In this Industry Update you will discover:

1. *"Leaders Outline Keys for Accelerating LTC Vaccination Process"*
   - McKNIGHT'S LONG TERM CARE NEWS, 1/15/2021; pg. 1
2. *"Biden to Speed Up Vaccinations; Second Dose Shortage Unlikely, Advisers Say"*
   - McKNIGHT'S LONG TERM CARE NEWS, 1/15/2021; pg. 2
3. *"COVID Support Will Not Save Flawed Nursing Home Operators in 2021 as Distress Looms Large"*
   - SKILLED NURSING NEWS, 1/12/2021; pg. 3
4. *"Nursing Home Vaccine Stories: One CEO's Personal Appeal to Reduce Hesitancy"*
   - SKILLED NURSING NEWS, 1/11/2021; pg. 7

McKnight's LONG-TERM CARE NEWS

Leaders Outline Keys for Accelerating LTC Vaccination Process

Written by: Danielle Brown

1/15/2021

Cash bonuses and vigorous education campaigns have been among the tools used by different types of long-term care operators to increase staff participation in getting the COVID-19 vaccine, according to a new report by Forbes columnist Howard Gleckman.

An early December survey of certified nursing assistants found that nearly three out of four workers said they wouldn't take the vaccine, citing skepticism over the rapidity of its launch and lack of information on potential risks.

In order to overcome this, Gleckman noted some operators have mandated the vaccines for all staff, like they do for routine seasonal flu vaccines. That's been the case for senior living operator Juniper Communities, which paired the mandate with an "intense education campaign for staff before imposing the requirement."

New York-based nursing home, continuing care community and home care provider Riverspring Health explained it's used small incentives, education and encouragement from peers to encourage vaccine uptake in staff members. Incentives include lottery tickets and raffles for gift cards.

The operator has also used short educational videos and discussions led by its medical director. The operator's goal is to get 60% compliance, which would be in line with the flu vaccine there.

"Every time I walk around, I ask staff if they have gotten the shot. If they do, I say, "Thanks so much,'" Riverspring Health CEO Dan Reingold told Forbes' Gleckman. "If not, I say, 'Please get it.'"

(New article on next page)

McKnight's LONG-TERM CARE NEWS

Biden to Speed Up Vaccinations; Second Dose Shortage Unlikely, Advisers Say

Written by: Alicia Lasek

1/15/2021

President elect Joe Biden's plan to speed up coronavirus vaccinations nationwide is unlikely to cause a shortage of second doses in Pfizer and Moderna's two-dose regimen, his advisers claim.

Biden on Thursday announced a $1.9 trillion coronavirus plan, including a goal of 100 million doses delivered in his first 100 days, and outreach to possible recipients. On Tuesday, Trump administration officials shifted to Biden's plan to release a federal store of Pfizer and Moderna vaccines originally reserved to ensure that Phase 1a recipients would not miss their second dose if supply issues arose.

The incoming president's advisory board has met with the manufacturers and are confident that second shots will be available on time, said team member Celine Gounder, M.D., of the NYU Grossman School of Medicine, according to CNBC.

"If you look at the timeline for production, they are actually going to be releasing more and more doses over time, so that really does open things up significantly," added Grounder, an infectious disease specialist.

Each state, meanwhile, has handled the vaccine rollout in its own way. On Tuesday, for example, Maryland's Gov. Larry Hogan said his state has no plans to include all seniors in the vaccination program until all Phase 1a recipients are completely inoculated, despite new recommendations from federal officials.

Hogan's administration fears that expanding vaccinations to more recipients could leave the state without second doses for nursing home residents and front-line health workers, according to the Baltimore Sun. The governor said he would require assurances from manufacturers and the federal government that vaccine production will increase before moving to the next phase, the news outlet reported.

In sharp contrast, California has opted to open up vaccinations to all seniors as its hospitals overflow with coronavirus patients. That adds another 4 million people to the state's vaccination roster, according to the Associated Press.

