. Now, they prefer spacious living quarters and more intimate spaces where they get together as groups.”

By using the survey information in service planning, ABHOW is able to better meet the preferences of its residents and also create more efficiency in dining services by offering dining options that are more often used by the residents.

Efforts, such as these at ABHOW, are recommended for the CARF–CCAC accreditation process, which promotes the collection, analysis, and implementation of consumer feedback.

CHOICES LEAD TO GREATER SATISFACTION WITH SERVICE QUALITY

Choice is a central component to person-centered approaches at all levels of service within the continuing care retirement community. When residents are exercising control over their lives and futures, quality of life can more effectively be enhanced.

“Offering residents choices immensely improves their satisfaction and perceptions of quality,” Kallander said. “It’s all about choices. If there’s anything we’ve learned from our residents, it’s that they appreciate having choices.”

When ABHOW embarked on an ambitious renovation project, residents were offered the choice of three individual and different interior designs. “Many of our residents have enjoyed owning customized or second homes. As a result, they expect to be consulted in every detail of the design of their apartments and homes.”

Two thousand miles away from the ABHOW communities, Kendal at Oberlin also places high value on offering choices to its residents. This Ohio continuing care retirement community offers its 315 residents opportunities to participate in more than 80 committees that cover a wide spectrum of interests.

TOOLS TO HELP MANAGE QUALITY

Many types of resources are available for providers seeking to address service quality. Among these resources:

- **The National Quality Forum, www.qualityforum.org, is a membership organization seeking to develop a national strategy for healthcare quality management and reporting.**
- **Quality improvement organizations, www.cms.hhs.gov Quality Improvement Orgs, monitor the appropriateness, effectiveness, and quality of care provided to Medicare beneficiaries.**
- **The American Society for Quality, www.asq.org, offers a knowledge center, including case studies and certification for its members.**
- **Quality First is a quality improvement initiative in which American Association of Homes and Services for the Aging (AAHSA), www.aahsa.org, and its members accept responsibility for ensuring that the persons they serve receive quality care and services. The Quality First program offers tools such as providers and housing checklists and a 22-point educational program.**
- **Overseas, the European Organization for Quality, or EOQ, www.eoq.org, is an interdisciplinary organization striving for effective improvements in quality management.**

In addition to these resources, accreditation offers a process to measure and validate an organization's conformance to internationally recognized standards and to demonstrate an organization's commitment to quality. CARF International and CARF-CCAC, www.carf.org/aglmg, have developed accreditation standards through a series of leadership panels, international standards advisory committees, and field reviews that engage service providers, payers, governmental regulators, and persons served.

COST CREATES A NEW EQUATION

Quality is not customers' only concern. Value figures in prominently.

Value asks if the best quality service is available for a reasonable cost. Purchasers, whether customers or third-party payers, invariably insist on knowing if the return on their investment is worth what they paid.

Thus, quality becomes a component of a frequently cited formula for the value of a service or product: As perceived by the customer, value equals quality divided by cost. Customers are moving toward value-based purchasing considering both cost and quality.

Not that this is an easy formula to calculate. Customers' quality expectations are often proportional to the cost of the service. In addition, customer' expectations can be colored by whether they are paying for a service out of pocket or if another funder is footing the expense.



The CARF–CCAC standards focus on accountability in the community's governance.

ABHOW and Kendal at Oberlin are both not-for-profit communities that are mindful of their residents' perceptions of value.

Kallander acknowledged that retirees have been good stewards of their money. "Having lived through difficult economic times, residents seek confidence that their retirement community is a good steward too."

"Most important, residents do not like waste," Kallander said. "We recycle and continually strive for 'greener' communities."

The residents also take pride in the many ways that Kendal contributes economically to the city of Oberlin and Lorain County.

The residents also take pride in the many ways that Kendal contributes economically to the City of Oberlin.

When the global economy took a downturn, Kendal at Oberlin's CEO responded to residents' concerns in a detailed plan that was posted on the community's website. Residents were also invited to a coffee hour with the CEO to ask questions and air their concerns and observations.

ONGOING PERFORMANCE IMPROVEMENT IS VITAL

For residents, marks of value may be amenities, services, programs, personal attention, and perks beyond their expectations, figuring cost into the equation.

The challenge to a savvy service provider is to manage value, not just quality.

It can be a daunting challenge, because, like quality, value is subjective. Every person assigns different values to his or her experiences and expectations, and no single set of indicators or measurements can pin down value.

A final tip to improve perceptions of quality and value is to monitor and seek ways to improve staff members' performance and their satisfaction with their jobs. Logically, improvement in staff members' satisfaction will naturally result in higher service quality, which, in turn, leads to higher customer satisfaction.

The cycle of improvement continues: happier customers lead to higher job satisfaction among staff members. It's not a vicious cycle, but rather a vivacious cycle!



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CARF–CCAC standards that apply to human resources address ongoing performance assessment with measureable performance goals, multifaceted training for all personnel, and recruitment and retention strategies that support the performance expectations of the continuing care retirement community.

High levels of customer satisfaction, combined with first-rate staff performance, invariably increase the perception of value among customers. Satisfied customers and satisfied employees translate into business growth and improved staff recruiting and retention.

“Staff members, residents, and board members value their relationships with each other with the same respect that is needed for a successful marriage,” Stark concluded. “People treat each other as equals and partners. No one is subservient. Constant partnering between residents and staff creates a wonderful place to live and a wonderful place to work.”

These steps to quality—soliciting feedback, offering choices, engaging residents, and factoring in cost—can lead to greater value for residents and an enhanced reputation and position in the marketplace.

Susanne Matthesen, M.B.A., is managing director of the Aging Services customer service unit of CARF International, www.carf.org/aging, an accreditor of services and residential options for seniors, including home and community services, assisted living residences, nursing homes, and continuing care retirement communities.

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