

Organization of Resident Association of New Jersey

Meadow Lakes, East Windsor New Jersey

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I. Introduction

A. I first met Ron and Bert Whalin at my first NaCCRA meeting in 2016 in Indianapolis. I appreciate the invitation and thanks for your service here in New Jersey and also at the national level as a NaCCRA board member.

B. I have been following senior living for a few years through newsletters, attending LeadingAge meetings, research as editor of the NaCCRA LifeLine and my experience as an association executive working for the LeadingAge MD equivalent and then LeadingAge as a Vice President. I worked for the administrators and executive directors of nonprofit CCRCs for 12 years before I retired from paid work.

C. My topic today is **CCRCs: Now and in the Future**

1. I am going to cover areas that impact CCRCs now and will continue to impact in the Future.

- a) Workforce challenges
- b) Payment reform and new service models
- c) Partnerships and consolidation
- d) Technology
- e) Consumer expectations
- f) Role for residents

II. What's happening now and what may happen.

A. First a few terms —Senior living is the term used nationally for active adult communities, Life plan communities or CCRCs – which is our focus. Senior living also includes free standing Assisted living, Memory care, and Skilled nursing. Providers talk about challenges and opportunities. They have to be optimistic or the glass half full. We might call them problems. I am grateful that we have a management in place that know how to go downstream in this white water.

III. Workforce

A. We think in terms of staff, employees or human relations. Workforce is the labor pool, the number of people working in the industry.

B. Fancy name for we have trouble getting and keeping help – examples units closed, Last year Katie Sloan illustrates her point about workforce—rural area NHA working as RN and CNA to cover shifts. – LeadingAge – Workforce Center

C. Availability – when the economy is good, hard to get staff especially direct care staff, economy bad – they would stay. I was DON in St. Paul MN back in the 70s and hired my mother, my sister, and my brother as nursing assistants. My sister ended up going to nursing school and became an RN and my mother worked there for 5 more years after I left.

D. Cost – what will be the impact of minimum wage laws? MD overrode the recent governor's veto for \$15 minimum wage. I was on the legislative update conference call Monday with LeadingAge MD on the impact of a new minimum wage. CCRCS are wondering about exceptions for their high school dining servers. They have to stay budgeting another 75 cents per hour starting January 1 until 2025.

How to retain and attract the best staff – Employee engagement is essential. An article in Senior Housing Forum had this headline. Is 50% turnover the new normal?

<https://www.seniorhousingforum.net/blog/2019/4/8/dont-buy-narrative-i-am-begging-you>

E. C- Suite – where are the future leaders coming from? Many executive directors are retiring. Where is the bench strength for future senior living EDs and Department heads? Erickson Living – is developing bench strength with two associate executive directors. Contact with schools offering aging services programs.

F. We need to ask ourselves what our role as residents is to enhance the employee experience. Yes, they are there to “serve” us, yet we need to show them the respect and dignity all humankind deserves.

G. Employers needing to rethink ZERO tolerance on drugs especially cannabis where marijuana is legal. Such a policy may put communities at a competitive disadvantage. Reports of employers no longer doing drug testing for cannabis at least. Then we add medical cannabis to the mix.

<https://www.thecannabist.co/2016/12/01/marijuana-laws-for-employees/68546/>

IV. New Payment Systems

A. Medicare payment has a new case mix model called Patient Driven Payment Model starting in October 2019. <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNPPPS/PDPM.html>

B. CMS shifts the incentives away from the volume of physical, occupational, and speech therapy and toward the complexity of residents' conditions.

C. But because many Medicare Advantage plans and state Medicaid programs base their rate calculations on the Medicare system, change will be coming to these cash sources as well — just not all at the same time.

D. Move to a looking at clinical factors rather than the amount of therapy provided. Organizations will get paid less for therapy-intensive patients and paid more for clinically complex patients.

1. New quality measures and reporting requirements including a new standard for Trauma informed care. That was a new one for me.

CMS explains that “Holocaust survivors and survivors of war, disasters, and other profound trauma” have unique needs that facilities must address.

Penny Shaw, a nursing home resident and active advocate for residents and all people with disabilities, explains in a recent blog post that moving into a nursing facility, in and of itself, can be highly stressful and traumatic for individuals. She reminds us that transfer trauma can apply to admission and other facets of nursing facility life and that physicians (and facilities) need to identify and address residents' trauma in their assessments and care plans.