Outgoing Department of Health and Human Services Secretary Alex Azar on Tuesday argued that there are now enough vaccines held back by the federal government to deliver to the states when the second round of doses is needed. Rather than leaving vaccines "sitting on the shelf," states should begin to overlap the vaccinations of Phase 1b recipients, including adults aged 65 and older, he said.

Whether the Biden team's additional assurances will reassure states like Maryland remains to be seen. The administration said it plans to work more closely with state and local officials to help smooth the push to speed things up.

Skilled Nursing News

COVID Support Will Not Save Flawed Nursing Home Operators in 2021 as Distress Looms Large

Written by: Maggie Flynn

1/12/2021

When the effects of the COVID-19 pandemic in skilled nursing facilities became apparent after the first major outbreak in the state Washington, dire predictions for the sector were immediate.

Most of those fears, clinically speaking, were borne out horrifically over the course of 2020. But while surveys have found plummeting occupancy and significant numbers of providers operating at a loss, there have been surprisingly few reports of facilities completely closing in 2020 — Genesis HealthCare's (NYSE: GEN) and Signature HealthCARE's going concern disclosures notwithstanding.

That might change going into 2021. Even though significant amounts of federal aid has gone to SNFs through CARES Act distributions and state-specific programs, it's not clear how long that will be enough to sustain them amid the heightened costs of operating during COVID-19 conditions.

Jerry Seelig, the CEO of the partnership Seelig + Cussigh in California, expects that operators with poor track records will not be able to hide that for long going into 2021. The partnership has three primary lines of business: Monitoring bankruptcies involving health care providers, being appointed as a receiver, interim manager or Chapter 11 trustee, and under specific conditions operating a facility for a short term due to statutory requirement.

The firm recently worked on a case involving two SNFs in California that needed to be transitioned to a new owner, wherein Seelig served as temporary manager — a California program wherein the temporary manager has most of the powers of a receiver or Chapter 11 trustee.

SNN caught up with Seelig on December 11 to talk about the landscape for operators and the financial struggles they're facing, as well as what the change in administration will mean for SNFs on the regulatory front after COVID-19.

Will there be more situations where you're going into SNFs in California? We've seen rounds of stimulus funding go out to facilities throughout the pandemic, and it seems to have kept them afloat, but there's a lot of questions about what will happen in 2021. Are you seeing signs of trouble for SNFs, or are they doing okay for now?

They're doing fine today, but what's going to happen next — we wrote an article in the ABI Journal basically on that question, and the reason we wrote the article was based on our recent experiences, that sort of "last guys and gals in the room."

We were reading everywhere [that] with the elimination of post-acute admissions with the high costs — and I think even now, we're trying to get our arms around the very, very high cost of coping with COVID — the skilled days were going way down. So we wrote an article to explain to the community how the skilled nursing industry works.

But it was also driven by a quote from Kaiser Health News, which basically says that the future for skilled nursing is going to be lots of litigation around the failures — and this was written right at the beginning of COVID — and an enormous number of bankruptcies. And I think most of us believed at the time, except perhaps for my team, that there would be an increased number of bankruptcies.

We published the article in early September, which means we finished in mid-August. By mid-August, we had seen billions for the various programs. In our state, California, we had an across-the-board 10% increase for Medi-Cal [California's Medicaid program] custodial rates, which — cows were flying in the eyes of owners.

And what has it done? Well, it's kept people open, and I must say – not to bring politics into this interview, but at the simplest level, CMS stepped up to the plate and saved the skilled nursing industry.

Now, what's going to happen next? I was on the phone with my best owner-operator, a guy who owns and operates six facilities and consults on a bunch more, as well as a woman who's the administrator at what I think is maybe the best facility in California … and both are fair, they don't have to dump on their competition.

Both of them fear that what we'll see when is when the money comes away, is that there'll be, in the words of the owner-operator, "a race to the bottom." The structural stuff: They were bad operators to start, they did not comply across the board with the conditions of participation, particularly that involving infection control and QAPI [the Quality Assurance Program Improvement program].

So now we're going to be in a situation where once the money is taken away, at a time where skilled days are way down in many facilities, a lot of these facilities will be in deep trouble.

