

FEATURED ARTICLE

SENIOR LIVING WORKFORCE: REVIEW, UPDATE AND OVERCOMING HEADWINDS

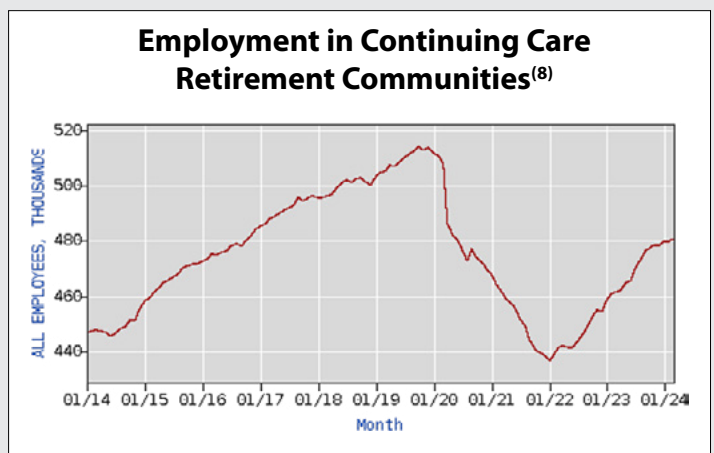
As so many senior living organizations are keenly aware, staffing challenges faced by the industry have been a persistent issue. While COVID played a significant role in employee burnout and high turnover rates, other factors such as an aging workforce and competition with other healthcare providers left many senior housing organizations struggling to maintain desired staffing levels. An AHCA/NCAL survey reported that 77% of assisted living providers believed that their overall workforce situation had gotten worse over 2021⁽¹⁾. Making the outlook a bit grimmer, the American Association of Colleges of Nursing reported that 91,938 qualified applications were turned away from baccalaureate nursing programs in the 2021-2022 school year due to both an insufficient number of preceptors, clinical sites and a faculty shortage⁽²⁾. A workforce analysis published in Health Affairs found that the total supply of RNs decreased by more than 100,000 from 2020-2021⁽³⁾.

Throughout 2022, many senior living organizations were forced to rely heavily on costly nursing agency labor to fill their needs. In order to hire and retain other positions such as maintenance, dining and housekeeping staff, communities had to raise wages and increase benefits to compete with nationwide growth. While the resulting margin compression had a profound impact on most organizations during the year, many adapted to the new environment by embracing a range of solutions. These included managing their unit mix, adopting new staffing technologies, increasing attention to employee well-being, engagement, schedule flexibility, and finding innovative ways to help employees upskill on-site.

Just as organizations were beginning to experience some relief to their workforce challenges, CMS released the details of the proposed federal Staffing Mandate in September 2023. It was met with strong opposition from many industry stakeholders, who argued that compliance would require resources and infrastructure that some facilities may lack, especially smaller organizations or those in more rural areas with less access to a robust workforce. However, CMS issued the final rule in April 2024, establishing a total nursing staffing standard of 3.48 hours per resident day (HPRD), which includes at least 0.55 HPRD of direct registered nurse (RN) care

and 2.45 HPRD of direct nurse aide care. An RN must be onsite 24/7 to provide skilled nursing care⁽⁴⁾. According to CLA, the SNF industry would need to hire approximately 102,000 additional full-time equivalents to be compliant⁽⁵⁾.

The good news is that according to a 2024 Nurse.org survey, 44% more nurses said they were happy that they chose the nursing profession in 2023 vs. 2022 and job satisfaction rose 64% from 2022 to 2023. In the same survey, 33% of nurses agreed that their units were adequately staffed, versus just 14% in 2022⁽⁶⁾. The total number of people who quit their jobs fell to 12% between 2022 and last year, the lowest number recorded since the “Great Resignation”⁽⁷⁾. Employment in Continuing Care Retirement Communities has been rising steadily to its highest numbers since just after the start of the pandemic in 2020, from a low point in January 2022⁽⁸⁾. However, AMN Healthcare still reports that 30% of nurses are “extremely likely” or “somewhat likely” to leave the field of nursing for another occupation. In the same survey, 80% of nurses expect the shortage to get “much worse” or “somewhat worse” in the next five years, with half saying the shortage will get “much worse”⁽⁹⁾.

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The focus organizations have been putting on their staff over the past few years, along with a slowly changing jobs market, appears to be easing workforce headwinds in the industry. In order to continue this positive momentum, providers can maintain their emphasis on the engagement and retention of current employees as a way to attract new talent. Below are a few ways to continue to improve on senior living staff experience:

1. **Workplace Culture:** Prioritizing a positive workplace culture supports retention efforts. Fostering a positive environment where there is a place for employees to regularly provide feedback on how they are feeling and suggestions for improvement can make them feel valued and appreciated.
2. **Responsive Action:** Just getting feedback isn't enough. Employees often feel more engaged when they see their feedback being put to good use: adjusting protocols, adding new technologies to help with operational hurdles, or offering flexibility to challenging schedules can increase employee satisfaction and reduce turnover.
3. **Support Continuing Education Efforts:** Offering opportunities for employees to upskill can be as simple as pairing them with a more experienced mentor, or as comprehensive as offering training programs on-site. Staff benefit by having a clear career path, and providers can benefit from filling internal workforce gaps.
4. **Technology:** Providers can help ease some operational burdens on their staff by implementing innovative technologies. These can include remote patient monitoring, improved communication, dining technologies, wearables, time and scheduling programs, and data collection to help them in their care and interactions with residents. Technology can also be used to support employee health and wellness. While there are a host of options available, it is important to understand which of these programs your staff will be willing to use to ensure full adoption.

