

TRUTH of the MATTER

by Lane Bowen



I recently read an interesting book entitled, “Change Is Good...You Go First.” It was written by Mac Anderson and Tom Feltenstein. As I read it, I was thinking that no matter how much we say that we embrace change, I suspect each of us at some time or another has resisted learning something new or changing an established “proven” process. After all,

doing things the old comfortable way is just easier and seems much safer.

So why should we discuss changing things? In the long run, we know that sameness paves the way for mediocrity. And mediocre companies never survive long term. On the other hand, planning for and accepting change can add both growth and excitement to our jobs and our company.

An exciting company, a company that grows, a company that uses collective imagination, and a company with a creative culture comes out on top every time.

This little book offered up 21 ideas for managing change. I’ve selected just a few.

“Forget for Success.” They explained that our brains are much like closets. Through the years they are filled up with many things we may no longer use or that no longer fit. Every once in a while, we just have to clean out the closet.

A big part of the change process is being able to walk away from outdated beliefs and practices. We need to make room for the good stuff – the right stuff.

“It’s easier for companies to come up with new ideas than to let go of old ones.” – Peter Drucker

“Take Personal Accountability.” Many times people blame others for what is happening to them. It’s the economy, the politicians, their boss or their co-worker that caused the problem. But if we really think about it, when things go wrong at work, it’s the choices we’ve made in our lives that put us exactly where we are. Each of us in our individual and collective roles has an obligation to take personal responsibility and recognize problems as opportunities. If we are able to do that, think how our lives could be improved, including having control over our own destiny, becoming a contributor rather than a passive observer, gaining a reputation as a problem solver and experiencing less anger and frustration over feeling helpless.

“I always wondered why somebody didn’t do something about that. Then I realized I was somebody.” – Lily Tomlin

“Remove Barriers.” Obstacles or barriers – whether real or perceived – can prevent change. Most times, these fall into four major categories:

1. Outdated Systems
2. Outdated Procedures
3. Outdated People
4. A combination of the above.

The first way to eliminate the obstacle is to clearly define the “enemy.” We must work together – getting input from all (especially those on the front line) to identify obstacles. Fixing the problems may take time – some are small pebbles and others are large boulders – but they all must be eliminated.

“Teamwork.” There is a story from the play “Some Folks Feel the Rain, Others Just Get Wet” that I think is worth sharing.

A man was driving through the country. As he tried to reach for a map, he accidentally drove off the road into a ditch. Though he wasn’t injured, his car was stuck deep in the mud. So the man walked to a nearby farm to ask for help. “Warwick can get you

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out of the ditch,” said the farmer, pointing to at an old mule standing in the field. The man looked at the decrepit old mule and looked at the farmer who just stood there repeating, “Yep, old Warwick can do the job.” The man figured he had nothing to lose. The two men and the mule made their way back to the ditch. The farmer hitched the mule to the car. With a snap of the reins, he shouted,

“Pull, Fred! Pull, Jack! Pull, Ted! Pull, Warwick.”

And the mule pulled the car right out of the ditch.

The man was amazed. He thanked the farmer, patted the mule, and asked, “Why did you call out all of those names before you called Warwick?”

The farmer grinned and said, “Old Warwick is just about blind. As long as he believes he is part of a team, he doesn’t mind pulling.”

As we reflect on the change we have faced this year, it is clear that many of us have applied the ideas described above. I have witnessed many of you taking personal accountability around MDS 3.0 and the RUGs 4 changes. I’ve watched leaders work to remove barriers to success while developing their TCCs and TCUs. None of this could have been done by individuals; it required us to pull together as a team.

And more change of course is coming. In the future, we plan on installing the Point Click Care system that will replace our RCS and HPAS systems. It will provide an electronic medical record as well as allowing to record and view patient information as care is given. This will significantly change the way we deliver care as well as alter the processes we follow. The change will be big, and will require many of us to forget our outdated beliefs and practices.

As we move forward, let’s take personal accountability, recognize barriers and eliminate them, and most importantly, work as a team as we always have done to improve our company, our jobs, and our lives. I personally look forward, 2011 and beyond, to working on these and future changes together! The post-acute continuum of care environment is about us! Let’s embrace the opportunities that will accompany our changing world.

