

McKnight's

Dealmaker's 2015 Handbook

The essential guide to capital in the senior living market



Just getting started

Kramer sees changes ahead

PAGE 12



Healthy or unhealthy growth?

Seniors housing is in an enviable position, given the favorable financing terms and continued growth taking place. It's safe to say times are good. But are they too good?

PAGE 8

What's driving the dealmakers

Why is this a hot time for transactions in the seniors housing and care sector? Give credit to favorable market conditions, along with proven performance by operators.

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Funding streams are widening

These days, there doesn't seem to be any shortage of capital providers with a willingness to invest in the sector. That's great news for anyone looking to borrow.

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A SUPPLEMENT TO
McKnight's
LONG-TERM CARE NEWS

IN PARTNERSHIP WITH



A whole new philosophy
Eden Alternative is different
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'Grown up' approach
to senior living..... page 14

Night owls find
kindred spirits page 15

Front Porch takes
telehealth lead page 18



financing communities

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McKnight's Capital Corner

Companies at a glance

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The sector's biggest deal making event kicks off Sept. 30 in the nation's capital, when the National Investment Center for Seniors Housing & Care hosts its 25th annual conference. For nearly a quarter century, the NIC has helped facilitate informed investments.

The following pages showcase firms that provide capital and services to the seniors housing and care sector. They are listed in alphabetical order.

A profile appears for each firm. The profile offers insight into each firm's mission, history, range of services and types of properties served.

For each company, we have included a "Fast Facts" box of convenient information, such as mailing address, contact names, phone and fax numbers, website address, eligible properties and other useful material. Please note that the first part of the supplement features firms that are in the capital business. Additional vendor profiles follow the supplement's editorial coverage.

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Company Profile



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FastFacts

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Address: 1422 Clarkview Rd., Baltimore, MD 21209

Eligible properties: ■ Skilled nursing ■ Assisted living
■ Retirement communities ■ Hospitals
■ Rehabilitation facilities

Options: ■ Construction ■ Substantial rehab
■ Acquisition ■ Refinance

Product base: ■ Term/Bridge Loans ■ Accounts Receivable Financing ■ FHA/HUD ■ Investment banking services ■ Mezzanine/cash flow

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Lori Larson, Owner
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POLLARD 

Lancaster Pollard

Company Profile

Formed in 1988, Lancaster Pollard has maintained a continuous 27-year focus on the seniors housing and long-term care sector. Our comprehensive capital solutions include investment banking, mortgage banking, balance sheet financing, equity investment, M&A and financial advisory services.



This broad platform allows us to provide unbiased, solutions-oriented advice and capital financing alternatives based on our clients' credit characteristics and objectives. Lancaster Pollard is one of the largest groups of finance professionals dedicated to the seniors housing and long-term care sector. Our bankers and client team members are highly experienced licensed securities representatives with a solid understanding of corporate finance, capital markets, banking and government agency finance programs.

Our Philosophy

We work hard to thoroughly understand our clients' needs and risk tolerance and we perform the most comprehensive qualitative and quantitative assessment in the business. We simplify complicated processes so you can understand every option and make the most informed decision on a financing strategy that best serves your needs. Lancaster Pollard's associates:

- Are knowledgeable and highly experienced in the broadest platform of funding solutions, resulting in delivery of unbiased and comprehensive information to foster well-informed client funding decisions
- Maintain state-specific geographic coverage to foster awareness of local market activities and regulatory, licensure and reimbursement matters
- Are active contributors on the Committee on Healthcare Financing and the Mortgage Bankers Association's Section 232 Working Group

What We Offer

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Our independence allows us to consider every viable option. Clients have significantly altered their courses of action after we have had a thorough discussion about all of their financial options, which include:

FastFacts

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Eligible properties: ■ CCRC ■ Skilled nursing
 ■ Assisted living ■ Retirement communities
 ■ Congregate care ■ Hospital ■ Rehab hospital
 ■ Medical office

Options: ■ Construction ■ Substantial rehab
 ■ Acquisition ■ Refinance

Product base: ■ Bridge Loans ■ Fannie Mae ■ FHA
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MARKET TRENDS

BUSINESS ADVICE



"High expectations are the key to everything."

— Sam Walton,
Walmart founder

"Sometimes when you innovate, you make mistakes. It is best to admit them quickly and get on with improving your other innovations."

— Steve Jobs

"There's no shortage of remarkable ideas; what's missing is the will to execute them. — Seth Godin

"A business has to be involving, it has to be fun, and it has to exercise your creative instincts."

— Richard Branson



"If you see a bandwagon, it's too late."

— James Goldsmith

"Even if you are on the right track, you'll get run over if you just sit there."

— Will Rogers

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

— Charles Darwin



"If you would like to know the value of money, try to borrow some."

— Benjamin Franklin

"In the business world, everyone is paid in two coins: cash and experience. Take the experience first; the cash will come later."

— Harold Geneen

Froth warning or normal growth?

Growth cycle is different this time, according to the experts

By John Andrews

Seniors housing is in an enviable position — lenders are lining up to offer great terms, attractive financing options and capital galore to fund new construction, renovation and all kinds of improvement projects within independent and assisted living, memory care and any number of post-acute care organizations.

Put simply, times are good. The industry offers an attractive array of positives for eager investors, from highly favorable demographics to an enhanced position within the long-term care continuum and the healthcare environment in general.

Yet with an influx of new investors and new money comes the inevitable concerns based on the track record of the seniors housing industry at the turn of the millennium as well as the more recent real estate blowup of 2008. Excess investment could cause a surplus of inventory and bring the good times to a grinding halt. It's a financial cycle that ebbs and flows. The trick is finding the right balance and keeping it there, financial specialists say.

Robert G. Kramer, CEO of the National Investment Center for Seniors Housing & Care, isn't sounding any alarms, calling the current climate "a normal cycle when you consider the big building boom of 1998 to 2003."

With plenty of equity, debt and institutional capital available, seniors housing operators with solid track records should be able to find financing with relatively no trouble. And while it's still possible for "overly aggressive and unrealistic" investments to materialize, Kramer says the environment is much different from what it was 15 years ago.

