
WHO OWNS THE KEYS TO SENIOR LIVING? *THE GOVERNMENT OR THE OWNER/OPERATOR?*

SUMMER STUDENT SENATE
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The COVID-19
pandemic has been
extremely hard
on senior living
communities.

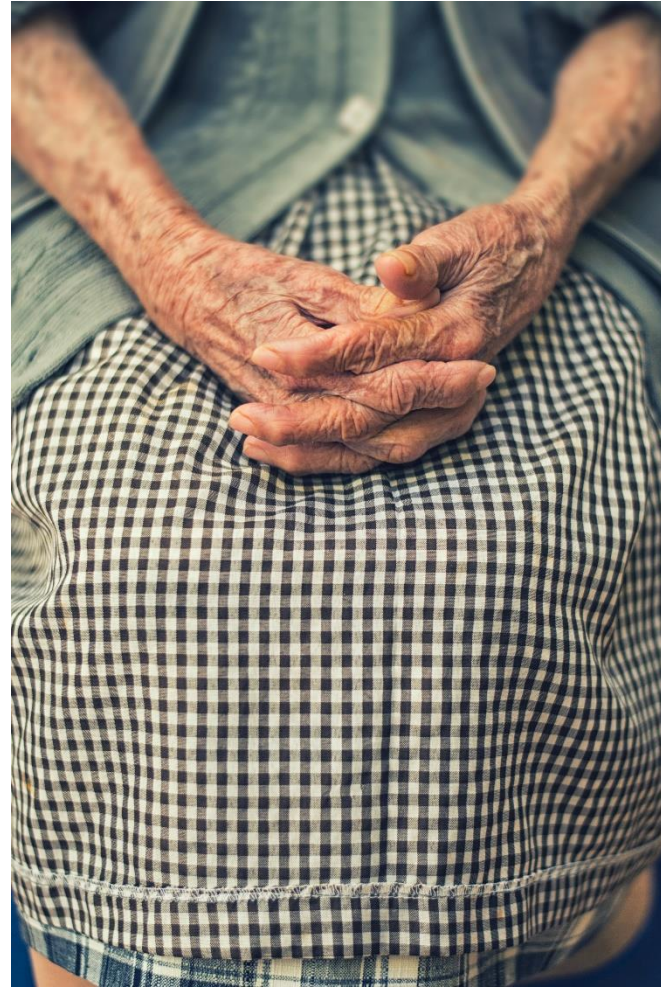


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COVID-19 DEATHS IN THE U.S. BY AGE

Age	# of Deaths*
0 - 17	324
18-29	2,380
30-39	6,837
40-49	18,264
50-64	93,573
65-74	132,075
75-84	162,651
85 years and older	176,578
Total	592,682

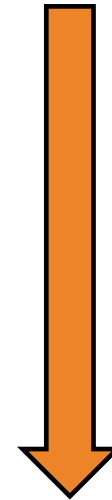
Nearly half of these seniors lived (and died) in long term care facilities.

72% of total deaths have been aged **65+**

*as of June 23, 2021

DROP IN SENIOR CARE OCCUPANCY

Year	Occupancy %
2014	87.1%
2015	86.4%
2016	85.4%
2017	85.1%
2018	84.5%
2019	80%
2020	71.7%



***Residents = 1,246,079**

***Nursing Facilities = 15,061**

Occupancy at U.S. skilled nursing facilities in December 2020 reached **its lowest level (71.7%)** since data has been collected.

*in 2019

WHAT HAS IMPACTED OCCUPANCY

Deaths in Senior Care Facilities

- More than 170,000 residents and staff of long-term care facilities have died from COVID-19
- Deaths tied to long-term care facilities account for **35% of America's COVID-19 fatalities**, even though less than 1% of America's population lives in such facilities.

Visitation Restrictions

- Family couldn't visit for over a year, which means they might not see their loved ones again.
- Seniors were suffering from extreme isolation and depression—and they still suffer.

DRAMATIC NEGLIGENCE IN SENIOR CARE

“America has failed our long-term care residents and staff,” says AARP's Elaine Ryan, vice president of state advocacy and strategy integration. COVID in long-term care was “clearly a national crisis that needed a national intervention,” she says, “but our government failed to do that and a disproportionate amount of lives have been lost as a consequence.”

WHAT DOES SENIOR CARE LOOK LIKE?

In Assisted Living

- The in-between living stage for seniors.
- Years ago, this stage looked very independent!
- However, the level of skilled care has dramatically increased.
- Now, Assisted Living looks like a Skilled Nursing Care Facility.



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ASSISTED LIVING VS INDEPENDENT LIVING

Residents in senior care facilities are dropping.

“Overall, assisted living and independent living occupancy rates have **dropped by 7.4 and 6.2 percentage points**, respectively, since March of last year.”

“In 2019, the not-for profit senior living organization National Senior Campuses reported over nearly 21,000 senior living units across the United States. The total operational resident capacity for independent senior living communities in the United States...was 245,000.”

WHAT DOES SENIOR CARE LOOK LIKE?

Why The Shift?

- Money.
- People wanted to provide lower care for a lower dollar amount.
- Rather than growing Skilled Nursing Facilities, seniors either joined Assisted Living or stayed home.