By embracing innovation, collaboration, and a commitment to both employee and resident well-being, providers can position themselves to be prepared for the likely roll-out of the federal staffing mandate, as well as prepare for a continued increase in occupancy as the “silver tsunami” continues to unfold.

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Sources:

1. [77% of Assisted Living Providers Say Staffing Crisis Getting Worse – Senior Housing News](#). September 2021.
2. [Nursing Shortage Fact Sheet \(aacnnursing.org\)](#). October 2022.
3. [A Worrisome Drop In The Number Of Young Nurses | Health Affairs](#). April 13, 2022.
4. [Medicare and Medicaid Programs: Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting Final Rule \(CMS 3442-F\) | CMS](#) April 2024.
5. [Nursing Homes Mandated to Provide Certain Levels of Staffing Under Final Rule | CLA \(CliftonLarsonAllen\) \(claconnect.com\)](#) April 2024.
6. [Findings From the 2024 State of Nursing Survey \(nurse.org\)](#). May 2024.
7. [Nobody's Quitting Their Job Anymore. That's a Bad Sign for Workers. \(businessinsider.com\)](#), February 2024.
8. Bureau of Labor Statistics. Employment, Continuing Care Retirement Communities, 623311. May 2024.
9. [AMN Healthcare, Survey of Registered Nurses](#), May 2023.

NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS

AS OF MAY 10, 2024

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
Berkshire Retirement Community dba Kimball Farms (MA)	Fitch	A+ Stable	Review – No Action	5/6/23
Legacy at Willow Bend (TX)	Fitch	BB- Stable	Downgraded Rating Downgraded IDR*	5/7/24
Eliza Jennings Senior Care Network (OH)	Fitch	BB+ Stable	Affirmed Rating Affirmed IDR*	5/8/24
EveryAge (NC)	Fitch	BBB- Negative	Affirmed Rating Affirmed IDR*	5/8/24
Kendal at Lexington (VA)	Fitch	BBB- Stable	Affirmed Rating Affirmed IDR*	5/9/24

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* IDR – Issuer Default Rating

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INTEREST RATES/YIELDS

WEEK ENDING MAY 10, 2024

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	3.77%	3.93%	3.76%
Senior Living 30-Yr “A”	4.70%	5.02%	5.22%
Senior Living 30-Yr “BBB”	5.10%	5.42%	5.63%
Senior Living Unrated	6.25%	6.67%	6.64%
Senior Living New Campus	7.90%	8.22%	7.83%
SIFMA Muni Swap Index	3.17%	3.65%	3.50%

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
ZSLMLB Index [†]	5.70%	5.71%	1.93%

[†] Ziegler Senior Living Municipal Long Bond Index

Source: Bloomberg BVALS

FEATURED FINANCING

UNITED METHODIST HOMES
 BINGHAMPTON, NEW YORK

Bank Placement / Refunding

\$52,358,623

April, 2024

MARKET REVIEW

MONEY MARKET RATES

	05/10	Last week
Prime Rate	8.50	8.50
Federal Funds (weekly average)	5.31	5.31
90 Day T-Bills	5.40	5.40
30-Day Commercial Paper (taxable)	5.31	5.33
Libor (30-day)	5.43	5.43
SOFR	5.31	5.31
7 Day Tax-Exempt VRDB	3.17	3.65
Daily Rate Average	2.77	3.40

COMPARATIVE YIELDS

TAXABLE REVENUE

	A	MMD	NR*	BB	BBB	A	AAA		
2 Year	4.81	5.31	1 Year	3.23	5.33	4.93	3.88	3.48	3.33
5 Year	4.47	5.17	5 Year	2.72	4.92	4.52	3.47	3.12	2.87
7 Year	4.45	5.30	7 Year	2.67	4.97	4.52	3.52	3.12	2.87
10 Year	4.45	5.45	10 Year	2.69	5.09	4.59	3.59	3.24	2.89
30 Year	4.60	6.10	30 Year	3.77	6.52	5.77	5.02	4.52	4.07

(* Representative of institutional sales)

TAX-EXEMPT MARKET INDICATORS

Bond Buyer	THIS WEEK	LAST WEEK	CHANGE
20 Bond Index	3.93	4.07	-0.14
11 Bond Index	3.83	3.97	-0.14
Revenue Bond Index	4.22	4.36	-0.14
30 Year MMD	3.77	3.93	-0.16
Weekly Tax-Exempt Volume (Bil)	7.87	6.03	+1.84
30 Day T/E Visible Supply (Bil)	11.9	11.3	+0.60
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	98.2	99.1	-0.90

Source: Bloomberg