"Operators are much more sophisticated today," he says. "Data is much better, too; in fact, we had virtually no data in 1998."

The flood of capital is bringing in more competitive financing, so operators are getting better terms than in the past few years. That shows a willingness among investors to assume more risk in the face of rising interest rates that their properties will hold or increase



Photo: iStock

Too much seniors housing a good thing? Maybe not.

their value, Kramer says.

"Are we in an overbuilt situation? Absolutely not," he says. "Does that mean you can put a building wherever you want? Definitely not."

3 smart questions

To temper volatility in the market, "people need to be smart and go about it correctly," suggests Dan Biron, senior managing director of seniors housing at Berkadia Commercial Mortgage. To determine a project's feasibility, he recommends asking three questions: Is the market study honest? Is there unmet demand? Is there sufficient equity to carry through to stabilization?

"If you answer these well, you have a shot at it," he says.

Biron also doesn't believe that the same situation exists now that caused the market collapse 15 years ago.

"I don't think we will see a repeat of the late '90s overbuilding," he says. "Assisted living was just getting started and expectations were unrealistic. Too many investors saw 65-year-olds moving into assisted living facilities, which was premature." ■

Investment activity continuing on a robust path

By John Andrews

Chuck Harry is the Managing Director and Director of Research & Analytics at the National Investment Center for Seniors Housing & Care. As such, he is responsible for guiding all of NIC's research efforts, including the analysis function of the NIC MAP® service. He recently shared his views on external and internal developments.

Q: How would you characterize seniors housing investment in the past year?

A: In a word, robust. Investment activity in the seniors housing and care industry has remained strong over the last 12 months. Seniors housing and nursing care transaction volume registered over \$23 billion in the past year — the highest 12-month volume since the second quarter of 2012. Seniors housing alone was even more impressive, closing \$17 billion in transactions in that time frame, the highest seniors housing volume ever recorded over a 12-month period. Nursing care deal volume continued at a healthy pace as volume registered over \$6 billion, which was the highest 12-month volume since the second quarter of 2012 and included the Omega/Aviv merger for \$1.7 billion.

The high investment volume is a response to the high demand for the sector's historically steady returns, a continued strong appetite by the REITs, and a reach for yield given the continued low interest rate environment. The high demand for properties has caused price per unit to hover around the highest on record. The average price per unit over the past 12 months was \$172,800, basically on par with the high of 2011.

Given the aggressive pricing over the past couple years, there is some discussion within the industry of a cyclical high.



Photo: Thinkstock

Q: Where are the "hot spots" for development in the country right now? What are the key indicators you're watching?

A: In terms of units under construction, Chicago was the most active market during the second quarter, with 2,165 units under construction, closely followed by Dallas, which has 2,154 units.

Texas has experienced the most concentrated development, including three of the nation's six most active markets: Dallas (2,154 units), Houston (1,961 units), and San Antonio (1,308 units).

San Antonio is a market that bears watching since construction represented 17% of its existing inventory, the most of any of the primary markets NIC tracks, and the metropolitan area has continued to struggle with occupancy levels.

A couple of markets have higher rates of construction than San Antonio (Salt Lake City ranks first at 25.6%), but those have all seen occupancies rise over the past few years. San Antonio's stabilized occupancy is at its lowest level in at least the past 10 years, and it has the most vacancy of any market NIC tracks, with the exception of McAllen, TX.

NIC's data service is expanding its number of coverage markets.

Q: What changes have occurred at NIC MAP® over the past year?

A: NIC MAP launched data collection on 41 additional metropolitan markets in the second quarter. With this expansion, the NIC MAP Data Service will expand its coverage to a total of 140 markets as of the third quarter of 2016. Our market fundamentals data will then track data on approximately 66% of the nation's seniors housing market. Notable metropolitan markets that are being added to our coverage as part of this expansion include Durham-Chapel Hill, NC; Naples, FL; and Winston-Salem, NC.

Product development activities continue for the launch of the new MAP 2.0 Client Portal in the fall of 2016. NIC has been successfully recruiting participation in our Actual Rents Data Initiative. Data contributions are currently being solicited from mid- to large-cap operators. This will allow us to collect and expand the data that we currently report to include data on actual rents and move-in velocities. We currently have obtained operator commitments for over 1,200 properties and expect to have 2,600 seniors housing properties participating in this latest data initiative of NIC by year-end 2015. ■

MARKET TRENDS

THE REITS STILL RULE THE ROOST

By John Andrews

Real Estate Investment Trusts (REITs) are credited with helping to jumpstart seniors housing investment after lenders took a hiatus following the 2008 financial meltdown.

Mega-deals within the REIT sector from 2010-12, along with strong property level performance, attracted the interest of new institutional investors.

"REITs are still huge players," says Robert G. Kramer, CEO of the National Investment Center for Seniors Housing & Care. "They own a lot and provide a lot of capital."

REITs offer a unique array of services — inclusive of sale-leasebacks, joint ventures, mortgages and mezzanine financing — that's not readily available elsewhere from a single source.

REIT-style financing continues to evolve, attracting interest from operators of all sizes, and deals are wide-ranging in size.

As they've become more familiar with seniors housing and long-term care, the REITs have been diversifying their holdings and branching out into new areas, Kramer says.

Moreover, he says the REITs are viewing healthcare as a valuable asset that goes beyond real estate.

"REITs are pursuing strategies that didn't exist eight years ago," Kramer says.

Relationships are gaining prominence for REITs, Kramer says, as they bring skilled nursing together with private pay care to create "best of class" models of the future.



Photo: Thinkstock

Experts agree that capital remains available to seniors housing operators at favorable rates and terms.

Funding streams continue to widen Borrowing is getting easier for many senior living operators

By John Andrews

Given the currently active lending climate in the seniors housing industry, experienced operators can amend the movie "Field of Dreams" most famous line: "Propose to build it and they will come."

Indeed, there is no shortage of investors available to fund projects of all kinds and capital should be available from a variety of lenders, financing specialists say.

