

Nobody Wants to Live in a Nursing Home. Something's Got to Give

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Few people dream of living out their golden years in a nursing home. The very idea sparks existential dread in many Americans, conjuring images of grim, institutional dumping grounds where society's frailest and most vulnerable members aren't so much cared for as warehoused. Scattered horror stories of neglect and abuse supercharge more prosaic fears about losing one's autonomy.

The coronavirus pandemic made things all the more terrifying, tearing through facilities with brutal efficiency. The official Covid-19 death toll in U.S. nursing homes stands at [more than 133,000](#), accounting for more than 1 in 5 of the nation's pandemic fatalities.

Even prepandemic, most Americans said they wanted to age at home — 76 percent of those 50 and older, [according to a 2018 survey by AARP](#). The vast majority — [over 90 percent of those 65 and older](#) — are already doing just that. Looking to ease the strain this can put on families, President Biden has called for a \$400 billion investment in home- and community-based care. Experts cheer the effort as crucial to addressing the challenges of America's fast-graying population, a trend fueled by better medical care, longer life spans and a flood of aging baby boomers.

But the need for institutional care will not vanish. The United States had around [15,600 nursing homes serving 1.3 million](#) residents, most 65 or older, as of 2015-16 (the most recent data available). Even with additional resources, many seniors will require more support than can be provided at home. And the demographics are daunting: The number of Americans age 85 and older is expected to top [19 million](#) by 2050.

American nursing homes are [creatures of the last century](#). They sprang up in the 1930s as a gentler alternative to poor houses and later proliferated thanks to various government programs. As the name suggests, they take a highly medicalized approach to aging, and, by design, are reminiscent of hospitals.

Improvements in home-based care, including telemedicine, are enabling more people to remain at home longer. Assisted living and continuing-care communities are springing up, offering elaborate care, especially for more affluent seniors. This leaves traditional nursing homes as the province of the poorest and sickest — those with few other options.

Complicating matters is the bifurcated population and how the bills get paid. On one side are short-term residents, who usually arrive after a hospital stay. On the other side are long-haulers needing custodial care, mostly seniors and the severely disabled. Most short stays in nursing homes are paid for by Medicare, which reimburses facilities at a much higher level than Medicaid, which covers extended-stay residents.

Nursing homes have long relied on their Medicare cohort to subsidize their Medicaid population. This dynamic is being disrupted as more people receive post-acute care elsewhere. With people living longer and [requiring more advanced services](#), the costs of long-term stays are going up.

Worse, many older facilities need extensive, and expensive, capital improvements. Well before the current labor crunch, the industry was plagued by staff shortages and high turnover — a byproduct of demanding, poorly compensated work. (The [average hourly wage](#) for nursing assistants [hovers around \\$14](#).)

Under pressure, the industry has been experiencing a wave of closures and consolidations. Smaller nonprofit nursing homes are being closed or swallowed by for-profit entities, even as smaller for-profits are absorbed by large corporations. Private-equity firms have also become a [major industry player](#). On the whole, nonprofit [facilities provide a higher quality of care](#), and private-equity has a [particularly](#) troubling [reputation](#).

Covid 19 turned nursing homes' chronic operating problems into emergencies. From January 2020 to January 2021, nursing home occupancy [fell](#) nationwide more than 16 percent. In a [survey released](#) in June, 54 percent of nursing homes said they were operating at a loss and only a quarter of nursing homes and assisted living facilities expressed confidence they could survive another year.

With the industry in crisis, [experts](#) and [advocates](#) believe the [time](#) is ripe [for](#) an [overhaul](#). Among the more interesting reform possibilities being discussed is a shift toward smaller, more self-contained, unconventional facilities that reflect the evolving attitude toward aging.

Unconventional nursing homes have been generating buzz for a couple of decades. Among the best-known are those associated with the Green House Project, a nonprofit group that [opened its first one](#) in 2003 in Tupelo, Miss. Green House properties strive to provide residents with a homier atmosphere and a greater sense of agency than traditional facilities. Homes serve 10 to 12 residents, whose schedules are, to varying degrees, less regimented. The buildings resemble [ranch-style houses](#). Residents have private rooms and bathrooms organized around a communal area for cooking, eating and socializing.

Green House follows a practice of consistent assignment, in which aides stick with the same residents, helping them with a range of activities, including cooking, laundry and personal care. Advocates say this helps residents and aides build closer relationships — and limits the vectors for disease transmission. Aides receive specialized training and are typically paid above the industry average.

Green House facilities have been adapted to accommodate specific populations, such as veterans, dementia patients and people suffering from multiple sclerosis. Multiple cottages are typically clustered together in residential areas. Some are placed on the campuses of larger senior communities or even public housing. Where space is tight, communities can be set up on the individual floors of a high-rise building.

[Research](#) indicates clinical advantages to this care model, finding Green House residents less likely than residents in traditional facilities to require hospitalization, to wind up bedridden, to develop pressure ulcers or to need catheters. (Fewer hospitalizations have translated into [lower Medicare](#) costs.) Other studies show lower turnover among the staff and higher levels of satisfaction among aides, residents and residents' families.

Despite their promise, there are only about 300 Green House homes operating in 32 states, serving some 3,200 residents. There are regulatory and financing hurdles to setting up these facilities. And the homes cost more to establish and to operate. For an industry already facing financial challenges, it can be a hard sell.

But in the Covid era, these alternatives are getting new attention. [Research shows](#) that Green House homes weathered the early pandemic far better than traditional facilities. Through July of last year, the Green House Project [reported](#) 32.5 positive Covid-19 cases and 2.84 deaths per 1,000 senior residents in its facilities, compared with 146 cases and 38 deaths per 1,000 residents in certified nursing homes overall.

The need for innovation and reform in the industry is glaring. As the pandemic drove home, the status quo is as undesirable as it is unsustainable. Something has got to give, for the sake of the millions of seniors who will continue to rely on these institutions.