

SPECIAL ISSUE

# brief



## A New Look at an Aging Industry

By Meredith Oppenheim

**AMERICAN  
SENIORS  
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Living Longer Better



# A New Look at an Aging Industry

As a result of advising companies, cities, and countries trying to figure out how to care for or capitalize on the senior segment – I have concluded this is not a time for complacency. There is a great need to advance practices and redefine standards of senior care and services, that the senior housing industry must act on together, and do so with a sense of urgency.

During the last few years, I have completed a range of consulting projects which leveraged my nearly two decades working in senior housing for and with leading owners and operators. These projects have allowed me to apply my experience in a legal, international, and technological context.

*“To move” or “not to move,” that is always the question.*

Families wonder whether the senior housing industry’s approach would result in the most desired outcomes, which is the best care for their loved ones and peace of mind for themselves. What the industry offers does not seem optimal or even desirable, and increasingly there are more outliers than those who literally and figuratively fit well into our boxes.

In the best circumstances, our tried-and-tested offerings are enough, but too many times they do not achieve these desired outcomes. I learned this firsthand while serving as an expert witness to defend our industry practices. We’ve got to better examine and exercise our policies and procedures around senior care to ensure that we live up to our values.

By looking at the industry critically and creatively without wearing any company team jersey that would skew my perspective or limit my thinking, has made me more hopeful and entrepreneurial than ever before. The following pages include points to consider and anecdotes that illustrate these points, so we forge into the future together more proactively.

The industry must better redefine itself and know where it fits into the realm of emerging needs and possibilities. The ASHA membership is best positioned to evolve so the answer for more families is “to move,” and the sooner the better.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MO', with a long horizontal flourish extending to the right.

Meredith Oppenheim

# OBSERVATIONS AND OPPORTUNITIES

## THE GOLDEN RULE: DO UNTO OTHERS...

*Often not-for-profit continuing care retirement communities (CCRCs) are more inclined to invest dollars into more proactive programming to improve residents' quality of life. Usually, this is the case as the scale of these communities allows for more experimentation. Further, the mission over margin ethos provides greater latitude to invest in new programming, which often requires more staff and an investment in the physical plant.*

**At a time when seniors are inclined to do less, the industry needs to be the catalyst that gives them reason, desire, and support to do more.**

program to determine what was working well and how the program could have

a more significant impact on residents' lives and community performance.

While better-defined standards and greater corporate stewardship would have reduced program variability, to improve impact the company needed to re-orient itself around a culture of purposeful living. My exhaustive literature review and extensive industry thought leader interviews, reinforced this conclusion that purposeful living was not just valuable but critical for residents' well-being.

To accomplish purposeful living across the full continuum, these CCRCs needed to offer an aspirational and inspirational experience which would challenge residents to become more physically active and more mentally engaged. At a time when residents are inclined to do less, the industry needs to be the catalyst that gives them reason, desire, and support to do more.

## THE GOLDEN RULE: DO UNTO OTHERS...

### OPPORTUNITY

The senior housing industry has not yet figured out how to attract younger seniors, as the data suggests people are moving into senior housing later in life and in frailer health. Senior housing communities should play a role in fulfilling seniors' purpose and helping them discover new interests at every age.

During the winter of 2019, I led a study in the context of my affiliation with the Cornell Institute of Healthy Futures to understand the purpose, priorities, and preferences of young seniors. The survey sample was 70% women. Of the total sample, 70% were married and more than 70% had earned at least a master's degree. Interestingly, 66% of this 100-person sample 60 – 84 years of age answered they “very much feel they have a purpose.” Chairman Paul Irving of the Milken Institute Center for the Future of Aging believes this is likely the case because 50% percent of respondents were either working full or part-time.

I conducted focus groups to validate and augment these findings by speaking to nearly 100 additional young seniors. The survey and focus groups led me to believe that these young seniors neither know what the senior housing industry offers nor have the time or interest to figure it out. They are too busy maintaining

very active lifestyles traveling, pursuing interests, and spending time with multiple generations of their families. The industry average age at entry continues to rise as younger seniors do not want to limit themselves to any box, particularly a box containing people who they perceive to be mentally or physically less capable.

I recently organized a US senior housing tour for a European residential developer client. We toured over 20 best of class communities to identify products and programs worthy of exportation. Interestingly, these communities

conceptually had not evolved since I was asked to do a countrywide tour of Marriott's CCRC and assisted living assets in 2002. Even at that point, most people did not want what the industry offered, yet not much has changed. My recommendation detailed how to offer an aspirational lifestyle, which could measurably improve the health of its residents.