"What we're seeing is an expansion in the number of capital sources available," says Jeff Binder, managing director at Senior Living Investment Brokerage. "The increase in capital options has been a positive development for owners as it has created additional competition to provide capital to fuel acquisitions and development. In addition, there is pressure for these sources to deploy this capital, which in some cases works to the borrower's advantage when negotiating terms."

Borrowing is definitely becoming easier, Binder says, but he cautions that "it is more an evolution of institutional capital's overall comfort with the sector rather than a softening of credit standards." The continued growth in acceptance of seniors housing from the insti-

tutional arena, coupled with still-low interest rates, have helped perpetuate a "robust investment environment," he says.

Although REITs, private equity firms, life companies and public agencies are all active lenders in seniors housing, one of the biggest infusions has been from the commercial banking sector, says Matt Lindsay, senior vice president at Lancaster Pollard.

Banks "have injected a large amount of capital for both existing properties and new developments," Lindsay says. "Our clients have benefited from increased leverage and the relaxing of personal or corporate guarantees required to secure a loan."

Even so, lenders are still heavily focused on experience as it relates to operational capacity, Lindsay says. For example, he says, if an operator proposes developing a new property, the lender is going to look for recent successes in leasing up and marketing a similar property in a similar market.

"If a client is looking for acquisition financing, the lender is going to be more comfortable if there is a demonstrated track record of turnarounds to which the operator can point," he says. ■

Adjusting to managed care

As more states convert Medicaid from fee-for-service to managed care, operators will need to make adjustments

By John Andrews

As the U.S. healthcare model shifts from fee-for-service to a value-based system, seniors housing providers across the spectrum must prepare for the revenue changes this transition will bring. While the industry braces for a potential income disruption with managed Medicaid, financial consultant Susie Mix says it won't necessarily inflict a negative impact.

"It could be seen as an advantage for assisted living facilities as they can diversify the payer source from private pay-only to managed Medicaid as well," says Mix, CEO of Mix Solutions. "In that sense, it could be a financial win for these facilities."

For skilled nursing facilities, the extent of managed Medicaid's influence is more nebulous, Mix says.

"The Affordable Care Act, as well as the Financial Alignment Demonstration, has already given the SNFs a taste of what will be changing for them as long-term Medicaid patients turn to managed Medicaid," she says. "What seems to be the biggest issue is the additional man hours required to work with the managed care organizations. Authorization for long-term services are being required more often than the traditional setup."

The Financial Alignment Initiative, developed through a collaboration of the CMS Innovation Center and Medicare-Medicaid Coordination Office, is designed to better align the financial incentives of Medicare and Medicaid to provide enrollees of both programs "a better care experience," agency officials say. Through the initiative, CMS will partner with states to test two new models for their effectiveness in accomplishing these goals.



Photo: Thinkstock

The two models are:

- **Capitated Model:** The state, CMS and health plan enter into a three-way contract, and the plan receives a prospective blended payment to provide comprehensive, coordinated care.
- **Managed Fee-for-Service Model:** The state and CMS enter into an agreement by which the state would be eligible to benefit from savings resulting from initiatives designed to improve quality and reduce costs for both Medicare and Medicaid.

Because it is possible for a resident to change health plans mid-stay, skilled nursing facilities are required to check eligibility and benefits more often. Although this doesn't affect the revenue coming in, Mix says it has an impact on the cost of doing business with managed care organizations.

"While it doesn't cut revenues for SNFs, it creates costs not currently incurred when working with traditional Medicaid," she says. ■

Assisted living operators may be big winners under managed care.

DATA TAKES ON EXPANDED ROLE

By John Andrews

The post-acute sector — skilled nursing in particular — could see dramatic revenue reductions in the new value-based purchasing world if providers aren't prepared, says Zach Henderson, senior vice president at Healthcare Markets.

With managed Medicare, "CMS is reducing reimbursement for long-term care more quickly than other post-acute settings," he says.

The key to protecting revenues under the new healthcare model is data — specifically medical claims data, referral source data and analytics. The more information the provider has, the better its position with payers and peers.

"Knowing which hospitals and physicians are discharging the most patients into long-term and post-acute care is important," Henderson says.

"This matters because hospitals and physicians make recommendations on choices and options like home health services as an alternative.

"This impacts payers for reimbursement if SNF growth plans are centered around an accountable care organization or keeping patient within their networks."

Patient/resident data and analytics are critical to knowing the complete medical history and socioeconomic status of every patient, Henderson says.

Knowing hospital readmission rates from the long-term care setting is also valuable data that contributes to better compliance and improving patient care, he says.

The bottom line: Data is not just taking on a more pronounced role. It is becoming a critical component of success for operators.

MARKET TRENDS

Kramer: 'We are going to see enormous change'

Operators and customers will soon be quite different, says the man who has seen it all

By Lois A. Bowers

Robert G. Kramer, co-founder and chief executive officer of the National Investment Center for Seniors Housing & Care, recently shared with *McKnight's* his perspective on the past, present and future of seniors housing and care.

Q: What have been the biggest changes in seniors housing and care since NIC was founded in 1991?

A: Over 25 years, the field and industry have moved from being a niche asset type that only a few people dabble in but the average mainstream real estate investor knows nothing about, to in 2013 being voted the single most attractive real estate property type for new investment by plan sponsors.

Transparency in data and access to capital also have improved. In addition, the sources and types of capital available has increased, as has the total dollar volume of capital. We see a greater diversity of product today.

Assisted living was just getting started 25 years ago. Now, there are various types of assisted living products being offered and there is also dedicated memory care. In all those ways, the field and industry are maturing but, at best, we're still only in our early adolescence.

Q: What are some of the changes you expect to see for this sector in the years to come?

A: The first baby boomers will turn 80 in 2026. They're a very different customer and will force dramatic changes. The boomers will prefer seniors housing that is integrated with the broader community rather



"Some people will have the right instincts but the wrong timing."

The field has moved from niche to mainstream during the past quarter century, according to Kramer

than separated from it, and programming that provides opportunities to continue to feel like a vital part of the broader community. As a result, we'll see much more diversity of product.

Some operators primarily will offer housing, amenities and services, but the majority are going to use the seniors housing setting for the integrated, coordinated delivery of healthcare and services in places such as assisted living rehab hotels.

