Service Diversification in Assisted Living Communities

Introduction

The number of long-term care facilities in the United States has been increasing year over year at an explosive rate. The plethora of options available to seniors looking for a long-term solution is dominated by the rise of Adult Family Homes, Assisted Living (AL) Communities and Continuing Care Retirement Communities (CCRC). Ownership of these community long-term care options range from private individuals to large national chain operators.

Within the walls of long-term care facilities, this tremendous growth has increased several warning signs: an increasing number of anonymous complaints and serious allegations (i.e. violations of senior rights, lack of supervision); significant competition among service providers who are often too aggressive with their sales approach, and general increase in acuity of the resident population.

New construction of Assisted Living communities has been on the rise over the last several years. This increase is in both the number of communities and also capacity per community. The result is that communities have a broad geographic footprint and are also able to care for larger number of seniors.

Although senior autonomy is a core concept of many assisted and independent living communities, with a growing number of studies focusing on this issue, unified theory development of best practices concerning systemizing operational differences still have not been developed. When put in perspective with the macroscopic trend of growth in long-term care communities, the result could be wildly varying experiences of quality among residents. .

As the numbers of service providers grow, the amount of qualified senior leads available to each facility diminishes. This creates a unique situation where each facility begins a never-ending cycle of attempting to differentiate itself from their local competition. Because, delivery of care cannot be experienced until the individual becomes a resident, most communities then are faced with relying upon vague marketing promotions or pricing re-adjustments to set themselves apart.

Background

According to the CDC, in 2012 there were approximately 58,500 paid, regulated long-term care providers in the United States. Since then, this number has seen exponential growth.

Long-term care is a term that groups providers whose services fall into at least one of the following categories : Adult day centers, home health agencies, hospice, nursing homes, and residential care communities.

Among long-term care providers, Assisted Living communities are the fastest-growing type of senior housing in the U.S., with an estimated 39,500 facilities nationwide. Assisted Living communities vary tremendously in size, structure, and combination of services and accommodations. Assisted Living facilities typically do not provide skilled nursing care.

Satisfaction among families and residents of long-term care communities is skyrocketing: 89.3% of independent living residents rating their overall satisfaction as good or excellent and 84.5% of independent living residents would recommend their community to someone else. Paradoxically, there has also been an increase in the **number of complaints**.

Statistically, most complaints are attributed to violations of senior rights, lack of adequate supervision, insufficient number of skilled personnel and general abandonment. These complaints have several downstream effects. For residents of these long-term care communities, and especially those who are paying high premiums for the services, this often results in general unhappiness and depression. If the complaints are founded, it can lead to far worse consequences such as injuries due to falls.

A study demonstrated that the lifetime probability of becoming disabled in at least two activities of daily living or of being cognitively impaired is 68% for people age 65 and older. This means that the tremendous increase in need that we have seen over the past 5 years will continue to increase. What is worrisome is that **as facilities become larger and busier there is less personnel per resident available**. In 2010 the caregiver support ratio was more than 7.2 potential caregivers for each senior. This means, that per senior there exists roughly 7.2 possible paid caregivers available. As the demographics of the Baby Boomers continue to shift towards older, we will see by 2030 a

drop in the available number of caregivers to just 4.1 for every senior. This continues to get worse, and by 2050 there will only be **2.9 possible caregivers to every senior who needs assistance.**

As the number of senior communities increases, the perception of service diversification between each individual community in a location declines. From the outset, prospective families do not have a way to directly experience the type of care a community delivers and so they are left with either suspect social proof from friends/acquaintances or they judge the community's quality of care on more ambiguous metrics.

Spearheading Assisted Care

As a result of the above, a new model was developed: high quality caregivers serve as ambassadors for an assisted living community in the home of a prospective resident.Ideally, these high quality ambassadors are also caregivers in the assisted living community. The purpose of these ambassadors is to support the prospective client's daily living needs, in the comfort of their home, **while emphasizing the value proposition of the community that they work for**.

Fundamentally, this changes the conversation with an undecided family from a vague conversation about the differentiation of one community over another, into a more constructive one about care delivery until that prospective lead needs to move.

With individual trustworthy caregivers who have been vetted by the long-term care community, each possible senior move-in can be reassured that the long-term care community providing the ambassador will do everything to ensure the senior's comfort and well-being. Prospective families are easily sold on the personalized care delivered by the ambassador because in-home care can be more cost-effective and initially more attractive. However, the long-term care community does not run the risk of "losing" the lead to the in-home care solution because the care ambassador continues to reinforce the value proposition of the community while monitoring the overall well-being of the potential resident. .