Respectfully,



Lane Bowen, Executive Vice President and President,
Nursing Center Division

Kindred Healthcare’s mission is to promote healing, provide hope, preserve dignity and produce value for each patient, resident, family member, customer, employee and shareholder we serve.

FOCUS ON NCD CORE VALUES AND PRINCIPALS

Kindred Holiday Activities Embody Culture Change Principles

By **Christine White, LCSW Director, Resident & Dementia Care Services**

Every year staff members, patients and residents, families and community members come together to observe the holidays in Kindred nursing centers across the country. The celebrations differ in many ways, depending on the cultures of the community and the desires of the patients and residents. All fulfill the promise of culture change – to create and reinforce the identity of the nursing center within the community.

All provide opportunities for “meaningful” activities. Some of the holiday plans include:

- Fundraising for a community charity
- Participating in town holiday functions (decorating floats, riding in local holiday parades, handing out candy to children, etc.)
- Baking for local senior centers
- Singing hymns and carols
- Sending cards to armed forces personnel
- Decorating their living areas

The biggest initiative for Kindred during the holiday season is Ho Ho Hotline™. The Hotline provides an enriching opportunity for patients and residents to connect with children across the country.

This year, the Activity Directors in many centers began the Ho Ho Hotline™ preparations during the summer with “Christmas in July” activities. Residents began collecting information on the newest toys, and determining where their “North Pole” would be located within the centers. Sno-cone machines served a dual purpose – as a welcome warm-weather treat and as a reminder that Christmas is never that far away!



In October, the Support Center started receiving inquiries by eager parents hopeful that Ho Ho Hotline™ would be available for their children, reinforcing the intergenerational benefits inherent in the Hotline activities. The holidays can intensify isolation for individuals who are far from home or are no longer able to play host to holiday gatherings. Ho Ho Hotline™ counteracts those feelings of loneliness, and gives many folks something to look forward to each day. Isn't that what we are all looking for?

The Hotline has appeared in national magazines, on the cover of USA Today, and on national television shows such as NBC's “Today” and CBS's “This Morning.” More information on Ho Ho Hotline is available on KNECT.

Note: Kindred lists all of the center names, phone numbers and hours of operation of Ho Ho Hotline™ on the Kindred Healthcare website: <http://www.kindrednursingcenters.com/about-us/ho-ho-hotline/>

Another Successful Memory Walk™ Season

By **Christine White, LCSW Director, Resident & Dementia Care Services**

Nursing Centers across the country can enter the holiday season feeling a sense of accomplishment. As of December 1st, we have wrapped up another successful Memory Walk season.

The economic downturn has impacted organizations such as the Alzheimer's Association, impeding the path toward a cure. Kindred's Camp 4 an Alzheimer's Cure™ events helped secure a successful Memory Walk™ by diversifying the fundraising through several fun community events rather than simply asking for donations. Over 200 Kindred nursing centers participated in either or both events in 2010. Lane Bowen, Nursing Center Division President, sits on the Board of Directors of the National Alzheimer's Association.



Royal Oaks Healthcare and Rehabilitation Center in Terre Haute, Indiana hosted their third annual "Camp 4 a Cure OAKFEST."



CENTER HIGHLIGHTS

Here We Grow Again!

Kindred Healthcare and our Nursing Center Division warmly welcomed three new Nursing Centers on September 26. They are: Lone Star Comprehensive Adult Care, The Plaza at Mansfield, and the Plaza at Ridgmar. All three facilities are located in Dallas – Ft. Worth area and will complement our existing hospital services in the Dallas-Fort Worth cluster market. Two of the centers will be designated Transitional Care Centers and one will have a Transitional Care Unit.



Update on New Center Websites

By Leslie Wright, Operational Website Consultant

Our 2010 project for updating each individual Center’s website is moving forward! To date, all centers have been contacted to provide input for information that will be used in creating their sites. On November 16, our three pilot centers went live with their new web sites. They are Avery Manor in Massachusetts, Oak Hill in Rhode Island, and Eagle Creek in Indiana. We want to thank them for being the first to go through the process and helping us make it an easy transition for the centers that will follow.

We have enhanced the content describing our services and programs and provided easier navigation – to include the use of graphic selections of highlighted services and information, and improved our map, directions, and facility-finding capabilities.

New features include the ability for someone to email us, from within the center’s site, regarding taking a tour (to RDSM, ED, AC), additional information about our services (to DDSM, ED, AC), and employment opportunities (to KHCRECRUITING, HSDRECRUITING).