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## UNBURDEN THE BURDEN OF CAREGIVING

*I have worked with several families to find them the most appropriate senior housing for their loved ones. Interestingly, many of these prospective residents are in their mid-to-late 70s yet have complex and degenerative health conditions.*

*As Paul Klaassen, the founder of Sunrise, once said to me, industry caregivers are like surrogate children. Too often, however, families tell me the care and service they receive are neither adequate nor acceptable. This example underscores where the industry falls short and how it needs to do better for every resident and family.*

A woman living in a leading operator's community in a large metropolitan area was not feeling well. When an appropriate caregiver finally got to her hours later, an ambulance was necessary to take her to the hospital. Her diagnosis was a spinal vertebral fracture and urinary retention. Nobody knew the circumstances that might have led to these painful conditions.

Nonetheless, while she was in the hospital, at no time did the community staff:

1) visit her, 2) stay in touch with the family, or 3) coordinate her return. This resident ultimately returned to the community with medical equipment. The day she returned, the family finally heard from the community staff, although not to inquire about the well-being or needs of the resident or family. The staff member called to let the family know that the resident would require a 24/7 companion while the medical equipment was in place.

The family neither had a 24/7 companion who could do this nor an alternative place for her to stay. The community staff offered no support in working through this situation. Hours later, the family did reach her physician who said removing the medical equipment would be acceptable. Because a family member is a healthcare professional, she removed the equipment. Doing so was the only way the woman could remain in the community until the family could find a more appropriate care setting where she could move.

# UNBURDEN THE BURDEN OF CAREGIVING

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## OPPORTUNITY

Now that I am the age of the adult children the senior housing industry serves; I realize how important it is to support individuals like me better.

I had to fight to save my dad's life by switching hospitals and doctors when chemo nearly killed him. I also had to worry about my mother's mental well-being, given she was my father's primary caregiver. Tirelessly advocating for both my parents was challenging, although my commitment to them was unwavering.

As seniors live longer, the role of adult children becomes more demanding. They need the support of the senior housing industry to help manage complex caregiving responsibilities. One first step is having more doctors on staff. A March 2019 *New York Times* article, "Where There's Rarely a Doctor in the House: Assisted Living" suggests if healthcare

professionals were more available in senior housing buildings, then expensive and disruptive runs to the hospital could be prevented.

I have advised many peers whose parents have specific needs not easily met in traditional senior housing options.

If the industry was more proactive, it might increase its market penetration rate of only 11% of people 80 and older. It has been flatlining at this anemic rate since 2010, according to market research firm Green Street Advisors. The industry cannot merely count on more seniors coming of age.

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## TECHNOLO — GEE!

*The senior housing industry is generally slow to adopt high-tech solutions. Nonetheless, there are examples of companies trying harder to do better than the status quo.*

I was very hopeful when a younger regional senior housing company known for its integration of technology invited me to visit one of its newest communities. As I toured the community, I expected to discover state-of-the-art systems that would ensure the safety and

***The industry needs to force itself to upgrade to more sophisticated approaches so as not to become obsolete.***

enhance the well-being of residents. Unfortunately, the intention was there, but not the execution. We took the community elevator to a higher floor where I saw the telemedicine room. Neither the computer nor the auxiliary monitor had been plugged into the wall. I later learned that the community was in the process of

forming a relationship with a telemedicine provider, so this service was still unavailable.

The senior housing industry has certainly come a long way with the integration of EHR systems, CRM solutions, and other backend software. But the industry needs to leverage technology in a way that significantly enhances resident care, improves contact and coordination with families and healthcare providers, and does not intimidate users.

There are new markets to serve and revenue sources to cultivate by applying technology. The most forward-thinking companies will leverage their infrastructure and capabilities to build relationships and partnerships beyond their four walls.

Some companies have planned obsolescence strategies to force users to upgrade. The industry needs to force itself to upgrade to more sophisticated approaches so as not to become obsolete.

## TECHNOLO — GEE!

### OPPORTUNITY

Simultaneously caring for my senior parents and young child means reminding my daughter why limits on screen time are critical to her well-being while convincing my father of the benefits of having a smartphone.

I was asked by a senior housing industry veteran to work with a technology portfolio company of his investment firm. The company has successfully penetrated the senior housing market with a low-tech solution. The recently introduced product had not yet gained the traction management and the investors were expecting and seeking.

