LeadingAge Wisconsin Member CEOs Discuss the Future of Long-Term Care

- *How will consumers access and pay for long-term care in the future and how will the provider community support their needs (sites/setting/services/care, etc.)?*

- *If you received a $50 million grant to provide care and services to older adults, how would you choose to utilize these dollars?*

These questions shaped the discussion at the November 28th meeting of the LeadingAge Wisconsin CEO Network. **Tim Conroy**, Executive Director at Capitol Lakes in Madison, facilitated a panel discussion of member CEOs who agreed to address these questions. The panelists included **Jill Gengler**, Administrator at Colfax Health & Rehabilitation Center in Colfax; **Ken Arneson**, President & CEO at Evergreen Retirement Community in Oshkosh; and **Zach Ziesemer**, Executive Director at Markesan Resident Home in Markesan.

Here are the highlights of the panelists' comments:

How will consumers access and pay for long-term care in the future and how will the provider community support their needs sites/setting/services/care, etc.)?

Gengler: *Telemedicine will be key for rural communities*.

Gengler works in a very rural community in northern Wisconsin. She constantly is working on access. She is talking with the "big" providers on issues related to telemedicine in an effort to make more services available through her organization, but there is a shortage of providers who are willing to be part of her community. She has a dedicated exam room in her facility where residents can have a one-on-one connection with a physician at Mayo but, at least currently, there is not an abundance of physicians available for this type of service. If physicians do become available, she would like to offer community access to this service. She doesn't know how people would pay for this service or how the people in her community will be able to pay for long-term care services going forward. Colfax is a very poor community. Her hope is to make affordable health care available early on and to works towards preventive medicine before a small issue becomes a major issue. In such instances, Medicare usually is the primary payor.

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Arneson: *Migration will impact long-term care*.

Arneson noted that, prior to moving to Oshkosh, he worked in North Dakota. That is the epitome of rural. He noted that long-term care must be in tune with the trends, especially the trends of farmers. Throughout North Dakota and Wisconsin, we are seeing the migration of farmers. Today, we see very few small, family farms. The families are moving to the suburbs and the farms are being taken over by larger corporations who grow multiple small farms into very few very large farms. Another example, the largest transportation company in the nation does not down a single vehicle – Uber. What does this mean for health care? Health care will follow the trend of the farmers as people continue to migrate from rural to urban areas. Health care relies on public funding; therefore, the concept of care in our own homes – when I want it, where I want it, at the cheapest price – simply is not feasible. Home care loses money and does not work for everybody. Health care will have to change. Workforce also will impact healthcare. Already, there are places where you can walk into Wal-Mart for an MRI. We are going to have to think about the jobs currently held by employees that could be done with artificial intelligence. We always have known that nobody "wants" to live in a nursing home, but there is another trend that is adding a new twist to this. Younger seniors are more interested in a sense of community than they are in owning their own home. Added into the mix is the notion of needs versus wants. There is a difference between "need" people and "want" people. Need people have less money and, typically, more significant health concerns.

Ziesemer: *It's all about building a sense of community*.

Ziesemer built upon Arneson's comment that people are migrating to urban areas. They are looking for a sense of community. To that end, Ziesemer is working through his organization to create community events – educational and wellness events. His idea is to build events (including preventative services) that interest the community and increase foot traffic into the facility and, thereby, enhance the relationship between his organization and the people living in the surrounding area. His organization recently started a supportive home care service, which is gradually growing. He sees an opportunity for autonomous vehicles for the people both coming to and going from his campus in the years to come.

If you received a $50 million grant to provide care and services to older adults, how would you choose to utilize these dollars?

Gengler: *Staff is everything*.

Gengler noted that staff is everything, but the picking is slim. If she were awarded a $50 million grant, she would invest in career development programs, mental health, and Alzheimer's research. We need more programs such as the Geriatric Career Development program so that we can grow our workers. We need to invest in mental

health. Currently, about 60 percent of all seniors have some level of mental health needs, yet there are very few places where these individuals can go to get the help they need. Who is serving them? What can we do to serve them better? The same can be said for those trying to cope with Alzheimer's disease. There must be more we can do. Gengler would not invest heavily in buildings other than investing in independent living and community centers that would offer happy hours and fun activities for seniors. Again, it goes back to building that sense of community. The idea would be to offer activities that generate money. On a side note, Gengler indicated her skilled nursing facility is going from 50 beds to 28 beds. This is a trend around the state. People still need nursing home care, but that care is available in facilities that are being called something other than nursing homes.

Arneson: *Consider the hub and spoke concept*.

If awarded a $50 million grant, Arneson would focus on a specific geographic area and invest in housing, services, and health care. His idea is to provide service, community, and care for the group of seniors living in this defined area. The housing options would focus on middle-income individuals. The high-income people have options, and many programs already exist to serve the low-income people. The middle-income people seem to be left out, and many of them are hurting. Arneson envisions a hub-and-spoke approach. Initially, he would invest in naturally occurring retirement communities and then build on the services. He would focus on independent services primarily because of staffing issues. This means people would have to rely on their own health professionals. His community would provide a sense of security, but consumers would have to move based on what they need and what they can afford, although he would provide options to help with affordability. We should be managing more of the options for our consumers; we can do it better than the insurance companies. He would like to take over the senior center in Oshkosh. People could use Uber to commute back and forth. He already has thought through how we could take on the issues.

