

NIC INSIDER

Newsletter

November 2018



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The One-Stop Shop Difference: A Conversation with Wells Fargo's Lori Coombs and Melissa Hilton



Lori Coombs

Big lenders have the advantage of being able to offer a wide variety of financing solutions. With assets of nearly \$2 trillion, Wells Fargo & Co. provides a number of loan options for seniors housing and care owners and operators. These include Fannie Mae and Freddie Mac loans, senior housing finance options, FHA/HUD programs, and cash-flow lending products.

NIC chief economist Beth Mace recently talked with Lori Coombs, managing director at Wells Fargo Multifamily Capital and Melissa Hilton of Senior Housing Finance. Coombs is the seniors housing product manager for the Fannie Mae and Freddie Mac agency lending programs and is based in New York. Hilton is a relationship manager in Senior Housing Finance based in Washington, D.C. Here is a recap of their conversation:



Melissa Hilton

Mace: How long has Wells Fargo been lending to the seniors housing and care sector?

Coombs: Our Multifamily Capital group has been active in the seniors housing space since Fannie Mae and Freddie Mac started their programs back in 2008. We have offices located throughout the country.

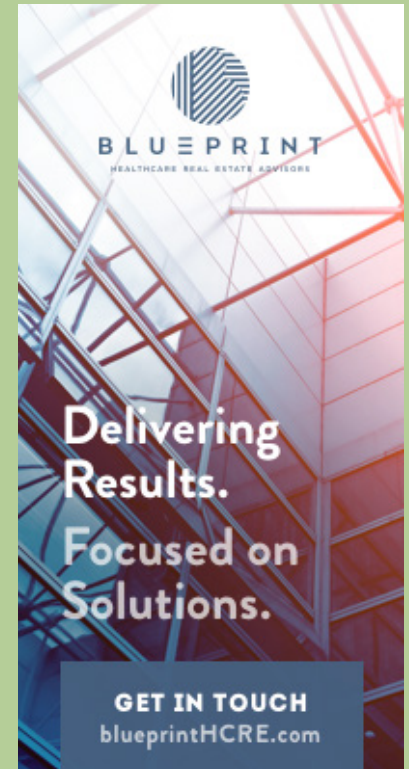
A separate group at Wells Fargo, Senior Housing Finance, handles new construction and bridge financing with team members located across the country. Senior Housing Finance established itself as a specialty lending unit towards the senior housing sector in 2014.

In many of the larger acquisitions we see today, not every property is stabilized, and clients may be asking for construction, bridge (short term), as well as agency financing. We work together with the Senior Housing Finance team to provide a single-tailored solution that meets the client's needs.

Wells Fargo's HUD team also actively finances transactions using the FHA mortgage insurance programs under both the healthcare and hospital programs. Raelee Jones is Wells Fargo Multifamily Capital's FHA chief underwriter for healthcare transactions and is one of the founding board members of the newly created Healthcare Mortgage Advisory Council ("HMAC"), whose mission is to bring FHA Lenders and HUD representatives together to discuss issues of importance.

Mace: Does Multifamily Capital only consider stabilized properties?

Coombs: Most of our deals are stabilized. But we will finance deals in lease-up with a strong leasing trajectory in a good market with a strong operator. Typically, we can finance new construction properties once they reach 75% occupancy.



Hilton: Our group is suited to handle loans where a large renovation or repositioning component is needed. Increasingly, we are also considering bridge debt opportunities for project debt recapitalizations, many of which involve properties in early lease-up. We have both the construction expertise and the benefit of being able to work with Multifamily Capital to lend into opportunities with an understanding of loan sizing and qualifications for agency exit upon stabilization.

Mace: Are most of the transactions for portfolios or single projects?

Coombs: We do both. This past year, we financed several larger portfolios but also had a steady flow of one-off transactions.

Hilton: Our sweet spot has primarily been new construction for single-sites with investors and operators who have demonstrated the ability to create value through development. However, our team is increasingly underwriting senior housing portfolio opportunities in tandem with our Multifamily Capital group using the benefit of Well Fargo's size and syndication expertise to satisfy our client's larger capital needs.

