CHANCERY MONTHLY NEWSLETTER

INDUSTRY INSIGHT

This article summarizes the state of the senior living industry in 2021 from various aspects, while predicting and analyzing the industry's development trends in 2022.

Top Senior Housing Trends for 2022 - Part II

Staffing scramble makes "full-time employee" a rarer breed

In November 2021, nursing and residential care facilities lost 11,000 jobs, according to Bureau of Labor Statistics data. So, it's no surprise that 45% of multi-site providers reported staffing shortages in the latest NIC Executive Insights survey.

In 2022, intense labor challenges will persist — as Kisco's Kohlberg recently noted, workforce pressures did not significantly ease with the expiration of enhanced unemployment benefits or the resumption of in-person school in 2021, so there is no reason to expect recruitment and retention to get easier in the new year.

As a result, the traditional full-time employee (FTE) will become a rarer breed in senior living communities across the country.

Already, this is occurring, as providers turn to agency workers to fill gaps. More than 75% of NIC survey respondents said they are using agency or temporary staff to help address shortages, 57% said their agency and temp use increased by up to 50% in 2021, and 20% said that agency/temp use increased by 100%.

This level of agency use is not financially sustainable for providers. In 2022, more organizations are going to take bolder steps to reconfigure their staffing strategies.

The goal is to respond to the shift in worker expectations and preferences that has occurred during the Covid pandemic, as people have reevaluated the work-life balance they want to strike, Aegis CEO Dwayne Clark told SHN. He also aims to widen the pool of senior living workers to include people such as recent refugees, retired military personnel, stay-at-home parents and older adults.

Other providers also will offer more flexible, part-time and on-demand scheduling. Technology will be key to enabling these efforts.

Not every senior living provider has the scale or wherewithal to create technology and build a flexible workforce in-house. But providers can turn to a rising class of tech-driven staffing companies that specialize in senior living and post-acute care settings.

The shift away from traditional FTEs in senior living will bring challenges, including ensuring consistency in quality, and addressing resident concerns about the difficulty of establishing relationships with rotating staff.

However, these concerns will not prevent forward-thinking senior living providers from taking fresh approaches to staffing in 2022, in order to meet the challenges of the moment and create a workforce for “a new world.”

On-site primary care, care coordination reach tipping point

Over the last several years, an increasing number of senior living providers have found ways to bring primary care services into communities.

In 2022, on-site primary care will reach a tipping point, going from a “nice-to-have” to a “must have.”

The tipping point will arrive for several reasons. One is the continual growth of Medicare Advantage (MA) within the senior living sector.

Already, primary care is being delivered on-site in certain communities through arrangements between senior living companies and primary care groups reimbursed largely through MA plans. More of these initiatives will take shape as MA insurers continue to apprehend that senior living communities offer efficient venues for enrolling new members and delivering services to maintain these members’ health and wellness, keeping costs down in the process.

Additionally, tech-forward primary care practices focused on serving the MA population secured massive amounts of capital in 2021, including through initial public offerings and SPAC deals.

Senior living-owned MA institutional special needs plans (ISNPs) also are becoming more commonplace, driving the integration of primary care within senior living settings.

Consumer expectations also will drive more senior living providers to offer on-site primary care. Residents and their loved ones are more attuned to health care offerings in light of Covid-19, and limiting exposure to crowds in doctors' offices and hospitals has never before been such a high priority.

Consumers also will increasingly demand that senior living providers manage residents' care more closely than in the past.

As the senior living provider becomes a care coordinator, it stands to reason that senior living communities increasingly become hubs for a variety of services, not just primary care. Health system partnerships that bring concierge-style care into senior living are responding to this imperative. Such partnerships are in place at the highest end of the market.

But more moderately priced senior living communities also are working with health systems to make primary care more readily available to residents.

Memory care booms

After enduring a difficult few years, the memory care sector is set to flourish in 2022.

The problems in memory care pre-dated Covid-19, due to an influx of new supply, with construction peaking in late 2015. As these units came online in subsequent years, the market was strained by oversupply, while length of stay also was declining. Occupancy fell, leading to distress and sizable operator transitions.