Ziesemer: *It's about providing a continuity of care for those we serve.*

If $50 million were suddenly made available to Ziesemer, he would create a small life care community. His organization has approximately 15 remaining acres of land available. He would like to have dedicated space for short-term rehab and long-term SNF, and expand beyond RCAC into CBRF and independent living. This would allow for a full scale continuum of care that supports the patient, resident, or tenant's well-being. . He too would invest in technology and explore how it could be used to assist in decreasing the cost of labor. He is interested in smart rooms and robotics to help with the provision of care and to help nurses and assistants to be more efficient.

Following this generative discussion, the participants of this CEO Network discussion addressed various other issues of interest.

Do you invest in development? Is it worth the investment?

We need to get better at fundraising. Currently, for the most part, annual giving remains relatively flat. An annual golf outing does not generate more donors. Typically, contracting with a grant writer based on incentives makes more sense than hiring an employee to do fund development. The best course of action is to build strong relationships with your independent living residents -- those who love you – and talk about estate planning. People do not view long-term care as a charity, and people will not give to cover shortfalls in your operating budget. Focus less on charity care, and match what the donor wants to support to your needs. Big donors like big projects. Focus on moving the needle on social issues – the fact that people deserve great care and how your organization is serving the community. Special events can be quite successful. For example, Cycling without Age attracted considerable attention for the effort, and donors got their company's name printed on the pilots' apparel. Several organizations host a special dinner to honor their major donors with tier levels. Residents and families love to give to employees. Most organizations do not allow residents/families to tip employees, but many have created an employee appreciation fund to which residents/families can donate. These funds then are used to recognize each employee equally, for example, every employee receives a $15 gift card. Be mindful, however, you do not want your employee appreciation fund to overtake your other fundraising efforts.

How often to you pursue strategic planning?

To be successful, long-term care organizations must be flexible and responsive. Strategic planning is down to six months. Some CEOs indicated they don't have the option to plan; they are forced to respond based on what the payors are willing to pay.

CEOs also discussed:

- Developing an app for long-term care: This could be the caregiver version of Uber to help providers find available employees, or perhaps something comparable to RoomZoom to help seniors find compatible people to share the cost of shared living.

- Adult Day Care Today: A place for people to go when they need care right now, for a short period of time, with very minimal paperwork and pre-qualifications.

- Shared Living: The concept of a few people (perhaps five) each having their own private master bedroom and sharing a common living space.

- Price Points: At what price does the market say that, no matter how good your services are, I won't pay that price for what you have. Apple learned this lesson with its release of the iPhone X.

- Gengler reported that her skilled nursing facility is downsizing to 28 beds. She is losing the long-term Medicaid population. They made this difficult decision to make the operations work financially. With the downsizing, they will save $65,000 per year. The move made sense since their average census is 32. They have a long waiting list for CBRF units. This community has great need for a very modest, minimal level of custodial care, which requires few staff to make it work. The problem is, the people in this community do not have the money to pay for this.

- Many of the facility closures in the state are in the northwest part of the state. Major corporations are buying the small struggling providers. Their business plan is to become too big to fail. They run as a machine and make their money off the land.

- Skilled nursing facilities are, indeed, closing. Providers are still providing the care; they simply call the care something other than nursing home care. Most likely, providing the same product in a new setting eventually will result in the same problems. However, when you provide the care in a lower-cost setting, the money lasts longer, and there is less cost shifting. Because of the financial piece, congregate care always will be part of the equation.

- Many believe the future of the nursing home is either in very intense short-term rehab care or chronic care offering complex 24/7 care with around the clock nurses and a readily available doctor – people at this level of care are not capable of calling for help. Data shows that the biggest expense of health care is the last two weeks of a person's life in a hospital. If we could get 50 percent of the hospital rate to provide this level of care, that would be a good deal for us, and we are fully capable of providing this care.

- To survive in long-term care, you must be among the best 30 percent of the providers and be the last person standing. As long as there is an abundant supply of SNF beds, we have no position of strength. The secret is to provide just what the residents need and not more. This level of care can be provided in a setting other than a nursing home.

- It is no secret that a call for higher regulation is an opportunity for regulators. Yet, Echelon, our quality improvement program for assisted living, is proof that voluntary quality improvement does work. On the other hand, increased regulation has never improved the quality of care.

- It was noted that the western side of the state has more blended facilities (independent living and RCAC) than does the eastern part of the state.

The CEOs also discussed the expansion of the LeadingAge Wisconsin Geriatric Career Development program into other communities around the state. They discussed independent living resident check-in, HCBS Heightened Scrutiny, and I-SNP/D-SNP chronic care management.

The LeadingAge Wisconsin CEO Network provides a forum for high-level discussion and engagement for the highest-ranking person in your long-term care organization. If you missed this meeting, please watch for future meeting notices. The Network meetings about six times each year.

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