Subsequent sites will go live, in groups of 15-20, over the next several months until all are converted. Once

your site is built and available to view, your center will be notified.

Next time you are on the web, check out the new look of our pilot sites!

- www.averymanor.com
- www.oakhillrehab.com
- www.eaglecreekhrc.com

Thanks to all who were involved in helping us write and review content, providing creative talent for the design, and giving us suggestions, input and guidance to make the sites successful!

It definitely was a team effort!



Avery Manor pilot site.

Customer Satisfaction Survey 2010

What a great effort on everybody’s part! We exceeded our goal of a 48% response rate and the detail results are available for viewing. Our benchmark satisfaction score has increased to 87%. That is, 87% of our patients, residents, and their families would recommend us to others who may need our care and services.

We should all be proud – and then wonder, what can we do to improve that, say to 90% or more? That is where the detail in the Survey Report becomes valuable. By looking at the detail provided, especially when compared to our last three surveys, we can see where we have improved and as well as where we can improve. The reports do a good job of highlighting these areas for you so please spend some time reviewing the results and sharing them – with patients, residents, families and staff.



ANGELS = Enthusiastically ask, "How may I help you?"

EMPLOYEE SHOWCASE

Newest Transitional Care Center Promotions Announced!

By Peter Corless, Senior Vice President, Human Resources and Administration, NCD

Congratulations to our newest CEO and CCO on earning these prestigious promotions!

Congratulations to John Getts and Betty Barowski, who were recently promoted to CEO and CCO of Greenbriar Terrace. John and Betty were nominated based on their performance and leadership abilities that have enabled Greenbriar to be one of the leading TCCs in Kindred. The promotion was based on M2 census, EBITDARM and CQR scores, as well as survey results. Both have attended Top Gun training and the Key Service Excellence components are fully operational at Greenbriar. John has been an employee of Kindred since 1999 and Betty has been with Kindred since 1977. Betty Barowski was named Kindred Healthcare's Director of Nursing Services of the Year in 2007. Betty also received awards for Director of Nursing of the Year for the District and Region in 2007. John was also awarded the Executive Director of the Year for the Northern New England District in 2007.



John Getts, CEO and Betty Barowski, CCO of Greenbriar Terrace

Greenbriar Terrace, in the Northern New England District, is a 300-bed Transitional Care Center, located in Nashua, New Hampshire. The center has implemented both the Wound and Orthopedic Specialty Programs and is currently working on developing a Specialty Pulmonary Program.

These CEO and CCO positions were created to reward outstanding performance and leadership within our centers. Twice a year, a Regional Senior Vice President may nominate a TCC ED or DNS who is meeting defined criteria for consideration for promotion to the CEO or CCO position.

KINDRED AND INDUSTRY RELATED NEWS**MDS 3.0 Goes Live – Teamwork Makes It Possible****By Tami Johnson, Director of Case Management Services**

On October 1st, we confidently started completing the new MDS 3.0 assessments. By the end of the first week, we had successfully completed

thousands of assessments with barely a whimper. Kindred was clearly prepared for this transition. We want to take a minute to thank all of the people who helped Kindred prepare for the implementation of MDS 3.0. We want to thank everyone who helped train for the new MDS 3.0 and RUGs IV process. We especially want to thank our District Directors of Case Management and District Directors of Clinical Operations for their efforts in training the field teams along with all the people who support them. We could not have rolled out this training without their tireless efforts. We also want to thank our IS team for updating virtually all of our systems from completing MDSs in RCS, to billing in HPAS, and to reporting in BW. Finally, we want to

thank the organization for allowing the time necessary to provide five days of training to our leadership at the facility, district and region levels. Between the one-on-one training, WebEx offerings, and the use of the Briggs MDS Guru, Kindred has trained and validated learning. Kindred committed the needed resources and time to allow each center to successfully adopt the new assessment process.

But the biggest heroes are those individuals at the center level that are providing the care, completing the assessments, and managing the process. We all know that change can be difficult, but we have embraced it, and we will continue to be successful. In the words of Margaret Mead, “Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has.”

Thank you for your hard work; it has made a difference in the lives of the people we serve.