Another major change in this country is the move to a healthcare model that recognizes the critical role of palliative care in the management of chronic diseases for which no known cures exist, to maximize quality of life.

We're potentially in the sweet spot, because the healthcare establishment is trained to cure.

Q: What role will technology play?

A: Increasingly, technology will be used to free up staff for more personal interaction with residents and to enhance the sense of life-connectiveness of residents.

Also, the demand for transparency from payers, customers, healthcare delivery partners and investors is only going to increase. Results will need to be delivered and documented in a sharable way.

One of the key areas within that expectation will be what one's programming and innovativeness are related to dementia. Many boomers do not fear death nearly as much as they fear getting Alzheimer's.

Q: What are some of the challenges facing operators as they look to the future?

A: The decline in numbers of informal caregivers and the issue of affordability for middle-income Americans who are not prepared for years in retirement and for long-term care support needs are challenges for our country and our sector.

In the next three to five years, we're going to see enormous change, so another challenge for providers will be to time when they make changes in their product, how they staff and how they build.

Some people will have the right instincts but the wrong timing. They'll get punished for that, and they may not survive.

It's a very exciting environment now, but it's also a very challenging environment. ■

Six sector trends that are worth keeping an eye on

By Beth Burnham Mace

1 Capital markets. Seniors housing and care has become a more mainstream asset class in which to invest. This is evident by the high volumes of transaction activity in both the number of deals and the dollar value of transactions closed. Additionally, pricing is near record highs based on a per-unit and cap rate basis. A host of factors are drawing investors into the sector, including:

- Enticing demographics
- Compelling investment returns
- Greater transaction volumes and liquidity in the sector
- Rising transparency and understanding of the sector
- Emerging post-acute care coordination opportunities
- Governmental and social policy changes impacting health care and its costs
- Mounting understanding of the positive social and psychological benefits for residents

2 Real estate cycles. Seniors housing, like all commercial real estate sectors, is cyclical, with periods of expansion, contraction and recovery. Today's market cycle can be characterized as expansionary, with construction activity rising in response to the growing economy, low interest rates, promising investment returns and generally rising occupancy rates. The question now is if both developers and the capital markets will have the required insight and discipline to slow capital flows in time to prevent excessive development and overbuilding. At this time, there are probably at least a few property types in a few markets that are approaching hypersupply. For developers, operators and capital providers, it's advisable during this expansion phase of the construction cycle to carefully monitor competitive trade areas for prospective new supply and to adjust, when necessary, business planning and underwriting assumptions regarding rent growth, occupancy and lease-up rates.

3 Market fundamentals. Market fundamentals for seniors housing are generally sound and are projected to remain so. NIC projections for the next 12 months show occupancy rates edging higher for both independent living and assisted living property types. Historical data suggest, however, that demand, as measured by absorption, or the change in occupied units, has a seasonal pattern, strengthening in the summer and fall months and weakening in the winter. Move-out rates can be affected by the severity of the flu season during the winter months, for example, while move-in rates can be affected by the timing of the holidays. Experienced operators are increasingly putting plans in place to balance these patterns.

4 Synergies and coordination in healthcare. The combination of an aging population and subsequent rising healthcare needs, social and governmental changes in healthcare policy, and the need for cost containment is presenting opportunities for post-acute care coordination between hospitals, skilled nursing properties, assisted living properties and independent living properties. Because of Medicare provider payment reform, Medicare outlays are shifting from fee-for-service to outcome/value-based alternative payment programs, such as bundled payments, pay for performance and accountable care organizations (ACOs). As a result, opportunities are being created by those businesses that can align themselves in the ACO environment, where costs can be optimized between the post-acute care and acute care worlds of hospitals, physician groups, skilled nursing facilities, seniors housing properties, and ancillary service providers. Moreover, those operators that can effectively and efficiently integrate systems and big data that measure outcomes and reduce costs stand to benefit.

5 Opportunity of technology. Technological innovation is emerging as a great influencer in seniors housing and is affecting all aspects of the sector. From an operations perspective, lead generation is being delivered over the Internet, IT systems and big data are allowing senior management to observe real-time changes in their day-to-day performance and operating systems, and remote monitoring of residents is generating staff efficiencies. From a health and wellness perspective, tele-health and virtual care systems have the potential to reduce health care costs and improve health care coverage, for example, by allowing instant video conferencing at call centers with live doctors. Smart phones and appliances, remote sensors, hand-held devices with medical applications, and mobile personalized connectivity applications and software systems have the potential to better allow aging in place, independence and virtual socialization. As these technologies get tested and winners and losers emerge, the operations, real estate, social and medical aspects of the sector will be forever changed.

6 Challenge of affordability. Today's seniors housing products generally serve the nation's wealthier households. Yet, the need for housing for America's elders extends to all income thresholds. Moreover, the need for care outside the home will swell as the caregiver support ratio shrinks from 7:1 in 2010 to 4:1 by 2030. Innovative entrepreneurs and operators are increasingly recognizing this challenge and seeking ways to create a residential community option for seniors that offers housing, care, safety, social engagement and lifestyle. With labor costs accounting for 50% to 60% of a typical operators expense load, the challenge is not trivial. ■

Beth Burnham Mace is the Chief Economist and Director of Capital Markets Outreach at the National Investment Center for Seniors Housing & Care.

TAKING THE LEAD



Photo: Smart Living 360

One of the features of The Stories, pictured here in an artist's rendering, is its walkable neighborhood.

Smart Living 360 aims to fill a void by taking a 'grown-up' approach

Model doesn't bundle costs for services, staffing with rent

By Lois A. Bowers

Ryan Frederick saw a gap in the seniors housing market, so he founded a company to address it.

Baltimore-based Smart Living 360, of which Frederick is CEO, provides development and management services to real estate developers in an effort to create new communities for older adults — whom Frederick refers to as “grown-ups” rather than seniors.

Men and women who belong to the Baby Boom generation, and even those who are a few years older, are a “consumer base that doesn't regard themselves as seniors, doesn't want to move into [traditional] seniors housing and is looking to reinvent what retirement looks like,” he says.

