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McKnight's SENIOR LIVING
News, perspective and analysis

3 Truths in Senior Living as Industry Recovers from COVID-19

The Senior Living industry has been hit especially hard by the COVID-19 outbreak due to the restrictions set in place by the government and even communities themselves. Looking forward, there are several ways that the industry can start to rebound as soon as possible.

Written by: Nora Wiley

5/26/20

For a lot of us working in or serving the senior living field, the present feels eerily familiar. Every time there is a significant falter in the economy, we wonder, "How will this affect my business?"

The recession in 2008 was quite a hit to the senior living industry. Not only were economic markets down, but the bubble bursting on the real-estate market was like a one-two punch for new sales at independent living and continuing care retirement communities.

Similarly, as we find our "new normal" in the age of the coronavirus, we'll be faced with a consumer who not only likely took some market-based financial loses but who also has become a cautious consumer of healthcare services. So where do we go from here?

We're all looking for some crystal ball into the future. I wish I had one. What I do have, however, is a background in retail-buyer behavior and forecasting design trends for senior living. Drawing from this knowledge, here are some thoughts on what it may look like for us as we begin the long road back from this crisis.

Middle-market communities will be appealing.

We've been talking about the needs of the middle market for years. The new reality will bring these needs into focus even more.

For many Americans, dropping half a million dollars on an entrance fee simply isn't an option, nor is a monthly rent of $7,500 or more. Certainly, a market still exists to serve upscale consumers (see below), but for those folkswho have worked their whole lives toward the goal of retirement, the pandemic likely has affected their financial position as well as their comfort in parting with the dollars they still have left. Communities that offer senior housing options that are affordable while still providing access to limited lifestyle amenities will appeal to this consumer.

Older adults will find value in being a part of a healthcare system.

Again, it isn't a new idea, but living in a community that is a part of a larger healthcare system likely has gained importance for consumers looking to join a new community.

How close of an alliance you make with a healthcare network is up to you. In some cases, simply locating your community close to hospitals and medical offices may be enough. Other consumers may want communities that are tied into a larger network of providers to which they will have priority access.

Whichever approach you take, strategically associating and marketing those associations will increase prospective residents' comfort levels when deciding to make the move.

Upscale consumers will be looking for a 'wow' factor to make the leap.

Upscale consumers often have the luxury of being able to make a decision to move based "want" rather than "need." Such prospective residents will be especially discerning in the aftermath of the pandemic. The desire to join a community will still abide, but they will be looking specifically for a community that suits their lifestyle.

I foresee appealing offerings as being more active adult or resort-style living, with small-footprint buildings featuring underground parking, limited units and large, residential-style units.

The upside of being a part of a larger community or health system still will drive some of the decision-making for upscale consumers (see comments above), but the need for some additional "social distance" in small buildings with only 12 to 24 units will offer a comfort to people who now are uneasy with the idea of living in a large complex. In the end, such residents will be looking for a community that offers the domestic "comforts of home" with all the wellness-based amenities that we have come to expect from top-tier communities.

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As HHS gives $4.9 billion to nursing homes, provider groups 'disappointed' that COVID-19 support still eludes senior living

With the Skilled Nursing sector receiving government assistance to the tune of $4.9 billion, the Senior Living industry asks not to be overlooked, especially since they serve many at-risk seniors and staff.

Written by: Lois A. Bowers & Kimberly Bonvissuto

5/26/20

Nobody in long-term care is begrudging skilled nursing facilities for the $4.9 billion that began flowing to providers on Friday to fight effects of the COVID-19 pandemic, but associations are asking federal and state governments not to forget senior living operators.

The U.S. Department of Health and Human Services announced Friday that all nursing homes with six or more certified beds would be eligible for funds from the Coronavirus Aid, Relief and Economic Security (CARES) Act, with each provider receiving $50,000 initially as well as another $2,500 per bed.

“While Argentum appreciates that the administration is supporting nursing homes, we remain disappointed that it continues to overlook the senior living industry, which is caring for the same vulnerable population and has equally urgent needs,” Argentum President and CEO James Balda said. “Senior living communities — assisted living, independent living, memory care, and continuing care — critically need financial relief, as they have rising financial pressures due to added staffing and expanded operations, as well as the costs associated with purchasing [personal protective equipment] and test kits.”

Senior living operators are expected to spend “tens of billions” over the next year to battle COVID-19, he said. “This could cause extreme financial strain on this industry, which currently serves as a safe haven to residents and a backstop to the larger healthcare system. These communities also desperately need priority access to COVID-19 testing and PPE, but the government has prioritized nursing homes for these critical resources as well.”