<http://traumainformedcareproject.org/>

E. We will see shifts to lower cost models of care – The passage of the Bipartisan Budget Act of 2018 (BBA) gives Medicare Advantage (MA) plans greater flexibility to tailor benefits to the needs of people by offering nonmedical benefits. These plans may have more appeal to consumers because of the flexibility in services.

<https://www.aarp.org/health/medicare-insurance/info-2019/medicare-advantage-expanded-benefits.html>

F. Traditional Medicare may still cover only medical services. Assisted living can be incorporated into plans. I think we are just seeing the tip of the iceberg on what will be available with Medicare Advantage plans. Erickson Living has an Advantage plan for residents who live in their communities. The cost is lower for resident than many other plans. The care is coordinated, and a representative is available to help with questions and claim help.

Some providers are seeing that as an opportunity. Think about that. If you are able to receive Medicare payment for home based or assisted living services, that means care cost is reduced. Hot off the press! Non-skilled in-home care services will be allowed as a supplemental benefit for Medicare Advantage (MA) plans in 2019, the Centers for

Medicare & Medicaid Services (CMS) announced in a final rule issued April 2.
<https://homehealthcarenews.com/2018/04/cms-officially-adds-non-skilled-in-home-care-as-medicare-advantage-benefit/>

This might explain why LeadingAge is merging with Elevating Home and the Visiting Nurses Association of America.

Plans have already started offering the nonmedical services. Humana is offering Medicare Advantage plan that will provide assisted living and in-home care.
<https://www.seniorliving.org/care/cost/humana/>

V. New Service Models

A. There will be less need for skilled beds. We are already seeing that nationwide. The use of Skilled nursing care is reduced overall.

B. Some CCRCs being built without skilled beds – micro CCRC. Read an article on the train that details how the company can do it. They own home care, assisted living and a skilled care facility. the “micro-CCRC” concept being developed by Wilsonville, Oregon-based Avamere Companies — is on track to hit the market next year.

<https://seniorhousingnews.com/2019/04/09/avamere-pushes-ahead-with-ovation-micro-ccrc-projects/>

C. Short-stay rehabilitation traditionally served as a solid supplemental business for the CCRCs is no longer the case. There have been industry-wide declines in census, admissions, and revenues amid changing payment models for the Medicare patient.

D. Observation status has been one of the issues that has reduced SNF stays.

E. See buildings with independent living and an assisted living building next door or across the street owned and managed by the same operation.

F. Communities are branding their offerings – like Choice Hotels or the Marriott.

Senior housing operators are following the lead of the hospitality industry by building new product lines as separate brands, some with sub-brands. Eclipse Senior Living in Oregon.

<https://seniorhousingnews.com/2019/02/28/senior-living-providers-hope-to-gain-market-share-with-multi-brand-portfolios/>

G. Inter-generational models – Mercer students will live and work at Carlyle Place in Macon. <https://mercercluster.com/25669/news/campus-news/intergenerational-housing-project-to-start-next-fall/>

VI. Memory Care

A. Let's talk about memory care a bit. There isn't one answer yet. Practice guidelines for dementia care are less than 10 years old. We are seeing a shift from a person's inability to things to focusing on what people can continue to do. Right now, there is a discussion about the best setting for memory care –

- (1) We can expect to see some radical ideas about programming, interior design, and building design.
- (2) It will likely force us to rethink the whole concept of locked discrete buildings or parts of communities.
- (3) Websites detail Living well with dementia - you're still you, even though you have problems with memory, concentration and planning, everyone experiences dementia differently, focusing on the things you can still do and enjoy will help you to stay positive

VII. Partnerships and Consolidations

Partnerships will be needed in the future. We see more communities partnering with health systems and hospitals with insurance companies.

https://seniorhousingnews.com/2019/03/04/welltower-ceo-600-billion-in-health-care-real-estate-up-for-grabs-expect-disruption/?utm_campaign=SHN%20Weekly&utm_source=hs_email&utm_medium=email&utm_content=70616469&hsenc=p2ANqtz-9fHL_t4UORXkW50An3d-vXX6P8T2rMUNCMJhMVPazbD2ClryWXJ0enXZRYqeyWiCCyN8X3S5nFGCITGwk-xanHeZyig&hsmi=70616469

- A. Three significant trends driving the future of post-acute care for senior living:
1. Changing payment structures and systems
 2. Enhancing senior living services and partnerships
 3. Managing care transitions

B. There is an ongoing trend of merging of hospital systems to reduce cost, and manage

C. Seeing strategic alliances with hospital systems – AND insurance companies -

D. hospitals continue to engage in mergers and acquisitions in order to successfully position themselves for building accountable care organizations.

