



For Immediate Release

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Three Leading Western New York Not-For-Profit Senior Care Providers Join Forces to Form Lineage Group as Part of Their Ongoing Strategic Alliance

BUFFALO, N.Y., January 5, 2021 – Niagara Lutheran Health System (parent of The GreenFields Continuing Care Community), Schofield Care, and Lutheran Jamestown have taken a significant step forward in their ongoing partnership. The three not-for-profit senior care providers today announced they have joined forces to form Lineage Group. This new entity will operate as a passive super parent organization to help oversee strategy and operations, and create efficiencies, paving the way for an active parent arrangement.

The unique strategic alliance, first announced in June 2019, aims to strengthen all three organizations and position them for future growth. The partnership is rooted in an effort to improve the quality and clinical scope of senior care in Western New York.

“This innovative nonprofit affiliation model will ensure patient-focused care remains at the core of our collective mission, provided by individuals who live in, and are invested in, the local community,” said Christopher Koenig, President & CEO, Niagara Lutheran Health System, speaking on behalf of the three organizations.

Koenig said the affiliation will empower the member organizations to deliver high-quality care more efficiently by enabling Lineage Group to share clinical guidelines, maximize Medicaid reimbursement, and reduce combined overhead costs.

The full continuum of services provided by Lineage Group includes skilled nursing, certified and licensed home health care, adult day care, assisted living (including special needs and enhanced ALR), memory care, respite care, independent senior housing, outpatient rehabilitation, traumatic brain injuries, veterans’ care, hospice care, and palliative care.

“At Lineage Group, our focus on mission instead of profit margin will enable us to continue innovating care through programs such as foster grandparents, wellness and family centers, and employee childcare centers,” Koenig explained. “Together, we will be better equipped to increase satisfaction and connectivity for residents, families, employees, and the community at-large.”

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Not only do Lineage Group members plan to solidify their respective finances going forward, but the goal is to expand this new collaboration's reach to welcome other similarly situated partners as an alternative to sale or closure, providing a template for other organizations to emulate. This will help provide an alternative to the trend of nonprofit care providers selling to for-profit, out-of-town chains.

“This nonprofit collaboration model provides greater benefits to the residents and community than the for-profit alternative,” Koenig added. “Free of the financial obligation to generate returns for investors, nonprofit senior care organizations are able to re-invest their profits into their operations and communities, leading to superior clinical outcomes, more satisfied employees, and enhanced patient and community welfare.”

Increasing financial pressures throughout the industry have led to the closure or sale of 21 percent of New York State’s nonprofit skilled nursing facilities over the past five years. Although each of the three organizations comprising Lineage Group has managed to stay ahead of this trend, a proactive approach is needed to ensure financial viability into the future.

Other benefits of the partnership include economies of scale gained by combining networks to help eliminate duplicative costs and services, along with increased purchasing power and leverage in contract negotiations. It will also result in increased competitiveness as a major employer through improved training and education, new career ladders, enhanced human resources initiatives and enhanced recruitment for positions at all levels.

The three partnering organizations all have rich and diverse histories, and each is a prime example of how mission-driven, nonprofit senior care campuses and skilled nursing homes can benefit the entire community. With facilities rated between 4 and 5 stars by CMS, all three organizations are committed to providing high-quality, efficient, and cost-conscious care that improves the health of the populations they serve.

A separate Board of Directors and by-laws will be established to support the integration of the three affiliates into Lineage Group. This preemptive action will leave the new combined organization well-positioned to sustain financial viability as margins are compressed due to rising costs, low reimbursement rates, and the fiscal challenges presented by the ongoing COVID-19 pandemic.

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