With a home caregiver at their sole disposal, seniors feel more confident that they're being looked after correctly. Additionally, an in-home ambassador can help increase quality of life by aiding in the participation of activities. A study has found that most common senior-caregiver activities were

reading (71%) and pursuing religious activities (53%). Other popular activities included bicycling, gardening, talking on the telephone and watching television. Even tennis, swimming, golf and exercise classes were more frequent forms of recreation when compared to activities that are often found in long-term care communities like playing bingo and sewing. These activities are generally great for seniors as it improves and strengthens their mood and cognitive abilities, as many dementia studies have shown. This means that the **benefits of hiring a dedicated caregiver** are dramatic even if they are there for only a few hours a day.

Improving sociability has many tangential benefits. A study has has found that **memory decline** among the most sociable seniors is **less than half the rate** among the least sociable. In other words, seniors that are left to themselves on their own will suffer twice as much from memory degenerative diseases. Indeed the lack of consistent care and interaction with a caregiver, can cause a rapid degeneration of senior memory and cognition. When related to the issue of increased acuity in long-term care facilities, one may be able to improve the health of a long-term care population by staving off the rapid degeneration of senior memory and cognition merely through more personalized care. This is particularly noteworthy given that long-term care communities will continue to be faced restrictions on staffing time as the population of available professional caregivers does not meet the exploding demands placed on them by an increasing industry.

Assisted living is largely a private pay industry with an estimated average annual private-pay rate of $37,572. Personal assistance homes can offer a significant cost savings and have much lower annual rates ($5,076–$18,000). Forty-one states have Medicaid financing available for assisted living facilities, but most public payments are low and serve a relatively small number of the resident population. Unfortunately, there exists a tremendous segment of the broader population that is not able to afford a room in an assisted living community. However, intelligently managed in-home care offers a solution that is both more flexible and less expensive.

Because of the hourly, pay-as-you-go nature of in-home care, there is a tremendous amount of flexibility to create tailored-made solutions for a senior in need. A proper plan of care can be developed to only deliver services when the senior may need them, for instance, around a morning routine. The strong desire for most seniors to remain in their own home for as long as possible can be used to the benefit of long-term care communities, should they have the ability to offer

personalized in-home care. By nurturing a senior that is not yet ready to move, through the delivery of sanctioned services like in-home care, a facility can begin to create a relationship of trust and friendship with a senior and their family. This provides a long-term care facility with a significant differentiator among the many competitors, and therefore can increase the conversion rate for the community.

Achieving Differentiation

Currently, there are a small group of long-term care communities with their own home care agencies who can benefit from the usage of their own services.. This means that in order to achieve the benefits of an in-home care presence the vast majority of long-term care communities must form partnerships with local in-home care agencies. However, this often turns into a suboptimal relationship as the partner might not share the values and competencies of the assisted living community that they are partnering. This is because the long-term care community loses the possibility of creating a relationship with a senior and their family. Furthermore, the actual incentives of each individual partner are contradictory. The partner in-home care agency loses a customer should they move into the long-term care community.. **This is where THB's solution comes in play.**

How is THB's white-label solution different from home-care agencies?

With THB's white-label solution, undecided leads that come in contact with your long-term care community are offered the opportunity of receiving personalized in-home care. The unique aspect of the solution is that it gives the long-term care community the potential to use their own workforce of caregivers to provide in-home care. This allows the long-term care community to reap the many benefits of a coordinated in-home care program mentioned above: closer connection with a potential lead, clear demonstration of high quality of care, and immediate differentiation from competitors.

As we know, there is significant variation in the types of services that seniors may need to receive. For an in-home care solution to be successful, the level of care needed must match their requirements and their level of independence. However, seasoned long-term care professionals know that there are many additional factors that go into making an experience truly memorable.. When a great match between caregiver and senior occurs it means personalized care for the senior which directly translates into higher care quality. Another benefit from great matching, is that a great relationship between the caregiver and the senior is formed which enriches both of their lives.

Most long-term care communities who adopt the THB white label in-home care solution choose to use their own caregiving workforce. Although this is not a requirement (some users prefer THB to supplement their existing workers with other caregivers), it does raise some initial concerns among the long-term care community's leadership. Chief among these concerns is whether adoption of the white label in-home care solution will actually increase staff turnover by poaching their existing caregivers. In practice, these concerns are immediately alleviated, due to several practical points. First, more often than not caregivers working for assisted living communities choose to supplement their work at the community with other jobs.The most common source for these additional hours is typical an in-home care agency. On average, a full-time facility caregiver may work an additional 10-15 hours per week. As this is practice is already occurring within a long-term care community, the THB solution actually assists with staffing retention by keeping these caregivers who need additional hours within the long-term care community's ecosystem. This means a reduction in the probability that an outside in-home care agency would steal away a high quality worker from the long-term care community. Secondly, many communities who adopt the THB solution use it to help supplement the hours of their facility caregivers in order to get them, collectively, to full-time. Due to scheduling idiosyncrasies, not all caregivers are able to receive a desired full-time schedule. This increases staffing turnover as that particular staff member will abandon their job at the long-term care community, even if they love it, and go to a competitor who offers them more hours. Once the THB white label solution is implemented, the community now has more hours to offer the less-than-full-time employee. These hours, of course, do not affect the long-term care

community's payroll or over-time, as the hours gained through the THB solution are entirely separate from the operations of the long-term care community.