ACOs are groups of doctors, hospitals, and other health care providers, who come together voluntarily to give coordinated high-quality care to their Medicare patients.

E. The goal of coordinated care is to ensure that patients get the right care at the right time, while avoiding unnecessary duplication of services and preventing medical errors. Hospitals have the real estate and need to find places to provide care at a lower cost. That's where we come in.

F. At the Spring (2019) NIC conference, the primary focus was on creating integrated care models that include senior living as a huge player and part of the process. It makes perfect sense. It is good for senior living, good for residents, and good for the healthcare system. It has a high value with little to no downside. The National Investment Center for Seniors Housing & Care (NIC) enables access and choice in seniors housing and care by providing the data and analytics that investors and operators need to make informed decisions, and by facilitating the connections between these groups to benefit America's elders.

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H. Steve Moran in Senior Housing Forum said, "I continue to believe that senior living has a single huge opportunity to radically reduce the cost of healthcare in North America by reducing hospital admissions through better socialization, medication management, nutrition, and wellness."

<https://www.seniorhousingforum.net/blog/2018/3/14/does-senior-living-have-failure-launch-problem-reflections-spring-nic-conference>

Also, Ziegler reported that Information one of the clear trends that is being followed is the growing consolidation not only of single site communities affiliating with a larger platform, but also multi-site mergers. Overall, nearly 66% of life plan communities are part of a multi-site organization. This trend is more dramatic for the for-profit sector, the not-for-profit growth has plateaued. This was reported in March 2019. <https://www.ziegler.com/>

VIII. Technology

Some writers think technology is the answer for all our problems.

Robots have been talked about for a very long time. Japan is actually using them in nursing homes in a bid to give elderly people a better quality of life. Just “Google” robots in Japan nursing homes. I will be interested in hearing about the ethical issues of technology and robots caring for old vulnerable and or people with memory problems.

Regulation requires a shift to technology with electronic medical records. When you wonder why your community has not shifted to the cool technology that is available, ask about the cost. It was a million-dollar price tag to upgrade the emergency pendant service with added repeaters and software.

Eldermark is working on moving their resident care software away from laptop and desktop computers to an app-centric system. There are a bunch of really good reasons for this. First, it reduces costs. Second, every single caregiver in the world already has a smartphone and knows how to use apps. This makes adoption easier, faster, and more natural.

As the community installs new software for away forms, scheduling, salesforce for marketing and resident information, dashboards for management, we have to ask about our own use. How many of your communities are using a digital portal for access to meal plans, the resident directory, and so on.

What about our own use?

1. We will see more use of Artificial intelligence – anyone using Echo’s or other voice activated speakers?

- a) Amazon has released HIPPA Compliant software that could be used by home care agencies. Right now, it is an invitation only project with pharmacy/home care type operations been invited to participate.

<https://medcitynews.com/2019/04/hipaa-compliant-alexa-skills/>

2. Hearing aids – Starkey and Thrive – monitor fitness and brain health
3. Apple Watch with fall monitor, ECG
4. Oral-B toothbrush analyzes my brushing technique
5. Onrom HeartGuide is Wristwatch size medical grade blood monitoring device
6. We have a long way to go to get over the idea that as older adults we are technophobic.
7. Our community is moving toward a smartphone app will the home support aides can log in and out.

Many of our communities have residents helping residents with their technology. I know Ron Whalin helps with an iPad Group. I run the Apple User Group at Charlestown and Jim Haynes, NaCCRA president does the same at this community.

But given what is available, a recent survey of people in independent living says there are many unmet needs that technology cannot fix. John Hopkins

Two-thirds of older adults living in the community use some degree of LTSS. Reliance on assistive devices and environmental modifications is high; however, many adults, particularly dual-eligible beneficiaries, experience adverse consequences of not receiving care.

<https://www.commonwealthfund.org/publications/issue-briefs/2019/jan/are-older-americans-getting-LTSS-they-need>

Tech guru Alexis Ohanian who is cofounder of Reddit thinks that technology will be a disrupter in senior living. You may recognize his name because his wife is Serena Williams.

Reddit (/ˈrɛdɪt/, stylized in its logo as **reddit**) is an American social news aggregation, web content rating, and discussion website. Registered members submit content to the site such as links, text posts, and images, which are then voted up or down by other members.

He mentions self-driving cars and new startups that we don't know what the impact will be. He does mention Papa Pals that pairs older adults with "Papa Pals" — younger people, often college age, who connect with seniors to provide rides, help out around the house, teach them to use technology products, and just generally provide companionship to alleviate the loneliness that is pervasive among the older adult population. Grandkids on demand.

