



April 16, 2020

Honorable Alex Azar
Secretary Health and Human Services
200 Independence Ave., SW
Washington, DC 20201

Dear Secretary Azar:

On behalf of senior living providers throughout the United States, Argentum and the American Seniors Housing Association (ASHA), respectfully ask your support for priority access to PPE, testing kits, and to allocate sufficient funds from the CARES Act Public Health and Social Services Emergency Fund (PHSSEF) to senior living companies.

Argentum and ASHA are the leading national associations representing the professionally managed 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, to almost 2 million seniors.

The almost 1 million senior living workers are on the front lines of the COVID-19 public health emergency by caring for the population most at risk of becoming infected with this disease. 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 ≥ 65 years with the highest percentage of severe outcomes among persons aged ≥ 85 years.”¹ 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 due to their cognitive impairment.

Senior living providers are not nursing homes and do not receive government funding, but they are a significant part of the care system tasked with caring for the most vulnerable population during the COVID-19 public health emergency. These communities are working diligently to prevent the spread of the disease among the most vulnerable population without adequate PPE and testing. We have continued to press CDC and state Governors to make senior living residents and staff a priority for PPE and testing. While our goal is to keep residents and staff healthy, senior living providers are also caring for COVID -19 positive residents, freeing up hospital beds for other high risk patients. The financial impact is felt both on communities without COVID -19 cases and increased exponentially in senior living communities with COVID -19 positive cases.

¹ 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).

The financial toll already experienced, and expected over the coming months, is extraordinary with estimates that the senior living industry will have an adverse economic impact over the next 12 months of approximately \$40 billion to \$57 billion.

The cost of maintaining high quality of care during this pandemic including PPE, test kits, infection control and dietary supplies 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 18 % for senior living communities.

Increased labor costs are attributed to senior living employees 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.

In addition to the increased expenses described above, in the abundance of caution to prevent the spreading of the disease, 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 considered high priority for PPE, testing and allocated funds made available by Congress in the PHSSEF. 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.”² Senior living communities have incurred “health care related expenses or lost revenues that are attributable to coronavirus” as contemplated by the statute.³ The funding allocated to senior living communities would be used for the purposes set forth in the statute.⁴

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. Without your support senior living communities will not be able to financially sustain this pandemic. We ask your support to recognize the important role that senior living communities and our 900,000 workers play in caring for the almost 2million current, and millions of future senior living residents and make significant funds from the PHSSEF available for senior living.

We appreciate your guidance and leadership during this health crisis and look forward to working with you further on these issues. If you have any questions about our request or the information

² CARES Act, Title VII.

³ *Id.*

⁴ *Id.*

contained in this letter, please reach out to James Balda at jbalda@argentum.org or David Schless at dschless@seniorshousing.org

Sincerely,

A handwritten signature in black ink, appearing to be 'JB' followed by a stylized flourish.

James Balda
President & CEO
Argentum

A handwritten signature in black ink, appearing to be 'David A. Schless'.

David Schless
President
American Seniors Housing Association

CC Eric Hargan