 Administrator Shortage? Let Me Tell You Why!

by Brian Garavaglia, PhD

I recently read an interesting article about the potential nursing home administrator shortage. The article stated that the turnover for nursing home administrators is approximately 40 percent, many colleges are closing their nursing home administrator programs, and there has been an exodus of many qualified nursing home administrators leaving their positions.1

Two of the major culprits cited in the article for many administrators’ dissatisfaction are the ever-increasing pressures to comply with legal and regulatory requirements, and corporate pressures experienced by administrators who work in large ownership-based companies. This is not something new to me and I have spoken and written about these problems in the past. However, now may be a good time to focus on some of the issues that are derailing the administrative climate within the nursing home industry.

The Failure of Government Design

First, many administrators feel pressures on a legal and regulatory level. This has been a frequent complaint among many administrators. The rules and regulations are voluminous and CMS continues to add more to an already less-than-streamlined labyrinth. Moreover, many of the regulatory requirements promulgated by the federal government are listed under the interpretative requirements of the State Operational Manual. These requirements are often far from objective and the interpretative nature is not clear cut, with a level of subjectivity that often falls into play depending on who or whom is interpreting the regulations and the particular perspective they bring to the process.

Another major problem is that the survey process has been based less on a professional collaboration of experience between the nursing home professionals within the facility and the surveyors that are involved in monitoring the facilities. Many surveyors are viewed as consultants, yet are told not to provide any insight they may have to assist with nursing home issues. This makes the survey job purely punitive, focused only on finding fault and citing the fault, thereby failing to also utilize the expertise of the surveyor to work collaboratively and constructively toward addressing nursing home concerns.

This then places the burden back onto the nursing home administrator and his or her administrative staff to often take an educated guess what surveyors would like to see implemented to achieve the proper remedial intervention. This sets up the interactive foundations of conflict and contention between the survey team and the administrator and their staff. Yet instead of attempting to get these two professional groups to work together for the betterment of the nursing care environment, the current rules and regulations as they now exist continue to pile on more regulations without enhancing the collaborative relationship between two professional groups, the surveyors and the administrator and staff.

More regulations do not often lead to better outcomes. In fact, they often lead to more confusion and greater levels of ambiguity, two things that are critical for burnout in any profession. Yet there is research that demonstrates that if individuals are brought together to work interdependently toward a superordinate goal the groups hold in common (in this case nursing home quality), results can approve dramatically.2 However, the continue structured interaction of surveyors and nursing home administrators and their professional staff, set up by the federal government, has been predicated on a model that is antagonistic and diametrically opposed to what the research has shown to work.

Therefore, it should be no surprise that the myriad levels of federal government regulations promulgated each year as a panacea, really work against the intended goals of what they are intended to do: provide greater quality care for nursing home residents. Thus, the frustration among nursing home administrators is well-founded. Given that the federal government is a bureaucracy, like any other bureaucracies whether they are business, educational or state bureaucracies, the problem is often referred to as "bureaucratic ritualism."3 This is when bureaucracies lose sight of the larger goal, and instead of developing a calculated means to achieve calculated goals, the means becomes the end in itself.

In this case, the continuous promulgation of regulations become both the means and the end, and are published without really determining whether they will make much of an impact. Instead of focusing the emphasis on bringing professional members together to work collaboratively, with well-founded research to back up the benefits in this area, the federal government has instead decided to continue to implement strategies, with the research often showing that leaving voluminous paper trails as part of managing a system is far from productive and even detrimental.

The Failure of the Big Business Model

Then comes the corporate pressures that many administrators say are responsible for the stress they experience as well as their movement out of the profession. Today, many nursing care facilities are being bought out by larger companies that are often interested in an investment.

This should tell you something about many of the individuals running these companies. First, nursing homes have never been great investments, such as buying stock in other areas that can increase your returns. Most seasoned investors don’t even consider nursing home companies as being worth their time to invest in given that they know the
returns on investment have often been at break-even points. Furthermore, health care institutions such as nursing care centers have been set up to address and care for the needs of those that they service. Many larger companies entering the field have often lost sight of this and have attempted to introduce a traditional business model into the ownership of their long-term care facilities.

The business of health care works differently than other forms of business. However, unfortunately, many large nursing home companies are being driven by the bottom line margins of their income statements, frequently relying on vice presidents of marketing, many of whom have never worked in health care, to create marketing plans that administrators should follow based on unrealistic expectations. Many of these marketing plans are based on administrators attempting to address census and to “close sales,” similar to those who work in sales and marketing close deals in car sales.

In addition, many CEOs who have been hired by a major company to run the long-term care division may come to the arena with little knowledge of the health care environment. Again, many have come from mainstream business, marketing, sales and finance areas and have never had to consider clinical issues and complexities that are part of the daily concerns nursing home administrators have to address.

Since many of the nursing home organizations today have become quite hierarchical and bureaucratic in structure, two way channels of communication between those at the top and nursing home administrators have often been eliminated. Moreover, many regional directors of operations also often fail to have a firm understanding of the clinical factors involved in running the business of a nursing care facility, or have come to lose sight of it due to the pressures of the traditional business model and the higher level corporate executives framing their perspectives for compliance and adherence to the traditional business model.

So where does this leave administrators? First, they are often caught between a government bureaucracy that holds them accountable for everything but fails to want to bring about a collaborative relationship. Secondly, they are caught between those within the corporation that are driven toward maximizing their profits, yet fail to understand that the traditional business model often is not transferable to the health care industry, or more particularly, the nursing home industry.

Administrators are left in the middle of two large bureaucracies, which can ultimately lead to the problem of what Max Weber described as bureaucratic alienation. The nursing home administrator feels that he is a small, ineffectual cog that cannot make any difference and that no one will listen to or even address him in a meaningful manner.¹

The loss of administrators in the nursing home care field is not due to a lack of caring. It is symptomatic of an endemic issue that has gripped the nursing home industry. Ever since the passage of the Nursing Home Reform Act of 1987, or OBRA as it is commonly called, the federal government has become increasingly involved in the regulatory efforts of the nursing home industry. At first, with the advent of greater federal government oversight, it actually created an economy of scale within the nursing home industry. However, too much oversight has now created a diseconomy of scale, which is emblematic by the high administrator and director of nursing turnover that now exists in the industry.² In an industry that needs seasoned and experienced professionals, many are being chased out of the field due to the cumbersome organizational oversight of the federal government as well as the government’s archaic understanding of management principles.

Furthermore, administrators also have to address large companies taking over many nursing care facilities and attempting to drive these facilities toward achieving high profits in an industry that is notorious for its very modest gains at best. In so doing, many large company executives are failing to keep in the forefront of their mind the important picture, the care of the nursing home resident. This should be no surprise since many executives often have not been personally involved in daily nursing home administration and only view it from the traditional business profit making model.

In the game of large companies pressuring administrators to build up and maintain a large census, administrators are often being pressured to take any resident that is available. This can be dangerous because it could lead to a higher acuity that creates greater costs that ultimately eat up any additional revenue that is accrued through census gains, and it pressures administrators to take more residents than their facility and staff may feel comfortable caring for, thereby placing the administrator and their facility in a potentially precarious legal position.

So the question really comes down to this: When will big federal government and big corporate bureaucracy eventually give the power back to the administrator? Until there is better structural organization found within the federal government and large nursing home corporate bureaucracies, the position of nursing home administrator will be volatile and highly stressful.

Given that most nursing home administrators fail to make as much money as hospital administrators, yet face stress from the federal government and the company's corporate bureaucracy, dissatisfaction with the profession will probably not change any time in the near future.

References

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