

The People of Senior Living: Residents Enjoy Choices, Operators Feel New Pressures

Editor's note: This Forecast article is part four of a five-part series assimilating some of the latest research and industry news about assisted living in the year(s) to come as we face the challenges of rising acuity, staff training and medication management, among others. They are organized around the business of assisted living, the medicine of assisted living and the people of assisted living (both caregivers and residents).

Engaging Across Generations

In its late 2018 forecast white paper, Cantata Health notes how senior living communities must engage similarly-aged constituencies among both the workforce and loved ones of its customers. It addresses the pressures operators face in the coming year(s) this way:

“Healthcare facilities will need to find new and innovative ways to engage families with the shifting of generations. Technology offers new ways for healthcare organizations to market to and engage families. Staying relevant with younger generations offers challenges, but will become imperative in 2019 as Millennials and Generation Zers begin making more decisions for aging family members.”

As Cantata argues, “choosing a healthcare facility is often a multigenerational decision. Consequently, it will become increasingly important to understand the mix of decision makers, ensuring your facility appeals to different decision-making styles to keep occupancy levels high and the organization thriving.”

While residents themselves may put a lot of stock in online ratings, Cantata argues today's decisionmakers approach the process quite differently. Common across all generations, however, is the lust for high-speed Internet and mobile technology for everything from streaming to social media connections. Connectivity will be increasingly important as residents become more and more dependent on online portals for everything from banking to online medication management.



Crowdsourcing Future Senior Housing Decisions Gains Traction

A decade ago, no one would have dreamt of leaving critical housing decisions to a group of strangers on the Internet, but a new senior living website is banking they will in the coming year.

Waltham, MA-based Age Friendly Advisor relies on crowdsourced user reviews of age-friendly cities and towns across America. Principals say the site will eventually provide user reviews of senior living communities as well. Future enhancements may include online job postings, employer reviews and general aging in place resources.

Benchmark Senior Living, MassMutual and Home Instead Senior Care are corporate founding sponsors.

Where Seniors Most Prefer to Live

It's been widely reported that most healthy American seniors prefer to spend their remaining years aging in place, which for most, is home.

The website RetirementLiving.com confirmed that preference in its late 2018 study, while adding a few new wrinkles to where America's aging population sees itself retiring.

Study organizers purposely asked whether seniors would prefer home over assisted living. While 80% said "home," just a few points less (75%) said they'd choose assisted living communities if their health started to falter. Significantly, that percentage is up considerably (25%) since 2009, in a nod to rising acuity levels among seniors.

When those aging-in-place diehards were asked what their needs would be, bathroom modifications led their wish lists. Things like grab bars and non-slip mats or larger items such as a walk-in tub were popular. About a third of respondents said they'd probably want to modify their homes' exterior with handicap accessible features like ramps.

Just over 30 percent of people plan on making changes to the exterior of their home (wheelchair ramps, improved lighting) as needed.

Other fascinating finds from RetirementLiving's survey:

- 53% said they would likely use online pharmacies.
- 40% reported future tech acquisitions were likely, such as medical alert systems, as well as various health and wellness apps.
- Home-delivered meals, groceries and rides will be hugely popular.

In late December 2018, research in the journal *Gerontologist* reported that roughly equal proportions of seniors are choosing assisted living as are choosing to age at home, either with the help of family or paid assistance. Researchers concluded that while “aging in place remains the care preference of a majority ... close to one-third of respondents chose assisted living/CCRC, suggesting preferences are evolving. Aligning care preferences and arrangements is a policy goal.” Over 1,700 participants in Johns Hopkins Bloomberg School of Public Health’s National Health and Aging Trends Study participated in the research.

Finally, more research is shining a light on changing preferences among prospective residents.

Provision Living, a large assisted living and memory care services operator, recently polled thousands of seniors about what they believed to be optimal retirement scenarios, stating the results could provide valuable survival strategies for other providers as well.

Among the lessons extracted from interpreting the survey results, according to McKnight Senior Living:

- Operators may do well to start appealing to younger prospects. Unlike the current batch of Baby Boomers, younger-aged millennials envision retiring much earlier, around age of 56.
- Vastly favored retirement climates are sunny and warm. Provision named Miami, San Diego, Denver and Orlando as leading destinations.
- Soon-to-be residents have their sights set on larger domiciles – 1,890 square feet compared to Boomers’ average of 1,510.
- Affordable housing will be increasingly in demand. A big reason? More and more younger people simply aren’t saving like previous generations have.
- Working during retirement years will be more popular, so assisted living communities need to make provisions for a commuting resident workforce.

Could Skilled Nursing Begin to Look More Like Assisted Living

Expect skilled nursing facilities to begin branching out of their core business in the years to come in efforts to capture new revenue streams.

In its “Top Trends in Aging Services” forecast for 2019, Health Dimensions Group (HDG) calls it “asset repurposing.”

The company predicts SNFs will embark on projects like converting facilities to “low-income or market rental apartments, specialized units like traumatic brain injury or mental health units, assisted living, or memory care assisted living, all of which have experienced increasing consumer demand.”

A primary rationale also lies in demographics. As HDG argues, the senior population aged 65 years and older increased nearly 26% from 2010 to 2017, resulting in an increased need for senior care services.