Mace: Are you a Fannie Mae Delegated Underwriting and Servicing (DUS) lender?

Coombs: Yes, we are. We were the first approved Fannie Mae DUS Lender ([Insider Interview with Roosevelt Davis](#)). Wells Fargo has a long-term relationship with both Fannie Mae and Freddie Mac. They are both creative and competitive seniors housing lenders.

Mace: What do you see now as the biggest challenge for the seniors housing and care sector, both in the near- and long-term?

Coombs: When we met with our clients at the recent NIC Conference, we heard a lot about wage pressures and employee retention. Most of our operators and prospective clients are developing or have already established a culture that encourages engagement, creativity, and innovation. There seems to be a lot more focus on that. They are hiring staffers who work solely on how to boost employee retention. As long as you see low unemployment, employee retention will be a top issue for operators in the short- and long- term.

Hilton: In the near term, construction activity continues to be robust, so in considering new loans, we are very diligent in decision making around sponsorship and projects. We have been particularly successful in financing larger projects serving a range of acuity in dense, "barriers-to-entry" markets. Long-term, the operating expense challenges Lori mentioned remain a concern, as the affordability of senior housing is an issue on the horizon.

Mace: Is there ever an instance where you might meet with an operator and decide they don't have the right labor plan and decide not to work with them?

Coombs: We talk to the client about their culture, the employee turnover rates, and what they are doing to retain their employees. High turnover rates are a problem, especially among executive directors.



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Mace: Do you lend to all seniors housing segments? Independent living? Assisted living? Memory care? Skilled nursing?

Coombs: Wells Fargo looks at every product type the agencies will finance, including age restricted, independent living, assisted living, memory care, and a small percentage of skilled nursing.

Mace: As a lender, is there one sector you favor over others?

Coombs: No, we're seeing a little bit of oversupply in some markets in the assisted living space. But decisions are driven by the operator and the market, and whether they can maintain their occupancies at a fairly stable level.

Mace: We're seeing lenders start to make loans to the operations of the business as well. How does Wells Fargo handle those loans?

Coombs: Wells Fargo Capital Finance works with operators of assisted living and skilled nursing to provide asset-backed lending solutions.

Mace: What are your terms, rates, and size limits on debt?

Coombs: We have no size limit with the agencies, and we have done deals ranging from \$10 million to \$500 million. Lately, most clients are requesting 7- or 10-year fixed rate options. All-in financing rates are fairly aggressive today for top sponsors/operators in top markets.

Hilton: In considering a balance-sheet loan, we tend to focus on larger deals with a combination of operator expertise and institutional capital, but we will do smaller transactions if we expect the sponsor to have programmatic borrowing needs. Regarding rates, term and other structural components, we of course have to compete in the market to win transactions and are pleased with our success to date.

Mace: What was your group's debt volume in seniors housing this year? What was the total for the senior housing finance group?

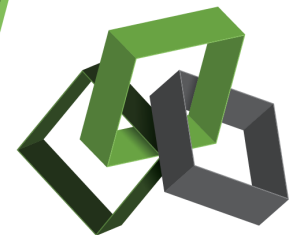
Coombs: By year end 2018, we expect total origination volume from Wells Fargo Multi-Family to be close to \$700 million. Seniors housing is a focus area for our platform in 2019.

Hilton: We expect 2018 originations from our Senior Housing Finance team to be in the \$1 billion range. The seniors housing sector is a growth area for Wells Fargo's large Commercial Real Estate lending platform.

Mace: What do you look for in a good sponsor/operator?

Coombs: They have to have a good reputation. We look for a strong culture of employee retention, proper and safe care of residents, limited violations, and strong consistent operating history.

Mace: There's a lot of capital out there these days. Is the lending market more challenging, more competitive?



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Coombs: There is a lot of capital, but Fannie Mae and Freddie Mac have very competitive programs for operators with good reputations, located in stable markets, and good operating history. We are not losing a lot of deals to the competition.