***Be sure to keep current with the most up-to-date
MDS 3.0 information on Knect →
Nursing Center Division → MDS 3.0***

DEPARTMENTAL FOCUS

Understanding a Customer's Needs in Order to Build Value

By Barry Somervell, Senior Vice President, Sales and Business Development

Many companies have adopted customer service programs, but there are a few companies whose execution of their own plans created a business known for excellence in customer service. Those companies include such well-known names as Nordstrom's, Starbucks, Southwest Airlines and Federal Express.

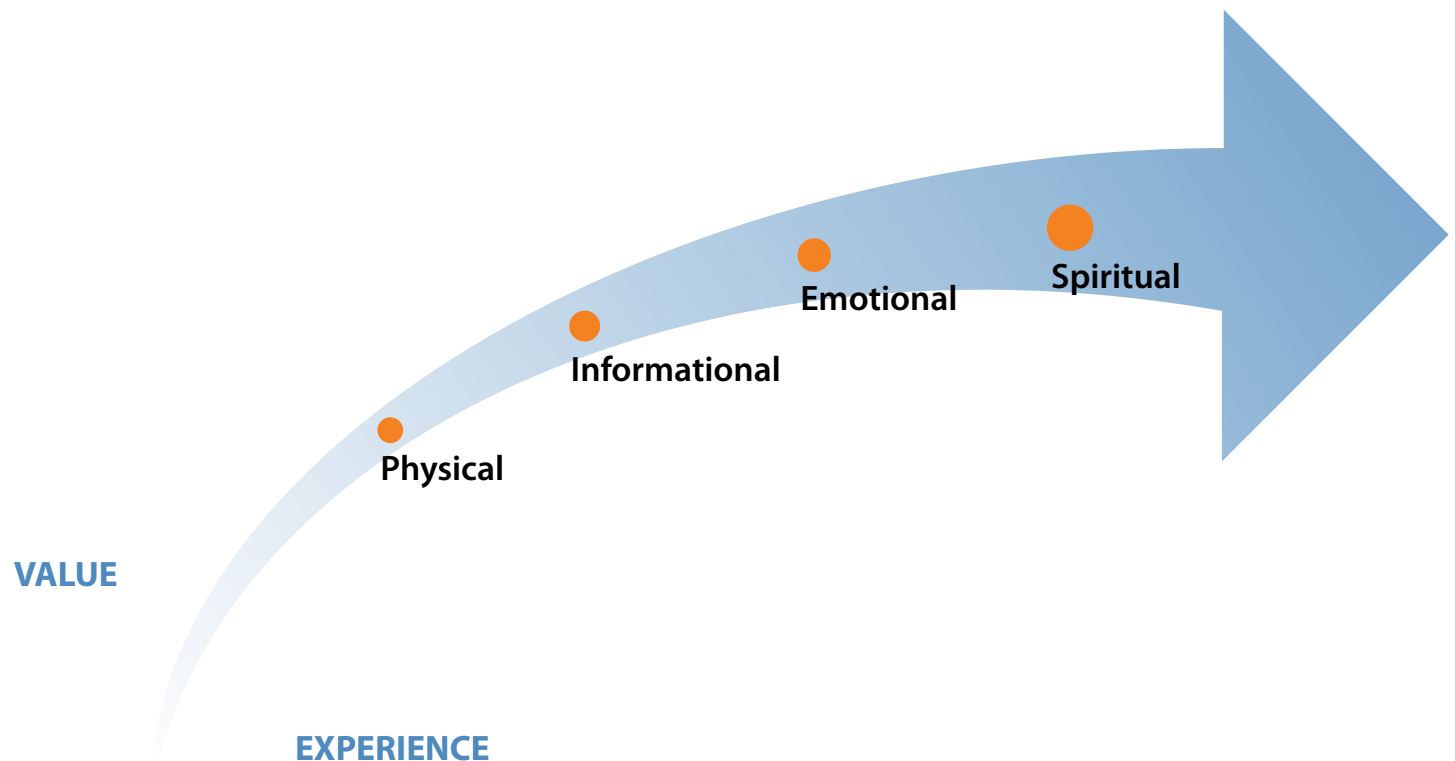
Michael Basch, a key member of the FedEx management team, is credited for developing a system based on meeting a customer's basic needs that revolutionized his industry. Michael documented these needs in his book *Customer Culture: How FedEx and Other Great Companies Put the Customer First Every Day*. Below is a summary of those needs and how we can relate to them.