In its first project, Smart Living 360 is working with Federal Realty Invest-

ment Trust to create The Stories in Rockville, MD., which is expected to open in the first quarter of 2016. The 48 rental apartments are being marketed to those aged 55 or older and come in seven floor plans, ranging from 746 to 1,429 square feet. Each apartment incorporates universal design, which at its best “provides a lot of functionality for people as they age but doesn't look at all like it's designed for an old person,” Frederick says. Common spaces include places to congregate and socialize, a fitness center, a pool and a theater room.

What really sets The Stories apart from other housing designed for older adults, however, is its location in Federal Realty's 380,000-square-foot mixed-used complex of retail and service offerings called Congressional Plaza. The complex includes another

grouping of apartment buildings that is marketed to younger adults, adding to the intergenerational environment. A rail transit station is located nearby, providing access to other cities in Maryland as well as Virginia and the District of Columbia.

'Lifestyle ambassador'

Another unique part of The Stories is the “lifestyle ambassador” who will help residents arrange for the amenities and services they desire. By not bundling the costs of care and services — and the numerous staff positions needed to provide them — with the cost of housing, Smart Living 360 is able to keep down the cost of housing, Frederick says. On a per-square-foot basis, rental rates at The Stories are half the cost of traditional rental seniors housing and 25% more than traditional apartment buildings in the area, he adds.

Residents also will be aided by technology, Frederick says. All apartments are Wi-Fi-enabled to allow residents to order services from their smartphones, tablets or computers; maximize their comfort via devices such as smart thermostats; and pursue telemedicine options with health professionals, if they wish. Smart Living 360 is working with Philips and others as part of the AgingWell Hub, a project announced at the July 13 White House Conference on Aging that will explore how technology can help people as they grow older.

Frederick believes The Stories' uncommon offerings will help attract renters and fill a void in the market.

“One in 10 people 75 and older are in some form of private-pay seniors housing,” he says. “That means 90 percent of people aren't in the segment, and that is because they can't afford it or they don't desire it. You get this sense that not only is there this big group, but also people who are in this segment would consider something different if it was available.” ■

Up all night? Not a problem for residents here

RiverSpring Health's overnight program helps both dementia sufferers and families

By Lois A. Bowers

Sleep deprivation inspired the development of an overnight program for seniors with dementia, Deborah Messina says.

Hebrew Home at Riverdale, in the Bronx, NY, offered a medical model day program, explains Messina, who is vice president of strategic planning and business development for parent organization RiverSpring Health.

"In the day program and in the nursing home, we were seeing that a high reason for nursing home placement was sleep deprivation by the family caregivers of those with dementia," she says. "There really was no program that was able to meet the needs of this cohort of the population."

The program now known as RiverSpring at Night was begun in 1996. Today, it is the only one of its type — an overnight, medical model program that seeks to engage those at any stage of dementia 12 hours a day, 365 days a year — in the country, Messina says.

Roughly 30 participants ranging in age from their late 60s to their 90s, most of them enrolled in the state Medicaid program, arrive at Hebrew Home at 7 p.m. via transportation arranged through the program. They are assisted with their care needs and activities of daily living, are checked by a nurse and administered medications, and socialize with other participants over dinner, snacks and breakfast. Participants may sleep if they wish. But the cornerstone of the program is activities, says Messina, who oversees RiverSpring at Night. "We pride ourselves on that," she says.

"All activities are structured so that they are achievable for the client," whether he or she has mild, moderate or advanced dementia, Messina says.



Photo: Thinkstock

"We want them to have successes and feel accomplished."

And all activities serve health-related purposes as well. A "spa night" of manicures, pedicures, leg and foot massages, and hair services, for instance, enables participants to have fun and helps staff evaluate seniors' skin integrity, evidence of falls and their potential need to be seen by a podiatrist. Physical and occupational therapy goals can be accomplished during yoga and other activities.

Registered nurses, certified nursing assistants and recreational staff are dedicated to the program and are available to participants at all times. Dietitians, social workers and physical and occupational therapists are shared with day programs.

The overnight program can delay nursing home placement for seniors and provides an option for family members who are not emotionally ready to move their loved ones to a nursing home, Messina says. Although RiverSpring at Night addresses a need

Residents can find food and activities, even if it's the middle of the night.

and is appreciated by family caregivers, raising awareness and finding prospective participants remains difficult, even after almost 20 years, because the offering is unique, Messina says. She promotes the program to hospital discharge planners, area social services agencies and physicians. "It's a constant grassroots marketing effort," she acknowledges.

For operators considering offering a similar program, Messina recommends beginning slowly and making changes incrementally. "We started out with a sundowner program to identify appropriate candidates," she says, adding that the overnight program subsequently grew in scope and frequency — from two nights to three, then five and then seven.

"The major point of it is really the commitment of your facility," Messina says. "This model was not profitable for years, but we made a commitment to this population as well as the family members who were involved to maintain and strive to grow." ■

TAKING THE LEAD

The Eden Alternative: No garden-variety approach

By Julie Williamson

Person-directed care lies at the very heart of The Eden Alternative philosophy. It's also credited for transforming traditional models of care — and improving the lives of elders and their care partners at roughly 200 organizations worldwide today, and many more over the past 20 years.

What began more than two decades ago as an ambitious quest to end loneliness, hopelessness and boredom in nursing home residents through contact with plants, animals and children has evolved into something much bigger. Today, The Eden Alternative is a far-reaching, principle-based quality improvement initiative that incorporates seven key well-being domains: identity, growth, autonomy, security, connectedness, meaning and joy. It's a broad paradigm shift rooted in a holistic understanding of human needs and meaningful interactions and contributions.

"We emphasize daily that we are not a program, but a true philosophy that's woven into the fabric of an organization," says Chris Perna, CEO of The Eden Alternative. He adds that the Eden model is far more than just "fur and feathers" in the nursing home. Nursing home residents are still very much a focus of The Eden Alternative, and plant contact, pet interaction and multi-generational relationships continue to be an important facet of the care model. But the philosophy is much broader and works anywhere elders happen to live — including assisted living, private residences, environments for those with physical and mental disabilities, and beyond.