Hilton: Balance-sheet wise, we are fortunate to have built a solid client base, which we continue to focus on, while selectively adding new borrowers. You are correct, debt liquidity for this sector is at an all-time high, and as such, we continue to focus on relationship lending.

Mace: There are a lot of newcomers to the industry. What challenges do they face?

Coombs: A turnaround property that is underperforming might have a story to tell. In that situation, you want to understand who the operator is, what their history has been, and whether they have a proven track record for executing a similar plan in a similar market in a reasonable timeframe.

Mace: What about a new operator without a track record?

Coombs: Typically, either the owner or operator has to have a track record in seniors housing.

Mace: When do you turn an opportunity down? Are there any red flags?

Coombs: A couple of red flags are low occupancy levels (less than 80% for a sustained amount of time), very high employee turnover, and lack of reinvestment in people and infrastructure.

Hilton: We do have transactions that are not a fit for Wells Fargo due to various reasons, often it is because the sponsor is seeking leverage at high loan-to-cost ratios. We try to vet threshold issues early to avoid any wasted energy from our clients or prospects.

Mace: Looking at the big picture, interest rates are rising and the yield curve is flattening. Does that affect your lending behavior?

Coombs: The big impact is that borrowers are changing their strategy. We are finding that borrowers are taking fixed-rate debt, whereas they previously opted for floating rate. Now they're looking to lock their fixed-rate loan tied to the 10-year U.S. Treasury yield as soon as possible. That being said, there are still very competitive floating-rate options for borrowers who want that flexibility.

Mace: When did that start to happen?

Coombs: It started over the summer but is more pronounced now. People want to lock their rates as soon as possible.

Mace: Do you underwrite loans at a faster rate because people are in a rush?

Coombs: We try to accommodate our client's needs while still taking the time to understand the risk and their business strategy.

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Hilton: For loyal clients, we can move quickly assuming proper information has been submitted to make an informed decision. As a specialty unit, we have a concentrated and accessible decisioning team that helps with the occasional fire drill.

Mace: Other thoughts?

Coombs: Wells Fargo has a well-integrated platform that offers seamless solutions for our clients whether they have stabilized properties, turnaround situations, expansions, or new construction.

NIC Announces Yardi is the First NIC Actual Rates Software Partner

At the 2018 NIC Fall Conference, NIC CEO Brian Jurutka announced that [Yardi](#) has become the first software vendor to complete the NIC certification process and become a [NIC Actual Rates](#) Software Partner.

This is a significant milestone. A key component of NIC's mission has long been to provide transparency through quality data. With over 12 years of time-series data, the NIC MAP® Data Service offers the longest trended data available in the seniors housing and care industry. NIC MAP data has helped to encourage efficient capital formation, which in turn improves access and choice for America's seniors. But the sector has lagged behind other real estate asset classes in independent third-party data on the actual rates that are paid by residents in the market, as opposed to the published "asking rate" pricing which is easier to obtain but less useful for detailed market analysis. In response to this, the NIC Board prioritized an effort to report actual rates for seniors housing markets, which is known internally as the Seniors Housing Actual Rates Initiative.

NIC is now collecting and reporting on seniors housing actual rates. Initially, NIC data teams worked directly with operators. Those efforts resulted in actual rates reporting commitments from operators covering more than 250,000 units of seniors housing nationwide. NIC receives monthly data feeds directly from the corporate levels of participating operators, an approach that, once set up, delivers reliable information on asking, move-in and in-place actual rates and move-in/out velocities. This was a great start, but progress was slow.

NIC leadership understood the need to reach many more operators, make it easy for them to participate, and ensure accurate, consistent data across the entire sector. The answer was to work with property management and accounting software vendors. Through partnerships with these software vendors, NIC would be able to facilitate processes by which the organization could seamlessly extract consistent, quality data on behalf of any of their operator clients. In order to ensure successful automation and that data would meet its quality standards across multiple operators, NIC instituted a certification process for software partners.