American Health Care Association / National Center for Assisted Living President and CEO Mark Parkinson also called for funding for assisted living operators — from both the federal and state governments.

The CARE Act funds for skilled nursing were “much-needed” and appreciated, he said, but “[g]iven the gravity of the situation we are facing with this deadly virus and its impact on our vulnerable residents, long-term care facilities require additional support and funding from state and federal governments to reduce its spread. Notably, assisted living communities have yet to receive any direct aid, despite also serving vulnerable seniors.”

All long-term care facilities need additional testing, PPE and funding, Parkinson said.

LeadingAge President and CEO Katie Smith Sloan said LeadingAge was pleased with the funding to nursing homes, adding, however, that it “will only go so far in addressing providers’ growing financial needs as this pandemic continues.”

In addition to help for assisted living, LeadingAge is calling for additional funding and support for affordable seniors housing, pointing to a May 5 letter that Sloan sent to leaders in Congress.

In other coronavirus-related news:

- The Inn at University Village assisted living community in Tampa, FL, will serve as a transition unit for senior care facility residents discharged from hospitals following treatment for COVID-19, under an agreement with Hillsborough County. The community has set aside 60 beds in a separate wing to

temporarily house people as they recover from the virus and before they return to their previous residence. The county's Senior Care Facility Rapid Response Task Force is overseeing the initiative.

- The Federal Emergency Management Agency must expand the distribution of PPE to include assisted living communities and intermediate care facilities, not just nursing homes, members of Congress from Colorado said in a bipartisan letter to FEMA on May 19. These types of operators also care for Medicaid beneficiaries, the members of Congress said, adding, "[T]hey too have faced staggering infection and death rates and are in desperate need of these resources." The letter-writers also are asking that PPE deliveries to nursing homes be continued through June and July.

- The Pennsylvania Department of Health has admitted that publicly reported, facility-specific COVID-19 data for assisted living communities, personal care homes and nursing homes was inaccurate and pledged to correct it. The Pennsylvania Health Care Association had urged the department to immediately correct the errors in the flawed report, saying it created panic and anger among family members, distrust among staff and frustration for providers.

- North Dakota is forming a task force of residents, family members, state politicians and the North Dakota Long Term Care Association to come up with a solution on how to reconnect long-term care facility residents with their loved ones as the state reopens businesses.

- Wyoming Gov. Mark Gordon outlined a $325 million plan to aid businesses affected by the coronavirus pandemic, including a plan to increase testing at assisted living communities and nursing homes. The state wants all facilities to test at least 20% of their residents and staff every two weeks.

- Wisconsin Gov. Tony Evers announced that he is directing $100 million in federal relief funding to providers of long-term care, home- and community-based services and emergency medical services. The CARES Act funding will support expenses related to COVID-19, including overtime pay, changes to sanitation procedures and disruptions to care.

- A Pennsylvania independent living, assisted living and memory care community is among those bucking the coronavirus death trend. Arbour Square at West Chester has not had a single coronavirus case since precautions were put in place in mid-March.

- Now is the time to reform policies, practices and financing for long-term care facilities, according to a Next Avenue article that suggests ways to fix what is troubling the system and offers a glimpse into the potential future of long-term care facilities. Among those quoted are National Investment Center for Seniors Housing & Care co-founder Robert Kramer and LeadingAge Senior Vice President Robyn Stone, Dr.PH.

- Three Denver senior living communities are facing accusations of not following health orders "in an intentional or egregious way." The citations for Argyle Assisted Living, Carillon at Belleview and Harvard Square could result in fines, jail time or even criminal charges.

Skilled Nursing News

What Leaders Want from Federal Commission on Nursing Home Safety, Quality Post-COVID

The following is a virtual roundtable of Skilled Nursing CEOs and leaders asked to provide vital feedback in light of the COVID-19 outbreak, reflecting on how the nation is handling the crisis.

Written by: Alex Spanko

5/25/2020

The deadline for nursing home industry stakeholders to apply for a spot on the federal government's special commission on safety and quality passed last weekend, but not everyone who threw their hats into the ring will win a seat — and the problems facing the industry run deeper than any one group could solve in a single report.

SNN reached out to CEOs and other leaders in the post-acute and long-term care industry with the same group of questions: If you had a seat at that table, what changes would you ask for? What topics would you want to educate other stakeholders on? Where could you find common ground with regulators, resident advocates, and other participants in the initiative?

Though the exact details of their responses varied, the leaders shared a common theme: the need for collaboration among all stakeholders, coupled with substantial support for an industry currently enduring the toughest crisis in its history.