Concurrently, SNF censuses continued to drop several percentage points because of things like “utilization declines, length of stay, payment reform, alternative options, and client preference.”

Cantata Health reported similar coming trends in its late 2018 industry forecast, stating it expects many nursing home companies to explore more profitable specialty ventures in areas like diabetes, obesity, mental health and opioid addiction.

The Cost of Assisted Living Rising

During the summer of 2018, T. Rowe Price found retirees are more concerned about the rising expenses of retirement living than anything else. Among the 1,000 or so surveyed retirees, 28% cited such expenses as a “major concern.” Continued news about payment sources and Medicaid/Medicare reimbursement changes adds to the worry.

An October 2018 survey by long-term care insurer Genworth found that assisted living costs will rise about 7% in 2019 – higher than those projected for every other post-acute care sector. Genworth reports that assisted living costs have risen 67% during the past 15 years.

Overall, a Mixed Bag in the Coming Year

In its Top Trends in Aging Services forecast, Health Dimensions Group, a health care consulting and management services company, found workforce issues a dominant trend in 2019.

Providers will continue to see increasing staffing challenges, workforce shortages, wage and benefit costs, and employment law enforcement.” The firm said survivors will focus on things like a variety of workforce analytic technologies such as employee pulse surveys for employee engagement or real-time labor management systems, ensuring deliberate talent acquisition strategies and an engaged workforce to increase employee retention, stronger leadership, and cultures around staff training and continuous learning.

When NCAL Executive Director Scott Tittle was interviewed in early 2019 by McKnight’s Senior Living, he said “finding and keeping quality caregivers is a challenge, especially as the economy improves and unemployment rates decrease.” More than 1.4 million new workers will be needed by the industry between now and 2025, according to Argentum research. Argentum President and CEO James Balda told the magazine 87% of senior living decision-makers Argentum recently polled said workforce challenges are actually affecting their companies’ growth.

Among the solutions:

- NCAL’s Workforce Resource Center, launched in the fall of 2018, to help members tap into recruitment, retention and compliance resources.
- Enhanced efforts by Argentum’s Senior Living Certification Commission. For example, the organization allows assisted living executive directors to earn a certified director of assisted living, or CDAL, credential.

Overall, a Mixed Bag in the Coming Year

The voices calling for more liberal reformed immigration policies are getting louder among assisted living industry advocates and the business community in general as a solution to the projected shortages in the year and decade to come.

The U.S. Chamber of Commerce in early January 2019 said immigration reform will be a top priority at the organization this year.

Jobs, Jobs, Jobs.

On one hand, the future could not be brighter for the assisted living workforce.

In early January 2019, the Bureau of Labor Statistics announced the healthcare industry in December 2018 added the highest number of new jobs since at least 1990. In fact, the National Investment Center for Seniors Housing & Care noted this was the 99th consecutive month of job growth.

PHI reported that the long-term care industry in general will need to fill nearly 8 million new jobs in just the next six years. The organization also predicted that the long-term care direct care workforce will grow more than any single occupation in the country, and through 2026, will add the greatest number of new jobs than any other U.S. occupation in 38 states.

Meanwhile, NCAL announced that the number of open long-term care jobs nationwide hit over 49,000 in April 2019 alone. The numbers, which NCAL referenced from Gartner TalentNeuron, was 1,300 higher than March.

The problem with the rosy forecasts? Not enough nurses aides, nurses and other workers to fill the openings. LeadingAge Vice President of Workforce Initiatives Susan Hildebrandt told McKnight's Senior Living in January 2019. Hildebrandt said "in a low-unemployment economy, there just aren't enough people willing to do intensive work for comparatively little money. Often, direct care workers turn to other opportunities that are less taxing and earn more money, such as retail." Hildebrandt also cited stiff wage and benefit competition from acute care providers like hospitals, as well as ageism, as contributing factors.

Shortages Continue to Haunt Providers

Key clinical management shortages are expected to haunt the long-term care industry in 2019, according to the most recent American Association of Directors of Nursing Services (AADNS) Director of Nursing Services Work Study and Salary Report.

The report found that staffing shortages were the number one challenge among three-fourths of survey respondents. A slightly lower percentage (63%) reported not having adequate staff to care for residents. The AADNS also noted that burnout among professional nurse managers in the industry is being hastened by critical shortages.

One employee-retention strategy includes a focus on staff training. Providers say better trained staff are

happier and more engaged.

Salaries and Wage Pressures

Meanwhile, at least 22 states were set to raise their minimum wage on January 1, 2019.

But wage issues remain a mixed bag in 2019, and executives aren't exempt.

According to Hospital & Healthcare Compensation Service (HHCS), assisted living administrators should expect a slight drop in pay. In 2018, average salaries dropped to about \$89,913 (about .07%). In general, assisted living administrators earn more than their nursing home counterparts, but less than their peers at continuing care retirement communities, HHCS reported.

People drive the assisted living industry from several directions: providing the right mix of in-demand communities and services for residents as well as finding enough skilled staff. ValueMed University helps train existing staff with more than 50 courses designed for nurses and CNAs; while ValueMed consultant pharmacists support community staff with hands-on training. What's next in Forecast? Be sure to keep an eye out for Part 5: Blurring the SNF/AL Lines as we dive into the macro growth issues shaping the industry.