Certification is provided to software providers who have developed reports that meet the NIC Actual Rates standard format and who have had two or more operators provide at least six months of data using the standard report. Actual rates data are aggregated across operators and reported out to help investors and operators understand the relationship between asking rates and the actual rates being paid by residents. These actual rates are comparable to data available in other real estate asset classes.

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Yardi, a leader in the space, worked in conjunction with the NIC data team to develop a custom interface that maps in the relevant data from their software and is capable of maintaining consistency of data across multiple operators. This system has proven effective, and Yardi can offer easy participation to its many operators. Participating operators, in addition to helping improve the flow and cost of capital for the entire sector, receive complimentary Actual Rates reports each quarter, allowing them to compare their own data against national, and, over time, metropolitan area benchmarks.

In addition to Yardi, NIC is currently working with other leading software vendors in the space. As they progress through their certification processes, expect to see more names on the list of NIC Actual Rates Software Partners in the coming months. As Brian Jurutka stated last week in his thank you to Yardi, "It's with the support of partners like you that we are able to deliver on our mission." Information on participation can be found [here](#).

Landmark Study of Life Plan Communities

Mather LifeWays Institute on Aging is seeking participants to join 80 other Life Plan Communities with more than 5,100 residents across the country for a landmark study that will identify the effects of living in a Life Plan Community on residents' long-term health and wellness.

Communities interested in participating in the remaining four years of the Age Well Study have until **November 30, 2018** to sign up. You can learn more about the study [here](#).

In return for participating, your community will receive information and insights, including an individual report summarizing your own resident data and a full copy of the final report.

The initial results from the first year of the study are in, and they spell good news for residents of Life Plan Communities. Initial results show:

- Residents tend to have greater emotional, social, physical, intellectual, and vocational wellness than their non-resident counterparts
- Residents report significantly more healthy behaviors than non-residents (and not just more exercise)
- 69% of residents reported that moving to a Life Plan Community "somewhat or greatly improved" their social wellness

The study is a partnership with Northwestern University as well as the following leading organizations in the field of senior living:

- American Seniors Housing Association (ASHA)
- LeadingAge
- Life Care Services
- National Investment Center for Seniors Housing & Care (NIC)
- Novare®
- Ziegler

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Thoughts from NIC's Chief Economist



Beth Mace

In September, the nation's unemployment rate fell to a 50-year low. Indeed, at 3.7%, it has not been lower since December 1969, when millions of men had been drafted for the Vietnam War and did not participate in the labor force. The current rate accounts for the roughly 6 million individuals of the 162 million-person labor force who aren't working. And of those 6 million, nearly half lost their jobs or completed temporary jobs, and most of the rest were either new entrants into the labor force or those that had recently re-entered.

These figures also don't count the 96.4 million persons in the nation's civilian population that choose not to or can't work, resulting in a historically low labor force participation rate of 62.7%, down from a pre-recession rate of 66%. Of those who can't work, nearly one million are prime-age workers with opioid addiction, costing the economy more than \$40 billion in output annually, and others either may not be able to pass drug tests or have criminal records. Still others may not have the appropriate skill set to be in the labor market; may not be located in proximity to job openings; or may have opted to retire early. All of this adds up to an increasingly challenging labor market for employers seeking to hire and retain staff.

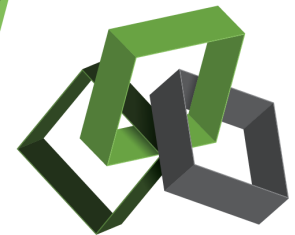
Moreover, with tight labor market pressures mounting in virtually all sectors, average hourly earnings for all employees on private nonfarm payrolls rose by 2.8% in the 12 months ending in September, or by 73 cents, to \$27.24. During the prior year, they increased by an average of 2.6%.

Job shortages and mounting wage pressures are evident every day, with help-wanted signs in the windows of retail shops and fast food restaurants, and the construction trades scrambling for workers. But nowhere are trends as evident as they are in our industry. Indeed, for assisted living, wage pressures are even stronger, increasing by 4.3% from year-earlier levels in the second quarter.