<https://www.joinpapa.com/>

Papa Pals are in effect a "totally new class of caregiver," Ohanian said.

IX. Resident Engagement –

A. Matherlifeways Institute on Aging completed a study in October 2018 on Resident Expectations Regarding Transparency and Decision Making in Life Plan Communities.

<https://www.matherlifewaysinstituteonaging.com/>

Transparency refers to the openness of processes and/or information relating to various aspects of community operations. Engagement in decision making refers to resident input, and can take many different forms, including input from resident committees and “town hall” meetings, among others.

Holleran company has been doing resident satisfaction surveys and now resident engagement surveys. Resident engagement is key to a positive experience at a community and to meet the expectations of future residents. One of the important elements is the feeling that we are heard. <https://holleranconsult.com/>

The bottom line — People want information on what is going on.

B. I have been reading Thomas Freidman’s Book *Thank you for Being Late*. He talks about the acceleration of change over the last few years and the impact of social networks, messaging, and cheap cell phones on political and social movements.

Yet he goes on to say for lasting change trust and connection has to develop but that takes time to develop and that comes with face to face interactions.

My experience at Charlestown bears it out. Over the past few years the resident council leadership has worked hard to point out the need for effective communication. Many pieces worked but something was still missing. The ED has the courage and (it takes courage) to set up a group of influencers to discuss ideas on conducting a questionnaire on key satisfaction factors before the big September resident satisfaction survey. The group included past and current council leaders and vocal not so happy residents. The first meeting was a little rocky as we all stated our issues. By the third meeting the group came together and ready jelled. We discovered that residents have a different understanding of the scoring than how the survey was scored. We help craft questions and introduction communication. We arrived on TV and signed letters.

It was a very successful effort and become the Resident Experience Group which model will be used in the future. We did develop the trust with each other, and the connection needed to

move together. The survey was conducted in September and the results were better than the year before.

Management felt comfortable enough with us to invite the entire resident council to participate in a session to how to report the findings to the community at large. They listened and changed their approach to presenting statistics based upon the group feedback – which was reduce the number of slides and make the print bigger.

We are still at it with a recent meeting of the Resident Experience Group meeting with the managers at a quarterly leadership meeting. We were assigned to a group to discuss specific topics. We thought it was great.

X. Consumer Expectations –

A. The focus is on Baby boomers now as our prospective residents. Any Baby Boomers in the room. If you were born in 1946 – 1964, you are labelled a baby boomer. Who is a baby boomer in this group?

I took notes at a LeadingAge annual meeting when the panel discussed the latest consumer research on baby boomers. Here is what I learned. They

1. Don't feel old yet. In fact, a focus group was asked "How Old would you be if you didn't know how old you were?" (Satchel Paige). Most reported a much younger age.
2. They flinch at the word "retirement." Note that LeadingAge and Matherways in conjunction with PR firms changed the name of CCRCs to life plan communities. That was intentional. The word "care" and "retirement" were negatives with the baby boomers.
3. A new song by Toby Keith sums up this. The song was written by Toby after spending some time with 88-year-old actor-director-filmmaker, Clint Eastwood. Toby asked Eastwood, "what keeps you going?" and he said, "I get up every day and don't let the old man in."
<https://biggeekdad.com/2019/03/dont-let-the-old-man-in/>
4. They are demanding, confident, individualistic yet like to work together, unafraid to speak up, feel the need to contribute, and have a sense of purpose.
5. Baby boomers have shaped our culture and continue to shape their lives. They will tell us what they need and will demand it.

B. Their focus is on wellness and health not care. Multisite communities have even trademarked their "Wellness" Programs

1. LifeSpace Communities use the Masterpiece program based upon the research done by the MacArthur Foundation and published in Successful Aging
 2. Erickson Living is rolling out Embrace Wellness program using the Seven Dimensions of Wellness
- C. Technology: As a generation that witnessed huge improvements in technology, baby boomers value the convenience and connectivity that technology offers
- D. Active and social lifestyle
- E. Privacy and independence no matter what setting.
- F. Baby Boomers don't understand what options are available in senior living. The Brookdale Executive talked about this in a Senior Housing Forum podcast in December. They think nursing homes are the next level of care after their own home. People are not aware of the differences between assisted living, memory care, or skilled nursing let alone a CCRC.
1. How many saw the Facebook post about a man's his plan to live in a Holiday Inn Express rather than go to a nursing home? In March a Facebook post by Terry Robison about the possibility of retirement living at a Holiday Inn went viral —
<https://seniorhousingnews.com/2019/03/03/editors-take-senior-living-providers-whiff-after-holiday-inn-vs-nursing-homes-post-goes-viral/>
 2. It resonates with people. He clarified later that he meant independent living not a nursing home
- G. I want to mention Ageism as another issue with baby boomers and most of society.
1. They are age deniers – Won't think in terms of aging and being old.
 2. If you want a 12-minute education on the topic I invite you to watch Ashton Applewhite's TED talk, *Let's end Ageism*. As she describes, "It's ageism, a prejudice that pits us against our future selves -- and each other... Aging is not a problem to be fixed or a disease to be cured," she says. "It is a natural, powerful, lifelong process that unites us all." She also has a book *This Chair Rocks, A Manifesto Against Ageism*.
https://www.ted.com/talks/ashton_applewhite_let_s_end_ageism