"We touch on all aspects of life, and there's a strong clinical piece in place," Eden Community Builder



Photo: Thinkstock

Denise Hyde says. One example is a grant project to reduce medication use in elders. Targeted dementia training, delivered in partnership with award-winning author Al Power, M.D., is underway in many states. Eden also offers leadership training and various clinical practice initiatives, including one that brings together therapists to collaborate on ways to further enhance person-directed care.

Pathway to success

Organizations that choose to embrace The Eden Alternative philosophy needn't go it alone. Several years ago, Eden created its Path to Mastery, an outcomes-based roadmap based on years of experience that outlines incremental steps needed to deliver person-directed care.

"It's a framework to help organizations navigate, grow and evolve into the organization they really want to become," Perna explains. "But it's flexible, so they can make it their own."

Keeping in step with Eden's understanding that meaningful relation-

Person-centered care is at the center of the Eden Alternative's philosophy.

ships spur positive outcomes, the organization also created the Eden Registry, an honor society recognizing organizations committed to The Eden Alternative principles and practices. The registry encourages members in all stages of planning and progress to share best practices with peers and keep momentum going strong.

"We also offer mentors and educators to help guide the process. Several years ago, we introduced Eden Guides, paid consultants who understand the Pathway to Mastery and serve as hands-on partners for organizations to help them in every stage," Perna says.

The journey can take years, but Perna and Hyde stress that transforming care settings into habitats for human beings that promote quality of life is a never-ending road, and even small progress is worth celebrating.

"If it's done well and done right, it can only lead to improvements," says Hyde. "It may seem daunting at first, but you just need to take it one step at a time." ■

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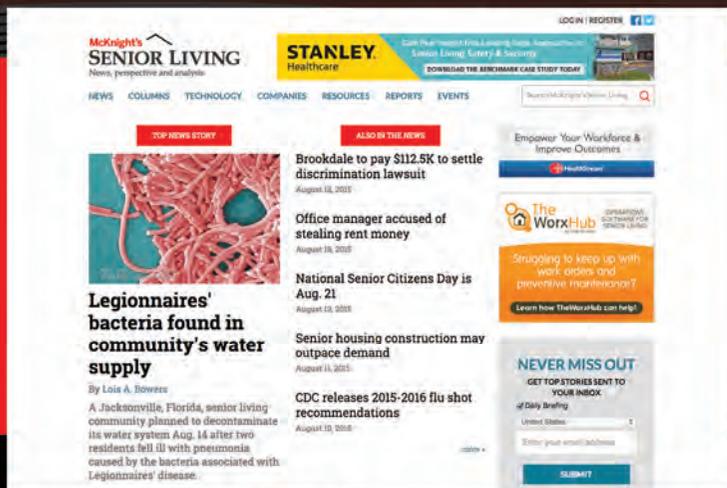
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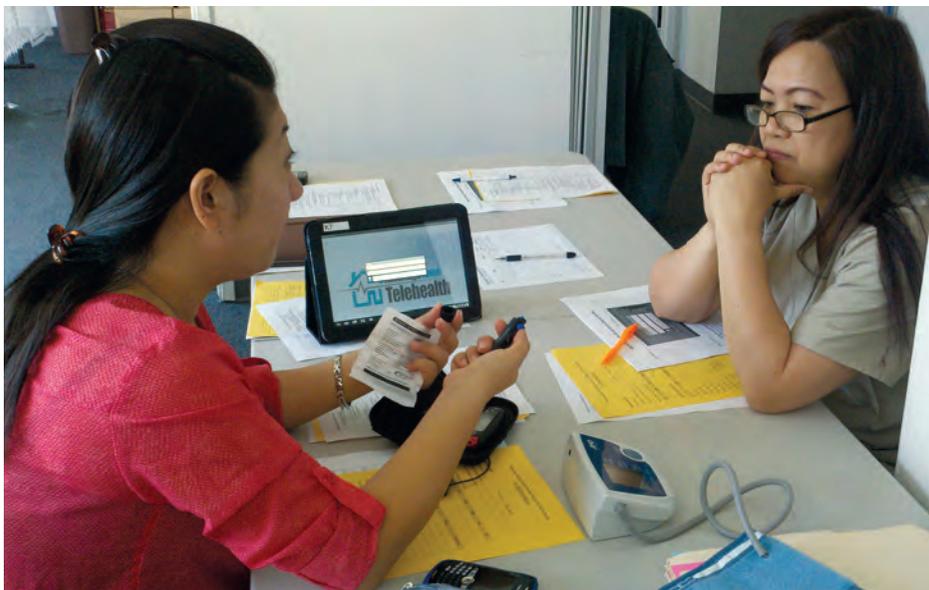


Photo: Front Porch Center for Innovation & Wellbeing

Helen Choo of Front Porch CIW trains a community health worker on remote monitoring equipment.

Front Porch answers call for telehealth innovation and care

By Julie Williamson

As technology-enabled solutions take hold in the seniors housing and care segment, it's understandable that providers are seeing telehealth as a way to transform care delivery and promote wellness in older adults.

Front Porch is one provider leading the telehealth charge — tapping unique opportunities created by its Front Porch Center for Innovation & Wellbeing (Front Porch Center), and through joint ventures with some of the nation's leading technology solutions providers, academic institutions and multidisciplinary healthcare partners.

“We focus on any technology-enabled interaction that can help with wellness, overall,” says Kari Olson, chief technology officer of Front Porch and president of the Front Porch Center. “Our projects run the gamut of traditional telehealth but we also look at technology from a

broader, more blended perspective.”

As Olson explains, the goal is to provide older adults with access to an array of technological tools to empower them with their health and wellness. A recent example is a mobile medication reminder pilot program that puts mobile phones in the hands of older adults, so they can receive alerts when it is time to take their medication.

Remote responsiveness

In June, Front Porch Center and IntelGE Care Innovations announced a partnership to measure the benefits of remote patient monitoring in select senior living residents at two Front Porch communities in California. Participants will gain access to a video chat platform to virtually connect with a caregiver.