Not surprisingly, labor costs and labor availability were key themes at the NIC Fall Conference in Chicago in mid-October, with much discussion in the hallways, and many of the educational sessions and NIC Talks focused on this topic. In one particularly interesting session, Investing in People, panelists discussed the return on investment that can be achieved by successful staff retention strategies. According to a recent analysis by Argentum and Great Place to Work, a hypothetical regional senior living operator with 1,500 employees and 20 communities stands to save \$4.4 million annually and boost its occupancy by 2% by increasing its employee retention by just 10%.

Indeed, new research shows a strong correlation between trust in the workplace and employee turnover, and subsequently higher occupancies that lead to better NOI growth. Successful retention strategies range from apprenticeship programs with high school students to scholarship opportunities for staff and their family members.

At our conference and others, as well as during conversations I've been involved



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with in the past month, another set of themes has been defining the housing and care options that seniors increasingly desire. Two words keep popping up (well, maybe three words): cross-generational interaction and walkability. Increasingly developers of new seniors housing properties are selecting sites that have high walkability scores, a measurement that will soon be reported within the NIC MAP product.

These sites are often on “Main and Main” and located in the thick of things, near retail and fully integrated into a community. Program content for seniors is also becoming more purpose-full, e.g., consider the role of the activities director as a “purpose match-maker,” a phrase Lisa March Ryerson from AARP used in her NIC Talk. Consider programs where volunteerism and making a difference are part of the daily options residents choose.

Lots of good ideas at the conference, as always. For those attendees who were not able to attend the sessions, playbacks are available through the conference app.

As always, I welcome your feedback, thoughts, and comments. Let’s keep the conversation going.

Beth

NIC Founder Announces the Tony Mullen Scholarship Fund

In his luncheon remarks at the 2018 NIC Fall Conference, NIC founder and strategic advisor Bob Kramer announced the establishment of the Anthony J. Mullen Scholarship Fund for the Erickson School of Aging at the University of Maryland Baltimore County. Anthony James “Tony” Mullen died suddenly and unexpectedly of a heart attack in March. Mr. Kramer reminded the packed ballroom of the central role his co-founder had played in making the industry what it is today, crediting him with major contributions to the formation of NIC, the development of the NIC MAP® Data Service, the Conference itself, and the industry’s access to capital, saying, “... all would not be what they are today were it not for the vision, the passion, and the leadership of Tony Mullen.”

Together with Kramer, Al Holbrook and Bob Eramian, Mullen co-founded NIC in 1991. He championed the importance of good data, sound analytics, and foundational research for the growth of the seniors housing and care industry, especially for the attraction of capital. He served NIC as a volunteer chair of the organization’s Research Committee, as NIC’s research director, and as Senior Fellow. Mullen was viewed as a tireless advocate for increased transparency through high quality time series data. He also had a passion for education and training as a means to attract and develop leaders for a growing industry in need of talent.

Kramer pointed out that it was Mullen who developed an executive education program, first at Johns Hopkins University, and later at the Erickson School at UMBC, which was established in 2004 through a \$5 million donation from the Erickson Family Foundation. Kramer said, “I know Tony, though he would not want the personal attention and accolades, would be thrilled and proud to see such a scholarship program established at the school.”



Since its inception, the Erickson School at UMBC has introduced over 9,000 undergraduate students to the field of aging services and the longevity economy through its courses. It has graduated more than 200 undergraduates with majors or minor concentrations in aging services. It is one of the first undergraduate curriculums focused exclusively on aging services. In addition, more than 200 students have earned a Master in Aging Services degree at the school.

Kramer announced that \$400,000 has already been raised. He acknowledged the Leadership Circle, made up of donors who have given or pledged \$25,000 to \$100,000 to establish the scholarship fund. They include American Seniors Housing Association, Benchmark Senior Living, Brookdale Senior Living, Erickson Living, Ventas, and NIC. Lists of other companies and individuals who had already donated or pledged were displayed on slides.

