

# POLICY BRIEF

Improving quality of care and quality of life for nursing home residents through uptake of the Preference-Based Living model of care



Preference  
Based Living

## OVERVIEW

Nursing homes provide an essential service while also representing a high cost for state governments and a difficult choice for some families and individuals. By using tools from the Preference-Based Living model of care, nursing homes can address key challenges and improve quality of care, health outcomes, and staff and resident satisfaction.

## BACKGROUND

Approximately 1.2 million people [live](#) in 15,300 nursing homes in the U.S., in most cases because they need a level of healthcare and personal care services 24 hours a day that they cannot find elsewhere.

Seventy percent of people [surveyed](#) in 2023 expressed discomfort about the idea of living or placing a family member in a nursing home, citing concerns about quality, impact on mental health, and loss of independence.

Nursing home stays are [expensive](#): the 2025 median annual cost nationally is \$110,360 for a semi-private room and \$123,913 for a private room. In the majority of cases (63 percent nationally), this is paid by state Medicaid programs. For eligible beneficiaries, Medicaid is required to pay 100 percent of nursing home costs, but only after the beneficiaries have depleted their savings.

Improving quality of care and quality of life in nursing homes is a goal shared by policymakers, regulators, payors, providers, and consumers alike. Nursing homes receiving Medicare or Medicaid funding are mandated to provide individualized care, but this can be difficult, especially when nursing homes have limited financial resources to invest in care.



### Recommendations to improve nursing home care:

- Require/encourage nursing homes to implement the Preferences for Everyday Living Inventory (PELI) with residents.
- Offer financial incentives and reimbursements for PELI implementation.
- Add metrics to quality evaluations reflecting resident satisfaction with preference-based care.
- Share educational materials on preference-based care widely.



## ABOUT THE PELI

The Preferences for Everyday Living Inventory (PELI) is an easy-to-use, customizable set of questionnaires that helps care teams gather individuals' preferences in important domains of daily living and then use this information to personalize care plans.

With questions that include, "How important is it to you to choose when to get up in the morning?" "How important is it to you that your daily caregiver knows your needs when going to the bathroom?" and "How important is it to you to be involved in choosing your roommate?" the PELI gleans immediately actionable information that individualizes care and improves resident well-being. Learn more [here](#).



## KEY FINDINGS | Honoring preferences supports better outcomes

Personalizing care is challenging for nursing homes but there are evidence-based tools that can help.

A strong body of evidence shows that positive outcomes are more achievable and more sustainable when individual residents' wishes and preferences are elicited and decisions about personal care, medical care, and activities are personalized to respect those preferences.

The Preference-Based Living model of care provides a suite of scientifically validated tools for this, of which the foundational element is a set of questionnaires called the [Preferences for Everyday Living Inventory](#), or PELI (see box). Nursing homes that have fully implemented the PELI to personalize care have [achieved](#) better outcomes, compared to those not using the PELI.

Evidence-based benefits of PELI implementation include:

- Fewer resident and family [complaints](#) and fewer deficiency violations (for not being in compliance with federal nursing home regulations).
  - Nursing homes that fully implemented the PELI had approximately 10 percent fewer substantiated complaints made to the state (associated with legitimate violations of federal regulations).
  - Nursing homes that fully implemented the PELI had a 25 percent higher probability of being deficiency-free during the annual recertification survey.
- Better publicly reported quality ratings.
  - Nursing homes that fully implemented the PELI were more likely to be rated 4- or 5-stars (out of 5) for the health inspection rating on CMS' Care Compare [website](#). (This is the most important component of a nursing home's overall star rating.)
- Greater resident satisfaction with care.
  - When nursing home residents are satisfied with care that reflects their wishes and preferences, they are also up to 11 percent [more likely](#) to be satisfied with their care overall.

Institutional efficiency can also benefit from PELI implementation: availability of better care helps attract residents and [increase](#) nursing home census (the number of residents living in a nursing home at any given time).

## POLICY RECOMMENDATIONS

Preference-based care can yield numerous benefits and should be incentivized as a proactive solution in nursing homes.

1. States can offer financial incentives, in one or more of the following ways:
  - Reimburse the cost of training and PELI implementation.
  - Provide funds for quality improvement initiatives in nursing homes.
  - Reward performance improvements arising from, and attributable to, preference-based care.
2. Federal (CMS) and/or state regulators can:
  - Add metrics to quality evaluations to measure residents' satisfaction with care addressing the wishes and preferences that are most important to them.
  - Fund studies to evaluate the benefits resulting from preference-based care.
3. Federal and state offices can share educational materials on preference-based care through:
  - Medicare's Nursing Home Compare service
  - State Medicaid offices
  - Public benefits counseling services
  - Regional and local senior-serving organizations such as State Units on Aging, Aging and Disability Resource Centers (ADRCs), state Health Care Surveyors, and Ombudsmen programs.



## CONTACT

To learn more, please write to the Preference-Based Living team at [contact@preferencebasedliving.com](mailto:contact@preferencebasedliving.com) or visit [preferencebasedliving.com](http://preferencebasedliving.com)

This work was supported by The Patrick and Catherine Weldon Donaghue Medical Research Foundation.



**PennState**  
College of Nursing



SCRIPPS GERONTOLOGY CENTER