Here's the other reason, which has been written about in Skilled Nursing News and the New York Times and the Washington Post and the Los Angeles Times, as well as heavily footnoted and retold in our article in the ABI Journal: We have the fact that there are many mouths to feed in 50% of the SNFs, because 50% at this point are for-profit.

Now that doesn't mean there's horrible for-profit facilities; the aforementioned owner-operator is a for-profit operator. But he's a for-profit operator who saves for a rainy day. We have a lot of facilities that are funded by REITs, they're funded by equity funds, they're funded by banks. They've managed to roll together anywhere from 10 to 150 facilities, and they haven't saved for a rainy day.

So the dual notion of: We started this with lots of problem operators, some crooks, some honest, some underfunded, and the fact that we have many mouths to feed for a significant number of our skilled nursing facilities — we're going to run into a situation where we probably will see lots of what we call restructuring and probably bankruptcy filings.

When you mention "restructuring," can you give a picture of what that looks like? I think most people are familiar with a bankruptcy filing; how are people going to try and restructure? And is that something they'd be doing before filing for bankruptcy?

That raises another — I'll call it frustration or cultural insight. I pick the generic word, because "insolvency" and "bankruptcy" are words that we don't like to throw around much, though a lot of people realize that bankruptcies can lead to a better provider and a better capital structure. But restructuring is sort of the notion that a lender or partnership or a group of people say: The future of this facility, or these multiple facilities, is such that we have to restructure.

By "restructure," the first thing is: Are there ways that the landlord can change the lease or the payment, whether

it is to forbear for a certain period of time the rent or take out for a longer period of time some of the costs involved in rent and leasing?

It could be the equity partners saying: We're not going to take dividends. It can be banks saying: We're going to stretch out the amount of time it's going to take to pay us back.

There's a whole industry there — we're sort of part of it — which are experts that come in and assess the management team, assess the clinical team as well as try to make sense of: How do we change this group of SNFs or assisted living facilities? How do we manage it better, and how do we pay less to the landlord, the REIT, the equity investors, or a group of partners that we threw together at the country club, or at a local coffee shop?

That's, to me, restructuring.

I've been in the bankruptcy part of this business, in and out of health care, for probably 30 years in some way, shape or form. The best people I've worked with have always said, and they mean it: Bring me your problem before you're coming to me to tell me that you need to file a bankruptcy.

Now that these facilities have all this money [in the face of] the future problems of an industry that, perhaps in some of these instances, can't afford the demands for infection control and QAPI, as well as these horribly structured loans and leases, now is the time for the bankers, the REIT owners, the landlords, the partners, the equity funds to come in and start what I just explained.

Don't wait 'til it's so bad that you haven't had payroll for one or two periods, which was the story of our most recent pre-COVID case, which started during the beginning of COVID. Do it now.

That's a pitch, but it's not a pitch for our firm, or our favorite attorneys, or consulting firms or our sister firm. It really is what any good professional in "restructuring" has been looking for: Start the restructuring at this point. There's lots of money; there's more coming in. We know what the problems were pre-COVID. We know the extraordinary costs – that were supported by COVID funds that aren't going to be supported by COVID funds – that must stay in place.

And we know that the miracle of the vaccines is probably not going to have its impact for six to eight months. These are the reasons we've been preaching: This is the time to start that process.

So have you seen SNF operators, in California at least, make motions toward this process, or are they looking ahead to the funds that you mentioned? [HHS sent $1.1 billion more in direct aid to SNFs five days after the interview.] What are you seeing operators do?

We're a small firm, but I think we know a lot of the bankruptcy lawyers who do health care, and we know the state and local administrators that might hear about a problem. I think they're doing nothing. I don't think people are planning for a rainy day. They're taking this money, and they're trying to qualify for the infection control money, and they're trying to get enough of their lives together to maybe get the quality tax monies that many states now have. But I don't see this sort of long-term critical examination.

That's No. 1. And No. 2 is if you talk to some of the smart lenders, they're not seeing any problems because of the huge amounts of money that came into the facilities. So they're paying their debts on time.