In his thanks to these donors, Kramer said the Fund had already reached 80% of its goal of raising \$500,000 by the end of 2018. The Fund will continue to raise further dollars in future years. Combined with the \$400,000 that NIC gave or raised in scholarship funds in the early years of the Erickson School, NIC expects to raise \$1 million in scholarship funding to prepare future leaders in aging services. Kramer closed his remarks by thanking the industry for so generously supporting this effort to attract and educate outstanding students in senior care.

The Anthony J. Mullen Scholarship Fund will be an endowed fund, awarding scholarships to Erickson School undergraduate students who are either majoring or minoring in Aging Services, or to graduate students in the Master of Aging Services program.

Donations can be made by checks payable to the UMBC Foundation, noting the Anthony J. Mullen Scholarship fund in the memo line. Mail to: UMBC Foundation, 1000 Hilltop Circle, Baltimore, MD 21250. Online donations can be made [here](#). Please designate the gift to the Anthony J. Mullen Scholarship Fund and note that the gift is in memory of Mr. Mullen.

NIC Fall Conference Summary of Sessions

In case you weren't able to attend the 2018 NIC Fall Conference in Chicago or want to know what was being discussed in sessions you might have missed, here are some highlights, broken down day by day.

Wednesday, October 17, 2018

NIC's opening day sessions saw standing-room-only audiences, overflow seating, and some great interactions between moderators, panelists, and audience members.

Key Takeaway: The Sector Achieves Top Rankings, But We Cannot Depend on Demographics

Moderator Beth Burnham Mace led an all-female panel in a frank discussion of the sector's appeal to investors, both with a historic perspective and a look ahead. Brenda Bacon, president and CEO of Brandywine Living, while addressing occupancy



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rate challenges, remarked that we can't depend on demographics alone to solve problems, and that the sector will have to pay higher wages in the future. Beth Burnham Mace, NIC's chief economist and director of outreach, pointed out that the sector is achieving top rankings among commercial real estate classes. The simple fact that the 2018 NIC Fall Conference is the biggest conference in NIC history is an indicator of the sector's growing appeal to investors.

Key Takeaway: Invest in People and Profit

In a tight labor market, seniors housing and care operators are focused on how to recruit and retain good workers. In fact, the industry will need to fill 1.1 million jobs by 2025, according to Brent Weil, vice president-workforce development, Argentum, who moderated the "Investing in People" session. A community with high worker engagement has higher occupancies. In fact, a 10% increase in employee retention can increase occupancy by 2%. Panelists mapped out the details of successful apprentice programs, including partnerships with state agencies. "We develop people and allow them to grow professionally," said Todd Schmiedeler, senior vice president, Trilogy Health Services.

Key Takeaway: Every Market Is Unique – Occupancy and Penetration Rates Do Not Correlate

"Supply and Demand in the Dawn of the Silver Tsunami" began with an appeal from Moderator Beth Burnham Mace to replace "Tsunami," and its negative connotations, with the word "wave" instead. After a brief presentation of NIC MAP market performance data, the interview script/questionnaire, as well as the interviewee list, the discussion kicked off with a comparative analysis of three distinct markets and their varied occupancy trends, supply and demand patterns and penetration rates. Data shows that, surprisingly, occupancy and penetration rates do not correlate. Dan Lindh, president and CEO of Presbyterian Homes & Services, gave a detailed overview of his company's approach to the Minneapolis market. Similar discussions followed on Seattle and Phoenix.

Key Takeaway: Abundant Capital Is Keeping Property Prices High

Capital is driving valuations in the seniors housing and care market, according to a panel of experts at a session on valuations. Investors are willing to pay high prices for properties based on future cash flows despite declining occupancy rates. A number of factors will impact pricing going forward, including rising interest rates and the increasing cost of labor. Nearly 80% of the session's audience thought the abundance of capital is making acquisitions pricier and riskier. Another significant risk is what the consumer will want in 10 years.