Then Covid-19 hit, and memory care communities were ravaged, as residents with dementia could not understand the necessity of social distancing and other pandemic mitigation procedures. Of all senior living sectors, memory care shed the most occupancy between Q1 2020 and Q2 2021, according to NIC data.

More recently, however, the trends have started to reverse.

Memory care added the most occupancy out of any senior housing type between the second and third quarters of 2021. Memory care move-ins hit a recorded high of 4.7% of inventory in March 2021; while this has slowed somewhat, memory care move-ins still outpaced independent living and assisted living in Q3 2021, at 3.9% of inventory.

No doubt, occupancy has rebounded because of the needs-based nature of memory care — people simply cannot defer moves as long as they can for other care levels. However, this is not the whole story.

Timing is also at play. The recent oversupply was due in part to developers who rushed into the market to serve the huge baby boomer generation, but they were five to 10 years ahead of the boomer demand for memory care, said Mitch Warren, after his memory care development company The LaSalle Group had to file for Chapter 11.

Seven years out from the recent construction peak, memory care communities are now welcoming residents who are on the leading edge of a massive demand wave, if Warren was correct.

Innovation in memory care also is playing a role in attracting residents. Despite — or due to — the challenges that memory care has faced, some providers have invested time and money in recent years in revamping their memory care offerings, and they are poised to be rewarded.

To be sure, the memory care sector still faces significant challenges.

Memory care initial rates were discounted 9.3% from asking rates in September 2021, according to NIC data. That's up from a 7.5% discount one year prior, and steeper than September's 8.3% assisted living discount. Memory care providers will have to be cognizant of protecting revenue even as occupancy climbs.

But after a tumultuous period, memory care providers have reasons to be optimistic as they turn the calendar to 2022.

Original Article:
https://seniorhousingnews.com/2022/01/02/top-senior-housing-trends-for-2022/

Stoney Creek Project Update

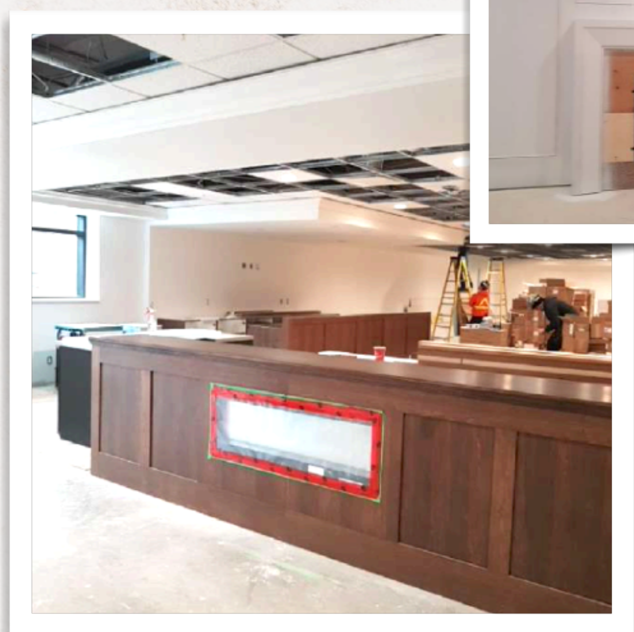
The Grandview Retirement Residence is a 159-suite building, designed to provide seniors with accommodation in a beautiful neighbourhood with a host of services and amenities. It is located in downtown Hamilton, Ontario, adjacent to the affluent Stoney Creek neighbourhood, and is at the central location with access to retail, restaurants, parks and health care providers.

- Our construction manager continues to remain committed to the safety of their workers and the successful completion of the project. All of the exterior work is now complete. The construction team is now focused on completing the interior details such as painting, flooring and millwork in the suites and common areas. Installation of plumbing fixtures, light fixtures and commercial kitchen equipment are also in progress.

- We are pleased to share that since opening our Sales Centre in August 2021, we have received 40 deposits.

- In December we hired a Director of Care to join our growing management team. We are actively recruiting the rest of the management team to. During the first quarter of 2022 we will begin recruiting for front line staff in all departments as we prepare for our first resident move-in on April 1, 2022.

- Our operations and development team are actively working on pre-opening tasks that include procurement of FF&E, updating manuals and policies, and making arrangements with vendors that will provide services to the residence.



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