My 60-day sprint to diagnose the problem and devise a solution included a multi-state tour to speak with community leadership and staff, as well as residents and families. By synthesizing the data from these conversations, as well as from an electronic survey completed by over 250 customers, I developed a scorecard of 7 key dimensions to measure the status quo and devise recommendations.

I ultimately proposed improving product reliability, and product-market fit given not all staff and seniors felt comfortable with the technology. I did this in the context

of determining an achievable return on investment for seniors and the community.

I applaud technology companies attempting to improve and disrupt what the industry has always done. The senior housing industry is notoriously resistant to change, although recent downward pressure on rate and occupancy has made the industry more willing to evolve.

Applying my experience in the intricacies and idiosyncrasies of senior housing, I have advised technology companies selling products to enhance senior housing services. My goal has been to help these companies provide measurable and meaningful value.

***The senior housing industry is notoriously resistant to change, although recent downward pressure on rate and occupancy has made the industry more willing to evolve.***

As the saying goes, if you can't beat them, join them. Our generally complacent industry aligned with and supported by fearlessly optimistic technology companies is a recipe for taking much-needed risks to achieve higher returns.

## IN DEFENSE OF SENIOR HOUSING

*Senior housing is a high-risk, high-reward industry. If communities provide the best quality care and service, this will result in higher occupancy rates and profit margins.*

*Despite the best training, and best efforts, staff might not be at the right place, at the right time, and do the right thing. For example, in a matter of seconds, dementia residents might exit a secured unit or community when the door slowly closes behind staff and visitors. A Northeast senior community in an affluent market learned such an incident could have long-term repercussions.*

Senior housing developers generally prioritize sites that are highly visible on highly trafficked roads in the wealthiest zip codes. Such locations pose significant risks to residents who may wander or walk out of the community.

I could never understand why a community managed by a leading operator in an affluent market across from a busy shopping center could not sustain occupancy above 92%.

Nonetheless, another senior housing company built adjacent to this community. What I later came to learn about was an incident of a resident dying when struck by a car outside the community years before tarnished its reputation.

I recently searched online to see if I could still find any story about this incident that occurred over ten years ago. I only found an article dating back two years ago about a wrongful death suit filed against the adjacent senior housing building. No wonder this building has also struggled to stay full even in this affluent suburb.

We have learned that despite extensive and frequent background checks, not every staff member acts appropriately. Senior housing residents are at risk of being taken advantage of, given their mental and physical limitations. Elder abuse is a common problem. When staff members mistreat residents, it can take years for a community to recover from damaging press and reviews. A community of a national operator in an affluent Northeast suburb never fully recovered from the media and reviews generated when staff abused dementia residents.

The Internet has been an effective medium in promoting communities. The industry cannot control the content created, however. The industry can control how we define and deliver to the highest standards.

# IN DEFENSE OF SENIOR HOUSING

## OPPORTUNITY

During summer 2018, I was retained by a defense attorney to serve as an expert witness on behalf of his senior housing owner/operator client. I read more than 2000 pages of supporting documents to write a defense report. My report highlighted that the family accepted the risks of senior housing when signing the resident agreement. Further, the resident's wife traded off her loved one's safety for dignity when ignoring his doctor's orders to have him mechanically restrained (which would not have been possible with the community's license).

Resident agreements indicate the industry cannot guarantee the safety of residents given the inherent and unavoidable risks to residing in senior housing — however, this is the expectation of families. When situations occur, like in this case, when a dementia resident brutally attacks another dementia resident, the family has every right to question if the care was sufficient. Families do take legal action to try to right what seems to have gone wrong.

The defense attorney was not able to satisfactorily settle the case out of court, so it

went to trial. During the trial, the plaintiff's attorney wanted me to acknowledge that the care at the time of the incident was inadequate. He also wanted me to acknowledge that senior housing operators have no financial incentive to sufficiently staff buildings.

I tried to underscore that the senior housing industry would cease to exist with this approach. If the industry fails to deliver adequate care, reputations suffer, referrals won't come, residents will move out, and staff won't stay.

***A real victory for the industry, however, is to reduce legal expenses so these dollars can be invested in the people and processes which have the highest return.***

The defense realized its goal of a reduced settlement that the insurance company would cover. A real victory for the industry, however, is to reduce legal expenses so these dollars could be invested in the people and processes which have the highest return.

## CONCLUSION

Since I began working in the industry, I have been on an ongoing pursuit to challenge and improve conventional thinking about senior housing.