Thursday, October 18, 2018

Beginning with an insightful and surprisingly entertaining morning keynote with Gary Cohn, the day featured intimate conversations in peer-to-peer salons, a luncheon keynote focused on tech innovations of the near future, more packed educational sessions, and the first of two NIC Talks sessions.

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Key Takeaway: Gary Cohn Likes This Economy

The morning kicked off with an engaging Q&A with CNBC moderator Steve Liesman and Gary Cohn, former Director of the U.S. National Economic Council. The U.S. economy is now a service economy, which includes seniors housing and care. Tax reform is good, tariffs are bad and deficits are a problem. "We don't have a revenue problem, we have a spending problem," said Cohn.

Key Takeaway: The Future Is Near

During a luncheon keynote address, technology expert and futurist Vivek Wadhwa gave the audience a riveting look into the future and how technology will change seniors housing and care. "Every industry is about to be disrupted," he said. Technology is advancing exponentially. Medical testing is being brought into the home. Robots like Rosie of the Jetsons will be here by 2025. Self-driving cars will solve seniors' transportation problems. These technologies are under development all over the world. Get ready!

Key Takeaway: Capital Carefully Picks Its Battles

A panel of investors mapped out strategies at a session on global capital flows. They're in it for the long term and find themselves competing for the best operators amid concerns about oversupply and labor issues. "The next two years will be a time of asset management," said Steve Blazejewski of PGIM.

Another session addressed how to optimize the capital structure. Owners and investors weighed in, noting the shift from triple-net leases to RIDEA and JV partnership structures. Lower occupancies are making traditional leases less viable. All agree that the interests of the operator and the owner/lender must be aligned.

At a session on how best to finance different projects in a rising cap rate environment, the audience got two out of four decisions right. Session panelists walked the audience through the four case studies, and then the audience voted on how they would finance the deal. Bottom line: It's still a good time to be a borrower.

Peer-to-Peer Salons

Peer-to-peer salons facilitated small group discussions on some of the most pressing issues facing the seniors housing and care sector today, from labor challenges to increasing penetration rates and underwriting markets.

Participants in the peer-to-peer session on market underwriting exchanged ideas about supply and demand. There's a need to rebrand seniors housing for baby boomers. The customer is not just the senior, it's the adult child and especially the adult daughter.

Key Takeaway: People Don't Want Boxes Where People Grow Old Any More

In a discussion on understanding baby boomers, Tim Carpenter, CEO and founder of EngAGE, said that isolation is the elephant in the room. The architects on the panel advocated for open spaces, community involvement, and the idea that aging should be cool.

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NIC Talks – How I am Changing the Future of Aging?

Susan Dentzer explained how healthcare in the home is superior to sending seniors to the hospital. Lisa Marsh Ryerson discussed the impact of isolation. She suggested we reimagine the role of the activities director or volunteer coordinator, saying, “I want you to think of this role as purpose matchmaker.” Mobile strategist Chetan Sharma explained how tech will advance more in the next 10 years than in the past 100. Finally, Chinwe Onyeagoro presented data on the business value of creating a great workplace experience for employees.

Friday, October 19, 2018

The 2018 NIC Fall Conference concluded with a morning that featured an all new format, some great discussions with industry leaders, and an emotionally impactful and insightful second session of NIC Talks.

Lightning Talks

Based on a “lightning talks” format, presenters shared their stories of innovative successes while synced to 22 slides, automatically advanced every 22 seconds, for a total of only seven minutes and 20 seconds each.

Jayne Keller showed how her “Keepers Committee” reduced staff turnover from 43% to 19% by bringing staff and residents together. Tim Reilly’s recently launched Arena software initiative is promising to improve retention by predicting success factors during the recruiting process. Paul Liistro walked through a technology that enables real-time patient assessments, while the Curatess system is dramatically reducing ER visits and lowering costs for Allen Pindell’s company. Phil Fogg introduced Vynca, which migrates end-of-life planning to the cloud. The final presentation by Allan Fox demonstrated how smart camera technology is reducing falls, lowering ER visits, and reducing exposure to lawsuits, among other benefits.