I don't want to be Cassandra, but I don't think anyone disagrees with that, and it's a cultural thing. People have just historically said: It's going to work out. I'm sure that some of the people who appear in long-form interviews with SNN have teams of people as smart as our team trying to figure out: What do we have to do about QAPI and infection control and about our REIT lenders and about this and that? But for the most part, I'm not seeing it.

I'm for sure not seeing it in the smaller operations, in the two-to-10, two- to-15 [facilities].

You've mentioned that when it comes to the challenged operators, there are some who are just not run well and others that are ethically challenged, let's say. When it comes to the ones who are not being run well, what are some of the warning signs for them? What do you think are some of the challenges that will drive them to either a restructuring or a bankruptcy?

I spent a lot of time with my health care lawyers on the team and my brilliant infection control/QAPI nurse and my life safety team, all of whom have been through this so many times. And I think you can already see in the COVID data … we can see pretty strong patterns of people who've had outbreaks of both residents and staff that indicate a very bad provider. I think we can see — and we are just now having surveyors walking into buildings, and I think money does hide this — but I think we can see how they responded to the demands for infection protection.

Are they doing what's demanded of them as a condition of participation? Do they have a dedicated infection control nurse? Are they doing all the requirements as owners and senior management to meet frequently to track data? Are they putting into place the kind of programs of segregation among residents? Are they transitioning wisely, when they can, to some form of visitation? What have they done in this moment?

There was no gray here. There was a clear demand and mandate by CMS for infection protection, infection control, which was ignored, including by some very good providers. You don't get a pass for having lots of infections, deaths, employees that contracted the disease. That's a failure. Now what have you done since then? Or what did you do at that moment?

I think we're still finding people who were bad to start and if we look at their data today — they haven't been surveyed — we're assuming that even if they told the truth, I'm seeing facilities with large COVID rates.

So that combination of: How have you coped? What have the incidences been? What is it going to be in this most recent surge? But more importantly: How have you responded to the mandate? Because we don't know. We don't have surveyors in there, or we're just starting to get surveyors in there. And they're profoundly overworked.

Lastly, I can say from consulting we've done … I've seen failures to perform life safety functions, failures to perform dietary rules, failures to perform PT [physical therapy], and other sorts of conditions that just six months ago or a year ago would have been flagged immediately, because we have pretty good surveyors across California.

That's another thing I think all of us agree on: We're going to have the shock when we start to see regular surveying of these facilities. People who were bad operators — just like we did when we were a junior in college, if we have a problem, we're going to try to fix the problem that our parents are going to catch when we come home for Christmas or Hanukkah.

We're not going to do a deep dive into our own responsibility, poor spending, and poor control of our lives. That's the way ethically challenged people go: They got a lot of money, so they'll fix the things that will kill someone today or come up in a brief survey.

When we get to the point where we get back to normal with surveyors and reporting back to normal, then I think we're going to see some real problems in those ethically challenged facilities — and we could see them today, if we did a deep dive and had the access.

What do you think the change in administration is going to do when it comes to any new mandates and an examination of how nursing homes did?

I've been thinking about that. We have a weekly newsletter, and two or three weeks ago, at the point where we did not know who the HHS Secretary is, we did [a piece on] who's going to run HHS, and we now know who that is [Xavier Becerra, the current attorney general of California], assuming Senate confirmation, which I think AG Becerra will get.

If you look at HHS, I think that Biden was smart. He's got the best scientists in the world and the best policy people … he's freeing up and running properly the CDC. He's going to run properly the FDA. He's got people there that are good at that to attack COVID. That leaves: What does HHS do?

You've got CMS, you've got OIG [Office of Inspector General], you've the Office of Civil Rights — there's an enormous amount of rulemaking and rules enforcement there and finding out if people break the rules.

I think you're going to have a division of labor there. You're going to see the COVID stuff and the public health stuff, there'll be certain people at HHS — and hopefully there won't be silos between HHS and others — strengthening through dollars the state public health efforts. But then I'm hoping that HHS is going to take a good look at what works, but [also] where those failures [were] to make clear rules and enforce those rules, particularly in light of the failure of infection protection rules and QAPI, and turn there.