This means that the THB platform intelligently manages caregivers' work so that they can work additional hours as caregivers with no extra cost for the long-term care community. Additionally, for those community's who choose to use their own caregiving workforce, it it means that all the values and ideals that have been ingrained from working at the long-term care community, are adopted in the in-home care visit. Because of this tremendous benefit of reinforcing the long-term care community's messaging into the home, many of the adopters of the THB solution deem the caregivers that adopt the platform as **community ambassadors**.

Caregivers who use the THB platform remark that they feel relieved that they gain additional caregiving hours, as it leads to increased financial stability. These caregivers love relying on the THB software to facilitate a better match and interaction between them and their senior.

Example of how the THB technology platform handles all operational logistics

Caregiver Angela and Caregiver Bianca are working for The Best Assisted Living Facility Around and are also enrolled on the THB white-label platform.

Caregiver Angela has been matched as a great caregiver to assist Senior Joe who suffers from Parkinson's. Joe is a very good candidate to move into The Best Assisted Living Facility Around, however he and his family want him to stay at his home through the holidays.

Caregiver Angela is scheduled to visit Senior Joe tomorrow at 12 noon. However, Caregiver Angela is unable to make the shift to Senior Joe's house because she is having car trouble.

Caregiver Angela enters her sudden unavailability into the THB system. The platform's intelligent system finds that Caregiver Bianca is a good match for Senior Joe and recognizes that they both are on the white label platform for The Best Assisted Living Facility Around. The platform notifies Caregiver Bianca to request if she can fill the shift left by Caregiver Angela.

Caregiver Bianca is happy to fill the spot for Caregiver Angela and willingly accepts the available shift. The system acknowledges this and informs Senior Joe of the change of Caregiver for tomorrow's shift.

Differentiation through Flexibility: Care providers

The platform allows a long-term care community to use external caregivers to support their workforce when they deem it necessary or require it. THB's extensive network of caregivers can help any long-term care community both fill in in-home care gaps as well as supplement a facility's staffing when an emergency occurs. Occasionally, a possible lead for a long-term care community may not live in an area that is convenient for a long-term care community's staff member to assist them, or they they have a specific requirement that the existing facility's staff cannot provide. This is when THB's extended network of high quality caregivers can assist the long-term care community's workforce **without complicated searching or hiring**.

We grant exclusive rights, within a 4 mile radius, to facilities who use our platform. This gives our facilities a significant competitive advantage in an incredibly competitive landscape.

Case Study #1 - GeorgetownLiving & THB's white label solution

Georgetown Living (GL) is a 32 bed memory care assisted living facility based in Georgetown, Texas. The facility sits on 15 acres of countryside and is privately owned and operated.

The limited number of residents and the highest staffing ratio in the region allows for maximum social interaction, as well as ensuring that resident care remains the primary focus has made GL one of the most sought after communities in the Austin area.

The local climate in the Austin-area was incredibly competitive, as the demographics in the region were among the best in the country. Although, Georgetown Living had a longstanding

relationship within the community, their historically high occupancy rate was beginning to show signs of decline. They were not interested in a simple marketing ploy, but rather a competitive advantage that actually benefited those families who were interested in their community. That is why they ultimately adopted THB's white label product. Here are some of the highlights:

6 months after setting up THB's white label solution few things happened:
- The annual revenue increased by **$180,000**
- The number of seniors that GL could care for went up by **60%**
- The workforce retention rate improved by **80%**
- The resident's families ' satisfaction rate of those who used the THB platform was dramatically higher than those who did not.

Georgetown Living was now able to offer a market differentiator that actually benefited their community. This helped them to reinforce their community-first messaging. The families who moved in felt like they already knew and trusted the community, which made the operational transition into the community significantly easier.

Quotes from senior customers cared for by Georgetown Living after using our White-Label's platform:

- "You can't imagine how much less my head hurts knowing help is on the way. Your company and your setup just sounds perfect!"
- "My helper is just perfect. I can't believe how great her and Chuck get a long."
- "I've never dealt with a company such as yours before ... but you are more conscientious and caring than I expected in a senior care company."

If you are interested in seeing a demo or discussing our white-labelled solution in more details, including the costs and options, get in touch. The time to differentiate yourself from other assisted living facilities in your area and earn all the benefits, is NOW.

References

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