Read on for our group's detailed answers in their own words, condensed and edited for clarity.

Erin Shvetzoff Hennessey, CEO, Health Dimensions Group

First, I would want the country to know how hard our profession is working to protect those we serve, and our heartbreak of having many of the deaths from COVID-19 in senior living and long-term care. These deaths are not failures; they are the devastating impact of a novel virus that is easily transmittable, and deadly to the elderly.

There is no one that loves seniors more those in our profession. We know how to care for them, and we want to be a part of the solution.

What changes would you ask for?

- Testing: We need preferred access to testing, and ongoing testing. As states begin to open up, ongoing testing is critical to our success.

- Funding: Skilled nursing has long faced challenges of underfunding, and to fight this virus and just like other professions, we need funding.
- Prioritization of PPE: PPE is a key part of preventing the spread of COVID-19 and has been a major challenge for providers, we need prioritization and ongoing supply.
- Regulatory partnership: 99% of providers are doing the best they can, every single day. Creating a culture of punishment in the regulatory environment during a pandemic will do more harm than good. We welcome the support of local and federal regulations, but need collaboration.

What topics would you want to educate other stakeholders on?

- While the media and public health efforts have largely focused on hospitals, our staff are heroes too — going to work each day and putting themselves and their families at risk in settings that have not been prioritized for PPE, testing, or funding.
- We understand the need for re-opening states, and that we need to balance health and the economy, as you cannot have one without the other. If we have the resources we need to protect our residents, we could start to open states and economies.

Where could you find common ground with regulators, resident advocates, and other participants in the initiative?

- There is not one person at the table that does not put residents first — operators, regulators, residents advocates, anyone. We all want to protect our residents and together we have the resources to do it — we just have to work collaboratively.
- If we all know where COVID-19 hits hardest nursing homes, let's focus there!

George Hager, CEO, Genesis HealthCare

Federal and state governments need to align on a single overall approach

The same fundamental political structure on which our country was founded, the federal-state balance of power, has made for a fractured response to COVID-19. A pandemic requires a centralized response. Currently, we are finding a patchwork of federal and state regulations and support that are often in conflict, which wastes precious time and frankly endangers lives.

Even two months into this pandemic, there is wide state and county variability around critical issues regarding availability and speed of diagnostic testing, access to personal protective equipment, allocation of stimulus funding, and policies around cohorting patients within nursing homes.

There are also differing requirements and enforcement practices around the reporting of data. We endorse full transparency in reporting the number of cases and COVID-related deaths. What we need is to align around medical science and standardized practices as much as possible.

Ensure a uniform, universal, and subsidized rapid testing approach

Every day counts, and faster, broader testing is one of our greatest weapons against the spread of this virus. By identifying who has it and who doesn't early and frequently thereafter, we can separate positives from negatives in order to save lives.

Certainly, dealing with a new virus is always going to mean some additional time ramping up diagnostic testing. That said, the federal and state governments needed to agree on universal testing for nursing homes from the outset, ensuring priority at the same level as hospitals.

A single set of rules for all states to follow consistently is critical; otherwise, administrative bureaucracy is taking attention away from clinical care. Since May 11, when the administration mandated testing of residents and employees, there has been varying response at the state level— with some states still without clear plans — made worse by lack of lab capacity to process the tests, pushing up turnaround times.

Finally, AHCA has estimated that nationwide, the cost to conduct testing all facilities ONE-TIME is approximately $440 million. Using this figure, one month of testing will cost approximately $1.9B. That will require significant additional funding to pay for this volume of testing, and we need to ensure that the capacity exists to undertake this testing and provide timely results.

Stockpile personal protective equipment

Across our facilities, our PPE utilization is, on average, 20 times more per day compared to usage prior to this pandemic, and costs have increased an average of 300% to 700% because of supply chain issues. The nation must have emergency reserves of these critical supplies on hand — and not just for pandemics, but also for aggressive flu seasons.

State and federal stockpiles need to be amplified significantly, and supported by a viable logistical delivery structure that can be activated quickly. Nursing home operators must also invest in larger emergency reserves.

Align on an approach to cohorting positive patients away from negatives

Collaboration to establish safe places to separate and care for COVID-19 positive and COVID-19 negative patients is needed now more than ever, and we need to agree on an approach.

The government, hospitals, and skilled nursing facilities need to work together to ensure that when hospitals are overburdened, there are dedicated facilities or isolated, dedicated areas within skilled nursing facilities to take COVID-19 positive patients for their post-acute recovery period.

Reimbursement arrangements should be worked out in advance, taking into account the higher cost of setting up and operating such a facility or area — from the PPE and staffing, to patient transportation and specialized equipment and medications.