My thinking is you're going to see people like Becerra, you're going to see enforcement people. Historically, there's not been enough coordination between the state justice departments, OIG and HHS. Hopefully we've learned from that and we're going to see people that are going to come in and look at the rollback of rules and regulations, questions about what are effective rules and regulations, and a real good hard look by the smartest people in the room on QAPI and infection control.

It's clear even when we mandated it, even when we made it part of a condition of participation, sort of, it didn't work. Hopefully it's time we let the clinical people, the public health people, the vaccine people do their part.

We write the checks wisely — there's going to be a big need for that — but then we take a real, honest, independent, non-partisan [look], involving industry and practitioners and community groups, as to what went wrong in enforcement, what went wrong in rulemaking. That would be what I'm excited about.

Skilled Nursing News

Nursing Home Vaccine Stories: One CEO's Personal Appeal to Reduce Hesitancy

Written by: Alex Spanko

1/11/2021

Just as predicted before the rollout began, vaccine hesitancy among nursing home workers stands as a serious barrier to widespread acceptance in long-term care — and, in turn, fully fostering group immunity among the most vulnerable.

Battered by COVID-19 and unwilling to trust the institutions that oversaw the deaths of their patients and

colleagues, a significant percentage of frontline caregivers have said no to the coronavirus vaccine.

At Gurwin Jewish Nursing and Rehabilitation, CEO Stuart Almer and his team have tried to break through the fear and reluctance by highlighting the reasons why the staffers who have opted into the program eventually decided to roll up their sleeves.

Almer himself has a more direct connection than many of his peers at the executive level: His own father is a long-term resident at the non-profit Gurwin campus in Commack, N.Y., in the New York City suburbs of Long Island.

That shared experience forms a pillar of Gurwin's vaccine outreach toward its workers.

"We both got vaccinated," Almer told SNN. "We believe in it, and we feel fine."

SNN spoke with Almer last week to hear how the vaccine rollout is proceeding in one of the areas hit hardest and earliest by the novel coronavirus, and how Gurwin is working to get as many of its staffers vaccinated as possible.

Tell me what you're seeing on the ground right now.

We were very pleased, as a skilled nursing facility, to be at the front of the line. We've been through so much on this end of the health care spectrum, so now for us to be in front of the line to get the vaccine, it felt like we deserved it, and we earned that right — so we can protect staff, protect our residents,

We had our first vaccination, and it was by Walgreens, two weeks ago, on a Monday. In fact, we understand we were the first facility, or among the first facilities on Long Island — certainly in Suffolk County — to get the vaccine.

Walgreens did a superb job in bringing enough vaccines and enough staff to do a very comprehensive vaccination here of residents and staff. We have our own pharmacy, and so we have the wherewithal — if we were permitted to — to provide vaccinations, but this is being done by the outside pharmacies as per CDC.

What was the calculus behind the Walgreens decision?

The options were limited, in that it was just a selection between CVS and Walgreens. There's no science behind it.

But I mentioned having our own pharmacy because if we could have, we would have chosen to do it ourselves. We do our own flu vaccination every year. So for us, this is relatively easy. Because we have our own pharmacy, we can store vaccinations. We have pharmacists who can help administer, not just nursing staff. So we would have liked that opportunity, but we didn't have it.

What's the timeline for the second dose?

This coming Monday [January 11] is round two. Between staff and residents combined, we had about 350 individuals vaccinated. So those 350 will be given their second dose, the booster next Monday — myself included, by the way. My father's a long-term resident here, and he'll have his second dose as well.

We're excited about it. We're looking forward to it — to ultimately promote safety and get past the pandemic. But anyone else who elects to take it, residents and staff, will have that first vaccine opportunity on that same day next Monday.

Right now, we're undergoing a very serious campaign at Gurwin to promote vaccinations so that we get everybody done next week. It's a challenge but that's our goal.

How have you been trying to combat vaccine hesitancy? In Ohio, for instance, up to 60% of nursing home workers have declined to receive the shots.

Those numbers that you are referencing are really what we are seeing and hearing as well in the industry. But we have a campaign. One piece of it is very heavy education. Right now we have an oversized video display in our main lobby — it's an ongoing loop of videos of key staff, myself included, who are talking about the importance of vaccination.