Pilot participants at Kingsley Manor and Claremont Manor will conduct daily health sessions to capture vital signs, such as blood pressure, weight,

oxygen levels and glucose levels, engage in health assessments, and gather other information, so caregivers can better manage care plans, promote medication adherence, and monitor health and wellness changes.

A telepodiatry pilot conducted in partnership with a community-based health clinic has resulted in more than 30 virtual consultations between podiatry specialists and residents in Front Porch affordable housing communities. “Those involved in our podiatry teleconsults were thrilled that they could instantly meet the care provider through technology, without having to travel to and from the doctor's office,” says Davis Park, director of the Front Porch Center.

“We also did a telemental health pilot, and we heard from some participants that the virtual distance created a more comfortable experience that made it easier for them to open up with the therapists,” Davis notes, adding that 75% of telemental health participants report feeling much better as a result. Aside from anecdotal findings, research partners, such as UCSF and USC, provide Front Porch with validated, outcomes-based measurements of telehealth offerings.

Olson estimates that telehealth offerings will reach 80% to 90% of older adults residing in Front Porch communities, but she and Park are quick to point out that telehealth and other technology-enabled solutions aren't just being limited to Front Porch community residents. Front Porch Center, in partnership with the University of the Pacific, Arthur A. Dugoni School of Dentistry, kicked off a teledentistry project in August that connects low-income, underserved older adults with dental hygienists who deliver preventive and simple therapeutic services directly in the community setting. Portable X-ray machines, dental chairs and laptop computers allow hygienists to offer basic dental care virtually anywhere there's a sink installed. ■

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Company History



MatrixCare solutions have powered the long-term care continuum for over 30 years. Used in more than 7,000 care settings, MatrixCare is the industry leading, cloud-based EHR across the continuum of care. It helps long-term care and senior living communities deliver superior care, resulting in better clinical and financial outcomes. The MatrixCare Architecture for Long-Term Care includes product suites to help providers deliver person-centered care while maintaining high occupancy rates, maximizing revenues, reducing readmissions, and integrating with partners and physicians across the continuum of care. In today's fee-for-service model, MatrixCare helps to improve revenue and cash flow performance by maximizing reimbursements and shortening payment cycles. In the fee-for-value model of tomorrow, MatrixCare will deliver the elements necessary for success: enterprise-wide clinical decision support, interoperability to support participation in ACOs and HIEs, functionality that spans the continuum of care, and highly scalable technology to service thousands of facilities with a low total cost of ownership. MatrixCare supports executive decision-making by providing visibility to costs and purchases across the enterprise to facilitate the lowest cost per unit resulting in improved profit margins. MatrixCare delivers superior service to its clients resulting in better business outcomes for their organizations.

Our Philosophy

MatrixCare's philosophy is to deliver solutions that will help our clients be the most valuable provider in the healthcare networks strategic to their success. In the rapidly changing healthcare landscape, high-growth provider organizations require HIT solutions that not only meet their needs today but position them to meet the regulatory, interoperability, and scalability requirements of tomorrow. MatrixCare works with leading providers under mutually agreeable agreements that cater to the provider's need to scale.

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Omnicare, Inc.

Company Profile

Omnicare, Inc. is a wholly owned subsidiary of CVS Health Corporation (www.cvshealth.com).



What We Do

Omnicare provides a broad array of pharmacy-related services to long-term care facilities and other customers in the healthcare environment. While senior care has long been an Omnicare specialty, we also serve other targeted populations.

Commitment at Every Level

A large part of Omnicare's success derives from a commitment, at every level, to the welfare of each individual we serve. Each day, our employees consider how their work can improve the quality of life of residents and patients. Omnicare is truly a healthcare company, working to improve the health and quality of life for everyone we touch.

Our Mission

To build the nation's leading pharmacy services organization dedicated to enhancing the quality and cost-effectiveness of care for the elderly. By doing so, we will create value for Omnicare's customers, employees and shareholders.

Our Vision

Directly and through our subsidiaries, Omnicare works to help ensure the health of seniors and other patient populations in a cost-effective manner.

How We Fulfill It

The best way Omnicare can benefit the individuals we serve is to consistently provide excellent service. Through decades of experience, Omnicare has developed a deep understanding of the daily, practical needs of our long-term care and specialty care customers. Most of what we do fulfills those needs directly or through technology products used by our customer base.

What We Offer

Omnicare Pharmacy Services

Omnicare Pharmacy delivers practical, innovative solutions to daily challenges. Omnicare service features specialized packaging for accurate, efficient admin-

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istration of medications, complete infusion therapy service, and an extensive web-based pharmacy portal called Omniview.

Geriatric Experts

Recognizing that seniors have unique medication needs and requirements, Omnicare pharmacists specialize in geriatric pharmacy. State of the art equipment selects and seals medications in specialized packaging, ensuring accuracy and safety in administration at the facility.

Consultant Pharmacists Ensure Medication Effectiveness

Many facilities use Omnicare consultant pharmacists regularly to review every resident's medication chart. The chart reviews reveal possibly dangerous medication interactions and duplications. They also provide an opportunity for pharmacists to recommend alternative medications or formulations that may increase the effectiveness of a resident's medication regimen.

24/7 Web Access

Every facility served by Omnicare Pharmacy has complimentary access to Omniview, a secure, web-based communications and data portal. Through Omniview, facilities can initiate refills, check status of orders, view bills, and accomplish many other daily tasks. Online references allow staff to refer to authoritative information on any medication. Omnicare pharmacists are always just a phone call away, but Omniview makes many tasks so simple that care staff can handle them quickly, often without assistance.

Infusion Therapy

Omnicare pharmacists prepare prescribed infusion medications for long-term care residents every day. Infusion medications can be delivered for administration by trained facility. Omnicare Pharmacy also can train and certify facility staff.



Position Yourself to Win.