The goal of any organization is to deliver greater and greater value to its customers. In order to build this value, Michael outlined the four basic needs of a customer. The four basic needs of a customer that need to be met

are: Physical, Informational, Emotional and Spiritual. If you view the chart below you will see that as value increases from your customers over the period of their experience with you the more likely you are to create loyalty from your customers.

Stage One – Physical Needs

The first need of people is to have their physical needs met. At FedEx this means to have packages delivered on time to their customers. Our patients and families have a variety of physical needs we must meet. From pain and symptom management to providing treatments and therapies, it is important for us to recognize the importance of taking care of these physical needs in a timely and consistent manner. Even our referral sources have a physical need to have someone effectively transition a referred patient and family. We must remember that meeting the physical needs is just the first step as we evolve to higher levels of customer value.



Stage Two – Informational Needs

A close second to our desire to have our physical needs met is our desire to know “how it’s going to happen and when.” If you think about our customers, as it relates to informational needs, we must consider how concerned they are about an illness or injury and how important information can be to help them understand what lies ahead. There is also a great deal of satisfaction that comes when we do what we say we’re going to do when we say we’re going to do it.

A simple phone call to alert a customer if plans change goes a long way. Think about how you feel when you are not informed. We have a great opportunity to improve customer satisfaction by insuring that patients, families and referral customers are well informed.

Stage Three – Emotional Needs

Meeting informational needs often leads to meeting a customer’s emotional needs. Knowing the information about what is happening gives one peace of mind. When we show up for an appointment when we told someone we would, they can avoid the anxiety that comes when we don’t arrive when we were expected. When we keep the staff informed about the status of someone they referred to us we meet their physical need to take care of their patient and the informational need to stay informed, which helps meet the emotional need and allows them to rest easy knowing their patients are in good hands.

Understanding the importance of how physical needs and informational needs affect emotions is vital in the quest to create good customer service. Michael Basch stated in his book that “emotional needs are met in very personal ways by people who care.”

Stage Four – Spiritual Needs

Spiritual needs of customers does not always refer to religion, although that may be true for many of our customers. The spiritual needs we are referencing are a greater purpose where people (customers and employees) see that they are part of something greater than themselves. I’m sure this has great relevance for those employees of FedEx, but I really thought of the appropriateness of this sentiment in post-acute care. Whenever we take the time to address all of the needs of our customers – the physical, the informational, the emotional and finally the spiritual – it is then that we know we have done a good job.

It is the ability to meet a spiritual need that often makes our roles fulfilling in post-acute care. We need to constantly strive to build on the value curve as we contribute our piece of the customer experience. The key to moving our customers up the value curve throughout their experience is understanding and engagement. As a final thought I would ask that each of us put ourselves in the minds of our patients, their families and our community of referral sources and care partners and think about how we affect their experience. **Let’s build customer value – one step at a time.**



ANGELS is a way of thinking and a communication style that is used by everyone in the Nursing Center Division. It lets others know we respect them, that we welcome guests, and it communicates our desire to make our customers happy.

INDUSTRY HIGHLIGHTS

Milestones in 2010 - TCC-TCU Strategy Update

By Steven Ager, Vice President of Business Development

It has been a year of change, growth and accomplishment for NCD's TCC-TCU Strategy. Two years into this journey together, we can all take pride in the strides we have made, and be excited as we look forward to 2011. Our success in this initiative is key to providing the resources we need to take the best care of our patients, reward our employees and renovate our physical plants. In this process, we are re-defining the nature of skilled care and positioning Kindred as a leader in the rapidly evolving healthcare industry.

Expanding Our Clinical Horizons

Unparalleled patient care is the bedrock of our TCC Strategy. We have sought to differentiate our clinical capabilities via well-defined clinical programs and our ability to care for higher acuity patients. In 2010, we rolled out our five core programs: Cardiac, Pulmonary, Orthopedic, Wound and Neuro Rehab, establishing 120 of such programs in TCC-TCUs across the country.

Developing Our People

Leadership and innovation by our facility operators has been essential to progress. We have made great strides in fostering an entrepreneurial culture, encouraging possibility thinking and establishing training programs on the skills needed for operators to be successful. As of today, over 50 percent of our existing EDs and DNSs have graduated from our Top Gun Leadership Program and eight of our districts have attended District Intensives. Additionally in 2010, we established the titles of CEO and COO for those facility leaders who successfully implement this strategy.