Karen McDonald, Chief Clinical Officer, Mission Health Communities

Goal: Post-acute or long-term care is placed within the same priority level for access to national stockpile when or if a national emergency is ever called again.

Goal: A database of registered and practical nurses is created to offset the staffing shortages caused by a pandemic.

Goal: Interstate licensure is immediately implemented for registered nurses, licensed practical nurses, and certified nursing assistants. The lag time by some states' boards of nursing impeded our ability to get sister communities to assist.

Goal: Recognize long-term care as an important member in the chain of health care — the ability to care for our nation's most vulnerable on-site, without having to transfer to the hospital.

Goal: Align the CDC and local health department rules on employee exposure. Placing "low risk" employees out of work for two weeks severely hampered our ability to care for our residents.

Goal: Align local and state department of health reporting with CDC reporting.

Further thoughts:

- As we have shown, we can adequately care for people; keep the waiver in place for the required three-day hospital stay for Medicare payment.
- Giving us PPE 10 weeks AFTER our first need was a very nice gesture, but too little, too late.
- Have local and state unemployment offices prioritize the jobs we have open in nursing homes — as we have jobs!
- Amend the reporting requirements on the 72-hour new cases; it would be better to report daily during this time only.

Continued on next page…

Owen Hammond, CEO, and Steve LaForte, Director of Strategic Operations, Cascadia Healthcare

First and foremost, there needs to be collaboration, and collaboration most likely requires understanding. Regulators, legislators, and advocates tend to excoriate us first, second, and third, and there doesn't seem to be a desire to understand.

Their collective view of the industry, to us, feels mired in where we were 20 to 25 years ago — not appreciating the acuity changes, the operator changes (moves away from big corporate chains/public companies to smaller to mid-sized regional companies), the staffing pressures, the competition from others along the continuum (AL, home health et al).

In order to get to a place where the stakeholders can actually collaborate, it seems like a shared understanding would have to be developed, which probably requires some facilitated "get to know each other" discussions.

From there, how can be the regulatory process be less punitive and more improvement of outcomes oriented?

Relative to the foregoing, how do we move from a civil monetary penalty (CMP) system to a system where operators who violate regulations are required to put CMP type of money back into mandated, directed, and monitored improvements to operations that benefit residents and are designed to improve outcomes?

An extension of the 1135 waivers to collect and analyze data on the effects and benefits (and negatives) of the same, and whether or not some or all should be left in place.

On the foregoing, create a pathway to retain the waivers for telehealth and expand reimbursement for the same, and probably create a pathway to maintain some if not all of the three-day stay waiver

And finally, an examination of compacts for clinical staff to create easier mobility of staff and lessen staffing shortages by regions, with compacts for medical directors, nurses, and CNAs.

Mark Fritz, CEO, Bridgemoor Transitional Care

The past several weeks have spotlighted that the fundamental business of skilled nursing facilities (SNFs) really is long-term care. The facility is permanent home for 70% of long-term nursing home residents.

The traditional SNF is not intended to be a sub-acute care setting for critically ill patients. The primary reason we saw so many failures was not necessarily because the facilities were providing substandard care, but because the SNFs are not equipped to treat patients with high-acuity needs. The traditional SNF, designed to provide a home-like environment that facilitates congregation and interacting, was a prime setting for the spread of a novel virus.

I believe there is plenty of room for operators and regulators to find common ground at this time of reflection. If a licensure distinction could be made to relax some of the long-term care (LTC) regulations, to consider the resident's quality of life and end-of life-requirements, the operators could more efficiently meet the real needs of the residents who permanently reside in SNFs.

The sub-acute, more critically ill patients could then be managed more appropriately in a transitional post-acute setting that is more conducive to their needs.

Right now, in some states that provide Medicaid funding for assisted living, they manage residents with a health profile typical of most LTC residents and manage very well within a more relaxed regulatory framework. This is where a separate certification within the SNF licensure could help distinguish between long-term care and transitional or subacute post-acute care operating models.

Taylor Pickett, CEO, Omega Healthcare Investors

We think CMS has done an exemplary job so far of listening to operators and getting ahead of this pandemic. The timeliness and extent of their measures have gone a long way to supporting an industry intently focused on patient care.

This task force is another example of the collaboration needed to defeat a shared enemy: COVID-19. Operators, regulators, resident advocates, and all other key constituents have aligned interests in their focus on resident care and staff safety.

We believe a task force that can share best practices — while consolidating data requirements, limiting the duplication of paperwork while retaining transparency — will be beneficial and should further enhance operator efforts.