XI. What Can we Expect in the Future and Our Role?

- A. CHANGE and UNCERTAINTY

B. Here living leaders are telling their members.

“We are at a moment in time when change is faster and more dramatic than ever, and no industry has been immune.” Frank Sorrentino, Chairman and CEO of ConnectOne Bank.

“We are navigating uncharted waters in many areas: payment reform, technology and partnerships, emerging competition, and a consumer population with markedly different preferences from former customers.... Aging service providers are challenged— daily—to partner and connect.” Katie Sloan, President Leading Age

“What keeps our members awake at night is the state of our workforce. The ability to recruit and grow a caring professional workforce is a competitive advantage.” James Balda, President and CEO of Argentum (Assisted Living)

C. The takeaway I will leave you with is **Change is Changing**

D. We operate in a state of permanent white water. I remember attending a conference in 1986 when the speaker used the analogy of permanent white water to describe the environments’ association worked in. That made an impression on me.

E. How many have seen or been white water rafting?

F. Water churning, going in different directions, no quiet eddy or pool of water to relax. I even watched a few YouTube videos to find out what a Class V whitewater looked like.

G. That is environment we are in now and will be for a long time.

H. What is our role in making sure our communities keep up with what prospective residents want?

Do we even have a role? I say YES.

Change management has changed. It is ironic that as elders we are past masters of change resistance, yet the managers of our communities need to compress the change time line to stay competitive.

1. Digital tools can give us immediate feedback and can personalize the experience. Anyone on Facebook, Uber or Lyft? I just tried selling my old Apple Watch using Mercari. Talk about feedback. I was liked by 9 people in less than a day and bought the next day. That is a taste of immediate feedback and the bonus of ads personalized to your interests.
2. We need to role model behavior that shows our management we are engaged, reasonable, smart people who expect to be treated like the adults we are with something to say.
3. It may be feedback on a proposed program
4. Honest feedback on what is working or not working.

Let up show the world that we are elders with wisdom and experience that needs expression through engagement and involvement in our life plan communities and the world at large. Let us hit the rapids.

[I did not include Section XII as there was not enough time.]

XII. NaCCRA

- A. 20 years old this year. Founded by MaCCRA members. History was in the last LifeLine.
- B. Purpose is advance the interests of CCRC residents at the national level. That effort is difference than at the state level since there is no standard for regulation for states and there is no regulation at the national level outside of Medicare and Medicaid requirements for Skilled facilities participating in the program.
- C. There are other entities that impact CCRCs
 1. FASB – Financial Accounting Standards Board
 2. AICPA American Institute of Certified Public Accountants
 3. NAIC National Association of Insurance Commissioners
 4. ASB Actuarial Standards Board - ACTUARIAL STANDARD OF PRACTICE NO. 3 - Continuing Care Retirement Communities
- D. NaCCRA is a small but mighty group. It is so gratifying to see so many of you taking an interest in your community and state.
- E. Some NaCCRA accomplishments

1. Disaster Guides for Residents – Ed Peloquin wrote several before his death last year.
2. Consumer's Guide for CCRCs published last year.
3. Financial Soundness Committee
4. Communications Committee
5. Nominating Committee
6. Constructive Relationship with LeadingAge
7. First Webinar March 5 with A.V. Powell who literally wrote the book on CCRCs will repeat his presentation on What Residents Need to Know About Actuarial Studies.
8. Website and membership system integrated with Club Express
9. Has the capacity for communities to manage their own membership
10. NaCCRA and MaCCRA need you. Who knew I would be back in the association world up to my eyeballs? I did that for a living for 12 years but this time for no pay!

NaCCRA strength is in the numbers and communities we represent

F. Goal is not to be adversarial but work in collaboration with management whenever possible.