In today's dynamic post-acute care environment, providers across the continuum must react quickly to change to effectively compete. PharMerica is continuously evolving its services to keep pace and offers solutions to help long term care organizations remain positioned for success:

- Innovative, integrated technology solutions for improved resident safety and outcomes
- Actionable data and quarterly business reviews that help providers achieve quality resident care and save money
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Company Profile



Founded in 2007, PharMerica is now the largest independent long-term care institutional pharmacy, delivering more than 30 million prescriptions a year to 15% of nursing homes throughout the country. PharMerica strives to satisfy the specific needs of skilled nursing facilities, long term care facilities, assisted living facilities, hospitals and other institutional care settings with exceptional customer service that drives a 92% retention rate, innovative technologies to improve medication access, availability and savings, and an award-winning consultant pharmacist program that ensures compliance with ever-changing state and federal regulations. What results is comprehensive pharmacy services that enable organizations to focus on what's truly important: providing top-quality resident care.

Our Philosophy

PharMerica's promise is simple: to deliver the best and most comprehensive client and customer service in the industry. PharMerica partners with long-term care organizations to support their evolving needs to help them thrive in today's dynamic post-acute care environment. Under the ACO model, facilities must demonstrate quality, control costs and be a collaborative partner in the care continuum, or risk losing market share. Our clients team with PharMerica to leverage pharmacy to help them improve quality outcomes, decrease readmissions and increase referrals. Together, we transform the delivery of their pharmacy services to ensure clients remain positioned for growth — and success.

What We Offer

PharMerica is continuously evolving its services to keep pace and offers solutions to help long term care organizations remain positioned for success while optimizing resident care, including:

- **Cost containment suite.** Comprising ViewMasteRx, PharMerica's online pharmacy management system, RxExact facility adjudication service, RxAllow Medicare Part D therapeutic interchange program, and other technology solutions, PharMerica keeps clients updated in real time on billing, pending charges, prescription histories, cost savings alerts and more.
- **RxNow.** PharMerica's on-site dispensing system ensures immediate access to highly utilized medica-

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- **Professional Education.** PharMerica offers both on-site clinical and med-pass training as well as CE credits through our teleconference series or at local symposia events.
- **ConsultPro.** PharMerica's dedicated consultant pharmacists help facilities comply with government regulations, control costs, make the most of their pharmacy services and stay abreast of the latest treatment information.
- **IV Therapy Services.** PharMerica offers 24/7 access to IV pharmacists and nurses and on-site IV training and services so facilities can confidently treat residents requiring these therapies.

A Successful Partnership

From PharMerica's senior leadership to our local pharmacists, we work as a true partner to continually improve the pharmacy operations of the clients we serve. We start each relationship by outlining a shared vision for our partnership, then jointly decide which best practices will achieve our goals. And we review our progress each quarter providing actionable data and quarterly business reviews to ensure our clients achieve quality resident care, save money and remain well-positioned to meet the challenges and opportunities ahead.



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Murry Mercier Account Manager, Senior Living, PointClickCare

When I look back at the 10 years I spent guiding assisted living communities, my most vivid memories are of the people whose lives I was lucky enough to be a part of. The relationships I developed made them feel more like members of a wonderful extended family, rather than simply being “residents” or “clients.”

Building these relationships with the people in our communities, taking the time to understand who they really are, and what they need to thrive, is really at the center of what we do each day. We build these connections to make them feel at home and help them live with meaning and purpose, after what may have been a very difficult transition.

How does technology fit into the picture?

We can't avoid it – it's almost impossible to name an industry or line of business that remains untouched by it. And yet, some of my industry colleagues still bristle when this discussion begins. At one time, I felt the same because I had concerns about how it would alter the home-like environment we strived to create.

As you can guess, I've been swayed to the "pro-technology" camp. I want to talk about what happens when you embrace a comprehensive platform as a tool that enhances the level of personalized care and attention that people within your community receive.

Not too long ago, I met a woman whom I will call Mary. She was dealing with many physical and emotional challenges and her husband and son needed help.

Mary was showing increasing signs of cognitive impairment, incontinence, and a lack of desire and ability to be active in any way. She was spending most of her time sitting disheveled on the couch in her apartment watching television, unengaged, bored, and helpless.

The family was having increasing difficulty caring for Mary once she started refusing to leave the couch. Her husband's health was also declining, making it difficult for him to care for her any longer.

Mary was adamantly against moving, so when that day came her son took her out for lunch. During that time, we moved her belongings; setting things up in a way that mirrored the home she loved.

Our trained community members took right to her, being careful not to overwhelm her. They took the time to learn her story – who she was, where she came from, and what she liked. This made all the difference.

Mary enjoyed keeping the golf channel on in the background, and liked to have music playing while taking a shower. Her favorite nail polish was Sunrise Over China. Her author of choice was Danielle Steel. And, she liked to have her hair brushed in the evenings.

Over time, her dignity was restored. Her voice was heard. Mary became engaged. She felt useful in the community, helping with the housework and providing a listening ear to staff members that were struggling with their own challenges in life. She was no longer lonely. Instead, she was surrounded by people who knew her deeply and were able to do what they love in caring for her.

So, where does technology fit into Mary's story?

Electronic health records (EHR) provide a universal record that allows members of your care partner team to organize their daily tasks and provide a personalized experience for each individual. The EHR allows a community to look back and identify things that have been missed, or changes in condition over time. In many cases, it may help to identify risk before it turns into an event.

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Mary received holistic, loving support from her care partner team because they knew and were able to retain the important personal details about her. As her needs and preferences changed, they were able to update these. Everyone knew and understood Mary's full story, giving them the opportunity to build a true relationship with her. This ultimately revived Mary and she was able to live with meaning and purpose.

Some of my friends are now facing the difficulties that accompany caring for aging parents. This brings my work in assisted living, and the people with whom I built relationships, into a new light for me. I'm seeing the assisted living industry from the outside in and considering what I would be looking for if it were my mother or father that needed more help than I could give.

"My advice to assisted living community operators is simple. Know your residents deeply. Embrace the technology that allows you to do so."

Murry Mercier has worked in aging services for over 10 years. Prior to joining PointClickCare in 2014, he served Assisted Living and Memory Care communities as an administrator and guide. Murry possesses a unique blend of experience across technology management and Long Term Care operations including multiple instances of increased EHR adoption and roll out. He is a certified Colorado Assisted Living Administrator, Eden at Home Educator, Dementia Beyond Drugs instructor, and experienced consultant to communities dedicated to culture transformation.

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