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THE GOOD IN COMBATING COVID-19

- **Payroll Protection Plan** – 2+ months of reimbursed payment to small businesses
- **Personal Protective Equipment** – provided to long term care facilities
- **Focused Emphasis on Infection Control** – widely practiced, higher sanitation standards
- **Accelerated New Ways of Connecting and Living** – involvement with Facebook, Zoom, and other social media
- **Exposed Vulnerabilities of Long-Term Care Communities** – now, we can make positive changes

THREATS TO SUSTAINABILITY IN OPERATIONS

ASSISTED LIVING IS IN CRISIS

- **Increased Oversight** – Overwhelming regulations and reporting takes time from resident care.
- **Employment & Retention** – Unemployment, higher pay at entry-level jobs, and overwhelming stress
- **Current Eviction Laws** – Facilities cannot evict anyone, even if a resident can pay and decides not to pay
- **Unfunded Mandates** – Demanded regulations increase expenses and disciplinary fees for facilities
- **Behavioral Health** – Payment rates less than actual costs for residents who have mental health issues

CONCLUSION AND NEXT STEPS

- Assisted living communities owners and operators are faced with the nearly impossible challenge of staying in business and being able to provide sustainable services to residents/elders.
- Patches and proposed fixes of assisted living operations and practices are counter productive and often cause more harm than good.
- **The time has come for a comprehensive development of a strategy and plan for creating a new system** of providing assisted living for the state's elderly and disabled citizens.
- The summer student senate is being asked to consider reviewing, modifying as appropriate and supporting SF 102.
- The passage of this legislation will begin the process of once again putting in place structures and systems that honor and respect elders in the days and years ahead.

APPENDIX

- Plagues of Loneliness, Helplessness and Boredom
- Oversight with New Regulations
- The Transition to a New Normal
- Assisted Living Group Home – Revenue Example
- Employee Recruitment and Retention
- High Turnover Rates
- References



LONELINESS, HELPLESSNESS AND BOREDOM

- No visitor policies in place from March 2020 until late Spring of 2021.
- No ability to leave campus or facility – except for essential services.
- No regular contact with any outside person for over a year.



Families singing happy birthday from outside to their loved one. [Watch here.](#)

OVERSIGHT WITH NEW REGULATIONS

- Who is really in charge? (CDC? The State?)
- Regular reporting on a weekly basis to regulatory agencies.
- New regulation updates occurring weekly.
- **LeadingAge Minnesota**
 - Weekly capitol huddle to keep members informed of ongoing regulatory developments.

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THE TRANSITION TO A “NEW NORMAL”

Policies for:

- Residents and staff – vaccinated and not vaccinated.
- Bus trips – vaccinated and not vaccinated.
- Travel – vaccinated and not vaccinated.
- Welcoming family members to visit their loved ones.
- ...*The list goes on and on...*



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ASSISTED LIVING GROUP HOME

Ten Residents or Less

Resident Ex.	Monthly Revenue	Monthly Revenue (with 2 new residents)
Resident 1	\$4,250	\$4,250
Resident 2	\$3,750	\$3,750
Resident 3	\$4,000	\$4,000
Resident 4*	\$4,500	\$3,250
Resident 5	\$3,500	\$3,500
Resident 6*	\$4,750	\$3,250
Resident 7	\$3,250	\$3,250
Resident 8	\$4,000	\$4,000

Imagine two new residents moved in with a **lower monthly payment.*

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Resident 7	\$3,250	\$3,250
Resident 8	\$4,000	\$4,000

Revenue Type	Monthly Revenue	Monthly Revenue (with 2 new residents)
Total Monthly Revenue	\$32,000	\$29,000
Estimated Annual Revenue	\$384,000	\$348,000
AVG Mo. Revenue Per Resident	\$4,000	\$3,625

Decrease in Annual Revenue \$36,000

**A lower monthly payment results in an overall decrease in revenue.*

EMPLOYEE RECRUITMENT AND RETENTION

- COVID-19 Testing and Quarantine
- Unemployment Benefit Changes
- High Stress Work Environment with Increased Regulations
- Resident/Patient/Elder Isolation
- No Visitor Policies
- Challenge – Looking for Other Ways to Connect – (i.e. Technology)

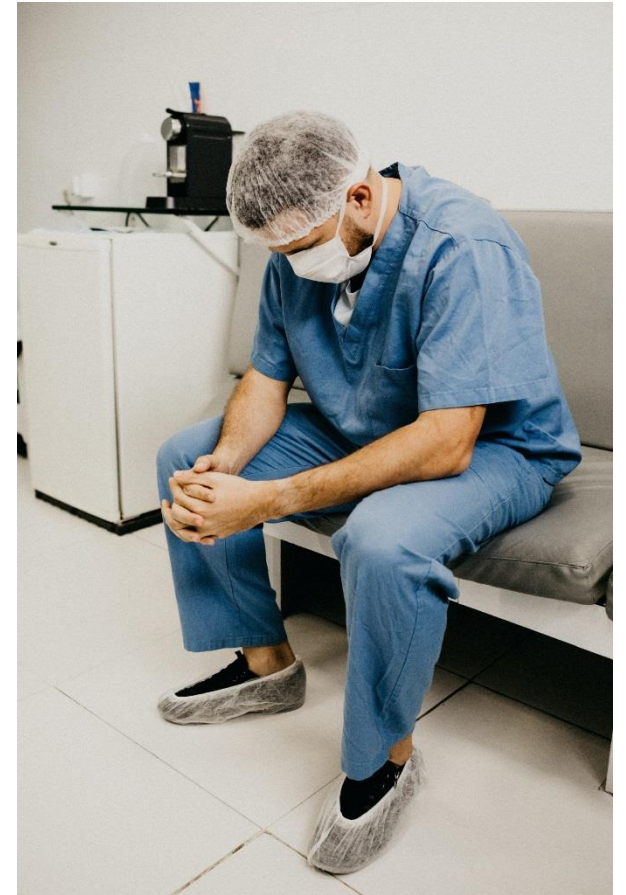


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HIGH TURNOVER RATES

- The **average turnover** in nursing homes for certified nursing assistants is between **40 – 70%**.
- The cost of replacing any employee is **25% of the total salary** amount.



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