It's from a personal perspective. For example, myself and my father — I mentioned that we were both excited about it. We both got vaccinated, we believe in it, and we feel fine. We've had other staff — regular staff, or management staff, across the board — all on this video. One of [the featured staffers] is Spanish-speaking, and that was so that other Spanish-speaking staff can hear that message from one of their co-workers, encouraging them to take the vaccine.

There are staff who have had issues of cancer in their household, or they've had people who are at high risk otherwise, and so it's important for them personally to get vaccinated to protect their family. — and some just speaking on behalf of our residents here.

On a 24/7 basis, this is running. In addition, we have a social media platform known as Beekeeper. All of our staff who wish to have the link on their cell phones get updates and policies and all types of Gurwin information live on this social media platform that's only for employees. We put the video on there as well.

The goal is: Whether you're here, whether you're at home, wherever you are, you'll see the staff appealing as part of this campaign. In fact, as soon as we finish this call this morning. I'm going to go live on the public address system here and again remind everyone: Walgreens is coming back on Monday. It's so important that we vaccinate staff and residents, so we keep everybody safe.

Besides education — we think that's the most powerful — but people will still make an individual decision. There are many people who are anxious with regard to the vaccine; they worry about side effects, they worry about their own future. So it is a process. It's a process for the world, let alone for Gurwin.

How do you make sure everyone is on site for the vaccination clinic? Obviously there are multiple shifts of people working at the facility, and they all won't be there at the same time.

We were proactive and offered any staff member — whether they were working or not on Monday, two weeks ago — to come in and be vaccinated. We had night staff who came in, and we had other staff — weekend staff, per-diem staff all came in. They had plenty of vaccine; Walgreens did a great job with the amounts.

We have to let them know a certain number of days in advance how many staff and residents we anticipate will be vaccinated. Certainly the first time demonstrated they were prepared. If we had even more staff and residents wanting the vaccine, they all would have had the first first dose on that day. So we're confident in that.

The same thing will happen again on Monday, and then they will return again for the second dose — I believe it's February 1. Beyond that, we don't know yet what their schedule will be or what their plans are. Again, we would be hopeful that we could do it, but that remains to be seen.

(Continued on next page)

How will the eventual vaccination inform things like visitation and communal activities?

We're seeing a significant uptick in the region — we are across the country, and we're seeing it in the region here. I believe that Suffolk County is now beyond 11% positivity rate — and that's a concern because as that goes up, it affects us here.

[Editor's note: As of January 10, the positivity rate in Suffolk County, N.Y. was 10.5%.]

It's almost like two separate issues: The vaccine is key for the future, for ensuring people don't get sick, but it's happening as this significant uptick is happening. If the uptick happened later, we might have been protected in time. We're starting to see an increase here, just following what's happening in the community. That presses us even more to push the campaign harder: The better that we can do, the fewer people will hopefully get sick.

One big difference from earlier this year that we spoke about last time — comparing the situation of March, April, May, which seemed dire — is that testing now is being done so much better in terms of getting results much more quickly.

Right now, if we have a positive staff member, they're very quickly off schedule; residents are more quickly isolated if they are positive. We have a greater advantage than we had earlier this year, so that puts us in a better position to deal with this.

In terms of visitation, the Department of Health in New York State determines visitation. The way in which the formula exists now — and has been for many months — as long as we have just one case, whether it be staff or resident, just one, the clock gets reset in terms of visitation. For a large facility like Gurwin, it's mathematically very, very challenging to ever get to the goal that we can have someone visit.

If you may recall, originally, it was 28 days consecutively without one positive case. When you add our total staff size together in the nursing home, plus our residents, you're talking about 1,200 lives. We knew when the mandate came out that it would be near impossible to [achieve]. Then it was relaxed to 14 days, and even then it became near impossible. And now with the uptick, we just don't see it happening.

However, even though we don't have inside and regular visitation, we are continuing a very robust program for drive-by visitation — but right now, the uptick is so significant, we've had to put a pause to drive-bys just to be safe.