



April 2, 2020

The Honorable Alex Azar  
Secretary  
Health and Human Services  
200 Independence Ave., S.W.  
Washington, D.C. 20201

Dear Secretary Azar:

On behalf of senior living providers throughout the United States, Argentum and American Seniors Housing Association (ASHA) respectfully asks the Department of Health and Human Services (HHS) to allocate \$20 billion in funds from the Public Health and Social Services Emergency Fund (PHSSEF) designated for healthcare providers in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to senior living companies.

Argentum and ASHA are the leading national associations exclusively dedicated to supporting companies operating professionally managed, resident-centered senior living communities and the older adults and families they serve. Our member companies offer assisted living, independent living, continuing care, and memory care services, representing approximately 75 percent of the professionally managed senior living industry.

Senior living providers are on the front lines of the COVID-19 public health emergency by caring for 1.9 million seniors living in the United States. They have always embraced the responsibility for providing care to this vulnerable elderly population. During the COVID-19 emergency, senior living communities continue to provide care for the population most susceptible to COVID-19 infection and least likely to recover. A Centers for Disease Control and Prevention (CDC) report released on March 26, 2020 found that “[o]verall, 31% of cases, 45% of hospitalizations, 53% of ICU admissions, and 80% of deaths associated with COVID-19 were among adults aged  $\geq 65$  years with the highest percentage of severe outcomes among persons aged  $\geq 85$  years.”<sup>1</sup> The average age of senior living community residents is 85 years old with 2 or more comorbidities. A minimum of 42% of our residents suffer from cognitive impairment, and are therefore the most vulnerable while also being the most difficult population to protect because those residents cannot understand the need for precautions and safe infection control practices.

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<sup>1</sup> CDC COVID-19 Response Team, *Severe Outcomes Among Patients With Coronavirus Disease 2019 (COVID-19) – United States, February 12–March 16, 2020*, 69 Weekly 343, 346 (March 26, 2020).

Senior living providers are not nursing homes and do not receive government funding, but they are a significant part of the healthcare system and tasked with caring for the most vulnerable population during the COVID-19 public health emergency. The communities are working tirelessly to maintain the health of community residents as well as community staff. The goal is to keep senior living residents out of the hospital, but working toward that goal is financially taxing. The financial toll already experienced, and expected over the coming months, is extraordinary.

The attached third party analysis assesses the financial impact of COVID-19 on the senior living community industry. That analysis states that **the senior living community industry will have an adverse economic impact over the next 12 months of approximately \$40 billion to \$57 billion.**

The senior living industry in recent years has experienced a workforce shortage but the challenges that existed before the COVID-19 public health emergency are only exacerbated by this health care crisis. Senior living employees are working 24/7 caring for residents, paying special attention to monitor for symptoms, implementing stringent and enhanced infection control and cleaning protocols, social distancing, active screening of employees as well as adjusting all activities including personal meal delivery and one on one activities to keep residents engaged and safe from contracting the virus. They are hiring and training additional staff to accommodate the increased workload associated with these enhanced efforts, paying bonuses and overtime. Even daily tasks, such as sorting incoming mail and accepting deliveries, come with increased responsibility during the COVID-19 emergency to help protect community residents. These costs are not insignificant when a community is COVID-19 free. The costs increase exponentially when a community becomes COVID-19 positive.

The cost of maintaining high quality of care and high quality of life for senior living communities has increased up to 73% for senior living communities that remain free of COVID-19 and up to 103% for COVID-19 positive senior living communities. Further, on average, labor costs have increased up to 8% for senior living communities that remain COVID-19 free and up to 18% for COVID-19 positive senior living communities.

In addition to the increased expenses described above, most senior living communities have paused the addition of new residents to their communities. Therefore, senior living communities are not able to use the revenue from new residents to offset additional expenses during the COVID-19 emergency.

For all of these reasons, we believe that the senior living industry should be allocated funds made available by Congress in the PHSSEF. First, senior living communities are "health care providers" within the meaning of the statute, because they "provide ... care for individuals with possible or actual cases of COVID-19."<sup>2</sup> Second, senior living communities have incurred "health care related expenses or lost revenues that are attributable to coronavirus" as

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<sup>2</sup> CARES Act, Title VII.

contemplated by the statute.<sup>3</sup> Third, funding allocated to senior living communities would be used for the purposes set forth in the statute.<sup>4</sup>

Senior living communities are a necessity for our society, driven by our large elderly population that needs significant care and attention. Residents move into senior living communities when they can no longer live safely on their own or family members, untrained in caring for the elderly, are no longer able to provide critically important care. Senior living staff are the heroes that provide care and attention to our most vulnerable population. We hope that HHS recognizes the important role that senior living communities and our 900,000 workers play in caring for the 1.9 million current, and millions of future, community residents and makes available \$20 billion from the PHSSEF.

We appreciate your guidance and leadership during this health crisis and look forward to working with your further on these issues. If you have any questions about our request or the information contained in this letter, please reach out to James Balda at [jbalda@argentum.org](mailto:jbalda@argentum.org) and David Schless at [dschless@seniorshousing.org](mailto:dschless@seniorshousing.org).

Sincerely,



James Balda  
President & CEO  
Argentum



David Schless  
President  
American Seniors Housing Association

Cc: Eric Hargan, Deputy Secretary, Health and Human Services

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<sup>3</sup> *Id.*

<sup>4</sup> *Id.*