



September 22, 2020

RE: Urgent Request for Additional Provider Relief Funding for Senior Living

Dear Secretary Azar and Deputy Secretary Hargan:

On behalf of the American Seniors Housing Association (ASHA), I want to write to thank you for the recent action taken by HHS making an allocation of Provider Funding to private pay assisted living communities. I also write to request that additional and immediate assistance be directed to these communities from the remaining federal funding.

As you know the entire senior living industry, which includes assisted living (AL), independent living (IL), memory care (MC) and continuing care retirement communities (CCRCs), has been hit especially hard by COVID-19. While the recent federal support from the HHS Provider Fund has been critical, much more is needed for these communities as they continue to navigate the challenges of this pandemic.

We urge HHS to make additional funds available to this industry, which has steadfastly committed to keeping residents and staff safe and will continue this critical work. However, this work has come at great cost. A recent economic analysis performed by [HealthTrust](#), quantified the additional expenses and revenue loss of operators due to COVID-19 preparation and response from March through June, indicating the industry is on track for an annual financial impact of at least **\$17 billion dollars**. Consider the following:

The senior living employees: Almost 1 million senior living staff are on the front lines of this pandemic serving residents and each other in heroic fashion. In order to keep these good people on the job and serving our seniors, we must ensure these communities do not fail due to the financial stress of COVID-19.

The senior living residents: Approximately 2 million seniors at an average age of 85 and with underlying health conditions, call AL, IL, MC or CCRCs home. In normal times, these homes are where seniors live their lives with meaning, engage with friends and family, explore their interests, and become part of a community. COVID-19 has forced operators to adjust and rethink how to maintain these benefits while keeping both residents and staff safe.

Industry Response: The industry rose to the challenge of COVID-19 to keep seniors and the staff who care for them safe, but at a significant cost which is described below. They continue this fight today with enthusiasm and commitment, but they need adequate financial support.

Additional Expenses and Lost Revenue: Additional COVID-19 related expenses such as PPE, testing, additional staffing, enhanced infection control, dietary accommodations, and much more continue to

mount. As communities slowly reopen, to do so safely requires yet more additional costs, such as those to provide visitation stations, polycarbonate dividers, HVAC upgrades, touch-free doors, lights, faucets, soap dispensers, technology upgrades, and much more. *A 100-unit community is incurring on average \$40,096 in additional expenses per month. Industry wide, annual expenses incurred are forecasted at more than \$7 billion dollars.*

Industry Revenue Loss: Severe revenue shortfalls continue due to the responsible actions taken by community operators to halt admissions to protect residents and staff against a virus that is particularly deadly to the elderly. Occupancy rates are taking a significant hit and this trend is not quickly reversible. *That same 100-unit community is experiencing an estimated \$54,903 revenue shortfall per month. Industry wide, annual lost revenue is forecasted at more than \$9.6 billion dollars.*

Testing: The need for tests and the associated costs will multiply as communities increase visitation, allow for move-ins and prepare for the double threat of coronavirus and the seasonal flu. The only way to minimize the risk of infection in senior living is to identify carriers of the virus before it can be transferred. Rapid result antigen test supplies must be made available to senior living residents and staff in the quantities necessary and the costs of such tests should be subsidized. *To test each resident and each staff member even just once costs the industry \$300 million dollars.*

COVID-19 Vaccine: When a vaccine is approved and ready for distribution, *all* senior living settings—AL, IL, MC and CCRCs, should be prioritized for access. We are encouraged by the Administration's Interim Playbook which as a start identifies Assisted Living and Independent Living settings as Critical Populations for purposes of prioritization. This underscores the significant role senior living communities play in this public health crisis as well as the resources required to meet their needs. This should also inform policymakers' funding recommendations to help mitigate the additional financial burden on senior living providers.

The initial allocation from the HHS Provider fund to this industry was an important first step to helping our members continue the fight against COVID-19. However, the funding methodology of 2% of patient revenues falls short of recognizing the significant financial stress this pandemic has and will continue to place on operators across the country. Further, not all senior living communities have been able to access these funds and must weather this storm largely without federal COVID-19 relief funds provided by Congress. The confluence of both revenue and expenditure strain on this industry is not sustainable. It is critical for the continued viability of this industry to serve our seniors that additional financial support be directed from the remaining Provider Relief Fund dollars to these deserving companies.

Thank you for your efforts. Please reach out to Jeanne McGlynn Delgado at jeanne@seniorshousing.org with questions. We stand ready to work with you to advance this request.

Sincerely,



David Schless
President
American Seniors Housing Association