I recently was in Monmouth County, NJ, where I am from, and my parents still reside. Within a few mile radius without even intending to do so, I drove by a well-regarded Brandywine community, a newly opened Chelsea and a Sunrise which will open soon. In Manhattan where I live, there are at least four new senior housing projects in different phases of development. These Manhattan projects are mainly ventures between leading senior housing operators or capital sources and the most prolific developers new to senior housing.

Capital is also abundantly flowing to existing buildings in the form of value-add acquisitions or significant renovations to remain competitive in this next wave of development. But even the newest buildings and upgraded furnishings will never substitute for the best care and service or more innovative and imaginative approaches.

As a member of the industry myself, I say let us vow to:

- Motivate and facilitate residents to live with purpose by investing the necessary resources.
- Ensure our residents get the care they require, as needs escalate and become more complex.
- Demonstrate we care about adult child caregivers by supporting them every step of the way.
- Integrate technology to better serve and communicate with our many constituents.
- Pursue tech-driven revenue sources by thinking beyond our four walls and primary services.
- Remain on offense where we can do our best work and do what we say and say what we mean.

I am hopeful and optimistic that the industry is well-positioned and sufficiently motivated to do more and better. Let us work harder and smarter so as the size of the pie of seniors continues to grow, we could enjoy a much larger piece.

## ABOUT THE AUTHOR

Meredith Oppenheim is a senior housing specialist with national and international expertise encompassing all property types and spanning the full lifecycle of a deal from pre-development to disposition. Oppenheim serves as an advisor to technology companies, residential developers, investment firms, and government entities. She has also served as an expert witness on behalf of a senior housing owner and operator.

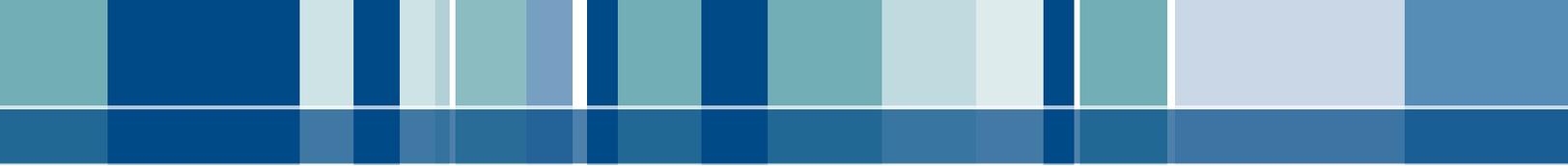
Oppenheim is a member of the Cornell Institute of Healthy Futures, an organization which seeks to promote innovation by applying hospitality principles to healthcare. She recently completed a study of people 60 – 80 years of age in collaboration with Cornell students, which has shaped her new venture scheduled to launch in 2020.

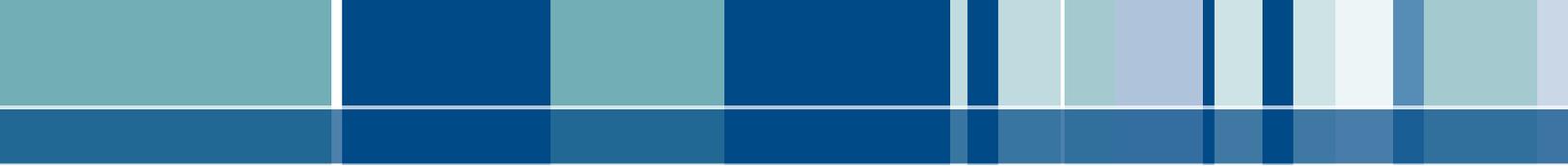
During her nearly 20 years in the senior housing industry, Oppenheim worked for leading owners and operators such as Sunrise and Marriott. At Ventas, one of the largest healthcare REITs, she managed the Northeast operating portfolio of over 50 Atria and Sunrise communities, consistently exceeding budgeted expectations.

She was nominated to serve on the National Investment Center (NIC) Future Leaders' Council and led the organization during its inaugural year. In 2009, she was appointed to Mayor Bloomberg's Age-Friendly NYC Commission and served a 5-year term as a board member of the not-for-profit arm of the NYC Department for the Aging. During high school, Oppenheim received a US Congressional Award for her commitment to improving the lives of seniors and authoring a healthy cookbook for seniors.

She is a graduate of the Harvard Business School and Cornell University. Oppenheim lives in NYC with her husband and 9-year-old daughter.

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