Articulating Our Value

Reaping the fruits of the clinical progress we have sown requires that we clearly define the value we are creating for our patients and referral sources. In 2010, we rolled out the Outcomes Excellence System to 11 pilot facilities. The flexibility of this automated tool will allow us to clearly define our value at the local level, tailoring our message to the individual strengths of our facilities and to the specific interests of the audience.

Engaging Our Referral Sources

Expanding our clinical horizons and short-term patient mix requires that we engage physicians, hospitals and

managed care entities in new ways. In 2010, we have established over 90 specialty medical directorships and medical advisory boards and over 80 joint operating committees with managed care entities and hospitals. These relationships are key to enhancing our clinical product, patient outcomes and higher transitional care referral volume.

Renovating Our Facilities

We all know that the refurbishment of our facilities goes a long way to creating a great first impression. In 2010, in recognition of the importance of the TCC-TCU Strategy, our division received an unprecedented amount of capital (approximately \$30 million) designated for the complete renovation of selected TCCs/TCUs. These buildings were selected on the basis of having stable and committed leadership, successful execution of the strategy to date, and the confidence that they can continue driving growth.

Delivering Results

In spite of a challenging year for our economy, one in which our competitors saw decreases in occupancy and mix, as of YTD September our TCCs have grown short-term (M2) admissions by 14.5%, M2 ADC (average daily census) by almost 3.6% and a revenue increase of 2.7%. Equally important, leaders in the healthcare industry have begun to recognize the value our TCCs and TCUs provide. We have begun partnering with key hospital advisory companies and managed care companies in establishing protocols for STACH-PAC (post-acute care) and MCO-PAC collaborations to reduce re-hospitalizations and improve patient outcomes.

Looking Ahead – 2011

The changes we are driving do not come easy – but few things good and lasting ever do. Our success lies in the continued collaboration with each other, expanded collaborations with our referral partners, and by furthering the differentiation of our clinical services. Whether you are in a facility, district, region or at the support center, we encourage you to continue to innovate, re-invent, re-define and expand your role in this important initiative.

Together we can make 2011 a banner year for our patients, our people and our customers as we advance the TCC-TCU strategy.

The winner of the iPod Shuffle from our September Employee Testimonial contest is Becky Donkersley, the Activity Director at Lakewood Healthcare Center in Lakewood, Washington. Congratulations!

A big thank you to all who submitted entries. Be looking for them to appear on our new websites soon!

Here is Becky's winning entry:



**CONTEST
WINNER!**

How I love Kindred, let me count the ways:

- K:** I love the mission statement. Kindred Healthcare's mission is to promote healing, provide hope, preserve dignity and produce value for each patient, resident, family member, customer, employee and shareholder we serve.
- I:** I love the way there is no "I" to quality care. Kindred's care here at Lakewood Healthcare center is resident centered and the "eye" sees the quality of life that has improved our resident's lives.
- N:** I love the way "no" is not an acceptable answer. The answer is "yes," what was the question?
- D:** I love the way there is dignity in the manner in which we treat others at Kindred. Dignity is a term that encompasses so many things; ethics, self-esteem and worthy of respect, simple words, but great meaning.
- R:** I love the way there is respect at all times. You may not agree with everything, but you appreciate everyone is an individual and respect their actions.
- E:** I love the way everyone is caring, kind, professional and loving in the duties they uphold and in the attitudes they bring to their professions here at Lakewood Healthcare.
- D:** I love the fact that I desire to come to my fantastic job every day. I love the fact that I am proud to be working for Kindred Healthcare again. I love the atmosphere I am working in and the caring, compassionate co-workers I am proud to work with. I love our outstanding residents who share their lives with us... the wonderful families who entrust to Kindred their most precious possessions, their family.

This and so much more is why I work for Kindred Healthcare. I love working here!

NEXT ISSUE

The next NCD Happenings will be published in March 2011. If you have story ideas or content suggestions that could be used for the next newsletter, please submit your entry to leslie.wright@kindredhealthcare.com by January 15, 2011.

NCD Happenings can be found online on KNECT -> Nursing Center Division -> Publications. Please access and print additional copies of the newsletter for distribution as needed.



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