The State of Senior Living: 
*An Industry in Transition*

Gregory Storer  
President/CEO

Kathy Kammer  
Sr. Director, Communications & Community Relations

WILLIAMSBURG LANDING®
“At age 20, we worry about what others think of us. At age 40, we don’t care what they think of us. At age 60, we discover they haven't been thinking of us at all.”

- Ann Landers

The future of Life Plan Communities and all senior services depend on and build their communities around what you think and care about.
Demographics of Aging

• 1 in 9 Americans are 65 and older
  - Men born today – 76.5 years
  - Women born today – 81.3 years

• 40.3 M are 65+, representing 13% of population
  (U.S. Census Bureau)

• By 2040, percentage will grow to 21.7% of population

• Divorcee rate for age 50+ has more than doubled since the 1990’s
  (Gray Divorce)
What’s in a Name

Continuing Care Retirement Community

VS

Life Plan Community

Today’s seniors often do not perceive themselves as *old*.

**CCRC**: Designed to move residents through a continuum of care. 
(IL > AL > SK)

**Life Plan Community**:

- Offer multiple levels of care on one campus: Home Health, Memory Care & Hospice
- Focus on active lifestyles for residents (Bocce Courts)
- Encourage planning/active living
Senior Living Options

Do your homework:
• Research your options
• Check data & financial strength for each community
• Visit community website to learn about services
• One way to sort: Is community non-profit or for-profit?”
  (>80% Senior Living Facilities for-profit; 40% part of national chains)

Both models must generate revenue to survive, but might offer significant variation:
  - Pricing
  - Quality of care
  - Focus
For-Profit vs Non-Profit

**For-Profit**
- Often have requirements for return on investment, keeping costs low & occupancy high-- can negatively impact staffing & services offered
- Monthly fees may be comparable but have hidden extra charges (transportation, other services)

**Non-Profit**
- Mission-driven; socially responsible
- Pricing set in accordance with community’s mission
- Reinvest income to benefit residents, organization & the community at large
Quality of Care

• Quality of care offered may vary

• Example: Data indicate for-profit nursing homes lag behind non-profits in areas such as staffing ratios, cited deficiencies and hospitalization rates, as reported by the Center for Medicare Advocacy

Having A Voice

In non-profit communities, residents’ needs & wishes figure prominently into the vision & the ways in which it is carried out daily.
501 (c) (3) Organizations

• Some non-profits fall under section 501 (c) (3) of the Internal Revenue Code

• According to the IRS, a 501 (c) (3) “must be operated exclusively for exempt purposes” and “none of its earnings may inure to any private shareholder or individual”

• Tax-exempt, determined by jurisdiction
Social Accountability

“A measure of an organization’s commitment to its mission, stakeholders & greater community and demonstrates fulfillment of requirements & expectations of tax-exempt organizations.”

-LeadingAge (Assoc for non-profit senior service orgs)

• Results in organization’s focus being not only internal but external for the greater community

• It is not compliance; it is an opportunity to spread good work & mission beyond an organizations walls.
What Do Seniors Want?

• **Choice** (product, services, contracts)

• **Continuous learning/Intergenerational interaction**

• **Updated Health and Wellness**

• **Comfort with technology:** Electronic Health Record, Telehealth, Medication Management, Voice-activated services

• **Upscale/multiple dining options**

• **Independence**
Life Plan Communities: Greatest Concerns

- **Staff recruitment & retention**
  - 29,000 open jobs in Life Plan Communities (Jan 1, 2017)

- **Responding to Baby Boomer Expectations**

- **Impact of Healthcare Reform**
  - Medicare/Medicaid: Changing rules for payment; holding the line on payment increases
  - Long-term Care Insurance
Concerns (con’t.)