Key Takeaway: Operations Are Key to Success

Two sessions highlighted the importance of operations and strategic planning to create a culture that drives success. The session, “Benefits of Scale” brought together three growth-oriented operators: small, regional and national. Clusters of properties have a branding and management advantage. But the top ingredient for success is a laser-like focus on the individual community, its employees and residents. The session, “Thriving in Skilled Nursing” took a positive look at opportunities in the sector with a quick round-robin approach. Bottom line: CMS five-star quality ratings mean different things in different places; reimbursement changes will impact revenue; operators need to partner with providers and the wider community. “Skilled nursing will come out as the best and most cost-effective game in town,” said Steven Littlehale, PointRight.

NIC Talks - Connection Matters

Kelly Leonard, of Chicago’s famed Second City, gave an emotionally impactful talk on the use of improvisational skills to connect with dementia patients. Another, more technologically focused form of connection is AI-enabled voice technology, which

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The go-to primer for
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hundreds of millions are now experiencing in their phones, home devices—and their kitchen appliances. Bret Kinsella believes the power of voice technology will make a real difference for seniors and their care givers. Closing out the final session of the conference was Dwayne Clarke, who shared how his company connects with employees, winning Best Places to Work awards while achieving impressive recruiting and retention goals.

Join us for the 2019 NIC Spring Conference: Investing in Seniors Housing and Healthcare Collaboration. It will be held in San Diego, February 20-22, 2019. The Spring Conference is designed to help stakeholders navigate the disruptive changes taking place in the sector in order to better serve America's elders in the years ahead. We look forward to seeing you there.

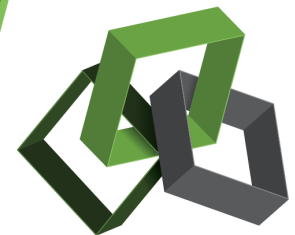
See You in San Francisco (at OPTIMIZE)

Helping the seniors housing and care industry provide America's elders with a variety of appropriate options is part of NIC's mission. In this era of innovation, technology is quickly advancing, payment models are shifting, and a new generation of consumers is driving change. NIC encourages industry decision-makers to stay aware of what's new and upcoming as they develop plans for the future. As millions of baby boomers approach, they will demand options and will present a range of challenges, many of which should be anticipated today. To that end, we'd like to encourage you to consider attending Aging2.0's OPTIMIZE Conference.

The event will be held [November 14-15, 2018 in San Francisco](#). It is designed to bring together industry innovators for networking, learning, and building partnerships in the "longevity economy." Investors, owners, operators, and other stakeholders will hear from industry leaders embracing new models of care. Aging2.0 promises to highlight proven solutions to the biggest challenges and opportunities unfolding in post-acute and senior care. Attendees should expect a fast-paced whirlwind of opportunities to learn about the needs and complexities of the enormous (and growing) older consumer market.

Aging2.0 has historically favored technological innovators, which we at NIC believe hold some of the keys to success in this era of innovative disruption. The conference will feature start up pitch sessions, an investor session in which startups actively seek to connect with investors, and other tech-related networking opportunities with seed- to pre-IPO companies raising capital. For anyone interested in what is currently emerging in aging-related tech, the conference should offer real value.

Aging2.0 is offering NIC Insider readers a savings of 20% off [conference registration](#) with Promotional Code **MVP18-NIC**.



NIC 2019
SPRING
Conference

Investing in Seniors Housing
&
Healthcare Collaboration

FEBRUARY 20-22
Hilton San Diego Bayfront

Sign up for notification
when registration opens
late-November

 **NIC**

Seniors Housing & Care Industry Calendar

November 2018

11/8-9	Argentum 2018 Senior Living Symposium	Washington D.C.
11/14-15	Aging2.0 OPTIMIZE Conference	San Francisco, CA
11/14-16	REIT WORLD	Dallas, TX
11/29	2018 LeadingAge Maryland/Ziegler Strategy & Finance Symposium	Frederick, MD

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