• **Addressing needs of the middle market**
  - AL costs avg. = $3K/month
  - Annual income of age 65+ = $34,381
  - 20% of age 65+ save net worth < $50K

• **Competition/Consolidation**
  - Senior Living market highly fragmented
  - Rising costs
  - Maintaining margins/growing revenues
  - Easy access to capital, create new product
Changing the Payment Model for Healthcare

• 8 years have passed since the Affordable Care Act

• 10% of the U.S. population now receive care from a provider contracted under an ACO (Affordable Care Organization)

• CMS (Center for Medicare/Medicaid Services) announced a voluntary episode-based payment model, “The Bundled Payment for Care Improvement (BPCI)

• BPCI created 32 clinical episodes to reduce cost and improve quality

• “Health care is still local”
What to Expect in the Next 3 Years

• **2018:** Self-driving cars hit the public road

• **2019:** Health Care Reform shifts, Medicare Access and CHIP Reauthorization Act (MACRA) payment adjustments will hit over 700,000 doctors/nurses

• **2020:** Artificial Intelligence (Siri, Alexa) will be error proof and Mainstream; Seniors are already using it

• **2021:** The 1st Baby boomer turns 75; their “No Way in Hell” do I retire like my parents attitude will permeate our industry
Areas of Concern for 2018

Top 5 Areas of Concern for 2018

- Staff Recruitment & Retention: 79%
- Labor Costs (wages, benefits): 75%
- Skilled Nursing/Post-Acute Pressures: 47%
- Financial Performance: 46%
- Declining Reimbursement: 36%
- Capital Needs: 31%
- Affordability of product/services: 29%
- Regulatory Changes: 28%
- Technology Costs & Adoption: 27%
- Competition: 26%
- Changing Consumer: 26%
- IL Occupancy: 23%
- Succession Planning: 8%
- Emergency Preparedness: 4%
Resources

LeadingAge: 
*Association for nonprofit senior services organizations.*
www.leadingage.org

Ziegler Senior Living Finance:
www.ziegler.com

Centers for Medicare & Medicaid Services:
www.cms.gov
Greg Storer  
President and CEO  
Williamsburg Landing  
www.williamsburglanding.org  
gstorer@williamsburglanding.com  
757.565.6500

Greg has had a distinguished career in a variety of organizations providing services for seniors. He joined Williamsburg Landing in 2016 from Skilled Care Pharmacy, a privately held institutional pharmacy and one of the largest independent pharmacies in the Midwest, where he served as President. Prior to that, Greg served as Vice President of Operations and COO at Eliza Jennings Senior Care Network, a nationally recognized leader in providing independent and assisted living, skilled nursing, adult day care and rehabilitation and in-home services. Earlier in his career, he was COO of Heather Hill Hospital, where he supervised a long-term acute care hospital, rehabilitation services, skilled nursing, assisted living and residential care facilities.

A native of Ohio, Greg attended Bowling Green State University and graduated with a degree in Gerontology/Health Care Administration. He has served as a surveyor for the Commission on Accreditation of Rehabilitation Facilities (CARF), and a preceptor to more than 25 Administrators in Training (AITs), helping them become licensed Nursing Home Administrators.

In addition to serving the James City County Workforce Housing Task Force, Greg is a member of the Kiwanis Club of Williamsburg. He also serves on the Board of Directors for the Hospice House and Support Care of Williamsburg and the Greater Williamsburg Chamber & Tourism Alliance. Greg serves on the Middle Market Cabinet for LeadingAge Virginia, an association of not-for-profit senior services organizations serving residents and clients.
Kathy Kammer  
Senior Director of Community Relations & Communications  
[www.williamsburglanding.org](http://www.williamsburglanding.org)  
[kkammer@williamsburglanding.com](mailto:kkammer@williamsburglanding.com)  
757.253.9682

Kathy joined Williamsburg Landing’s senior leadership team as Director of Public Relations in 2008. A native of Pittsburgh, she attended Indiana University of Pennsylvania and has served two national airlines, USAir and Trans World Airlines, in the areas of marketing, sales and customer service training. Kathy’s career includes her role as Assistant Director of Marketing for the College of William and Mary Athletics Department and event planner for the American Management Association.

A graduate of LEAD Greater Williamsburg, Kathy serves as Chair of the Peninsula Agency on Aging Advisory Council and as a Board of Trustees for the Williamsburg Community Foundation. She is a member of the Greater Williamsburg Chamber and Tourism Alliance Health committee and the Legislative Affairs committee. Kathy has been with Williamsburg Landing since 2005.