

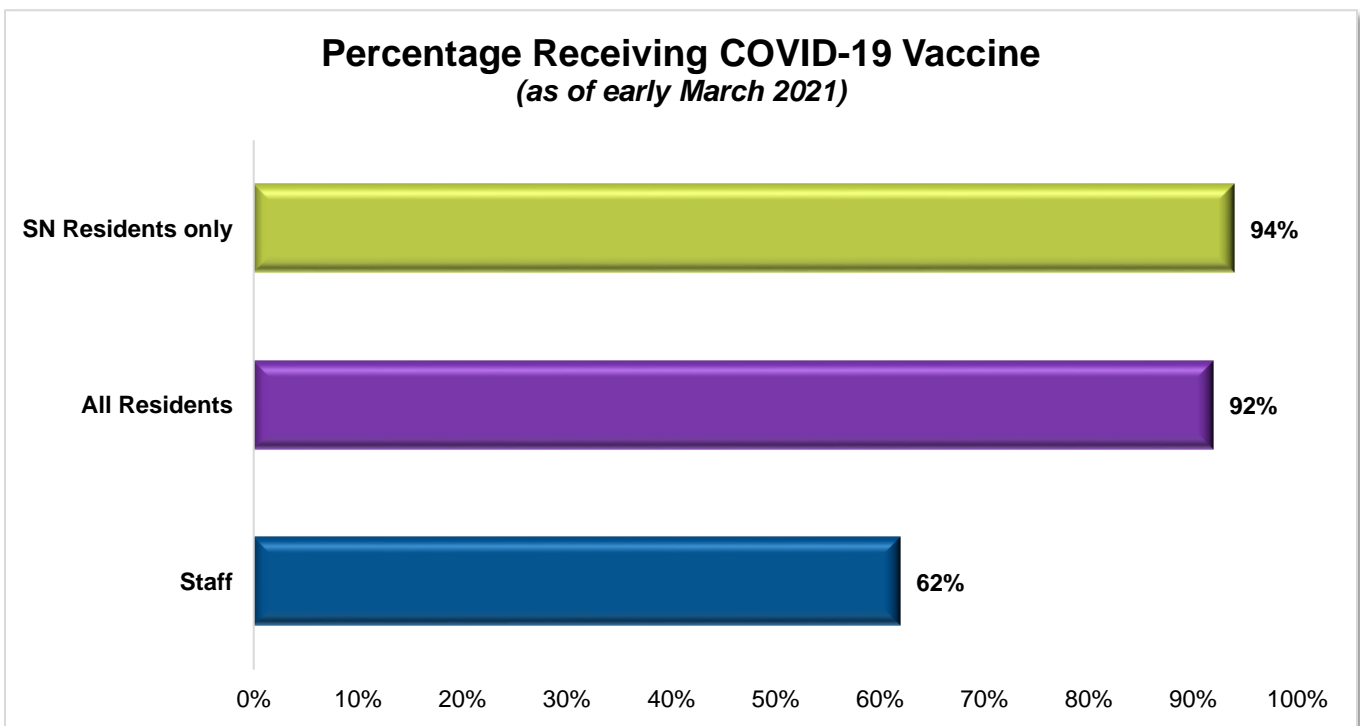
COVID-19: ONE YEAR LATER

ZIEGLER CFO HOTLINESM

In March 2021, a *Ziegler CFO HotlineSM* survey gathered feedback on a variety of topics related to the impact of COVID-19 as well as moving beyond the pandemic. This particular survey was entitled, “COVID-19: One Year Later” as several questions were also asked of providers one year ago. This year-over-year comparisons allows for an assessment of the overall impact of the pandemic on future organizational plans. More than 240 organizations participated in the survey. Roughly 58% were single-site providers while the remaining 42% represented multi-site senior living providers. The respondent pool is heavily weighted towards Not-for-Profit Life Plan Community organizations.

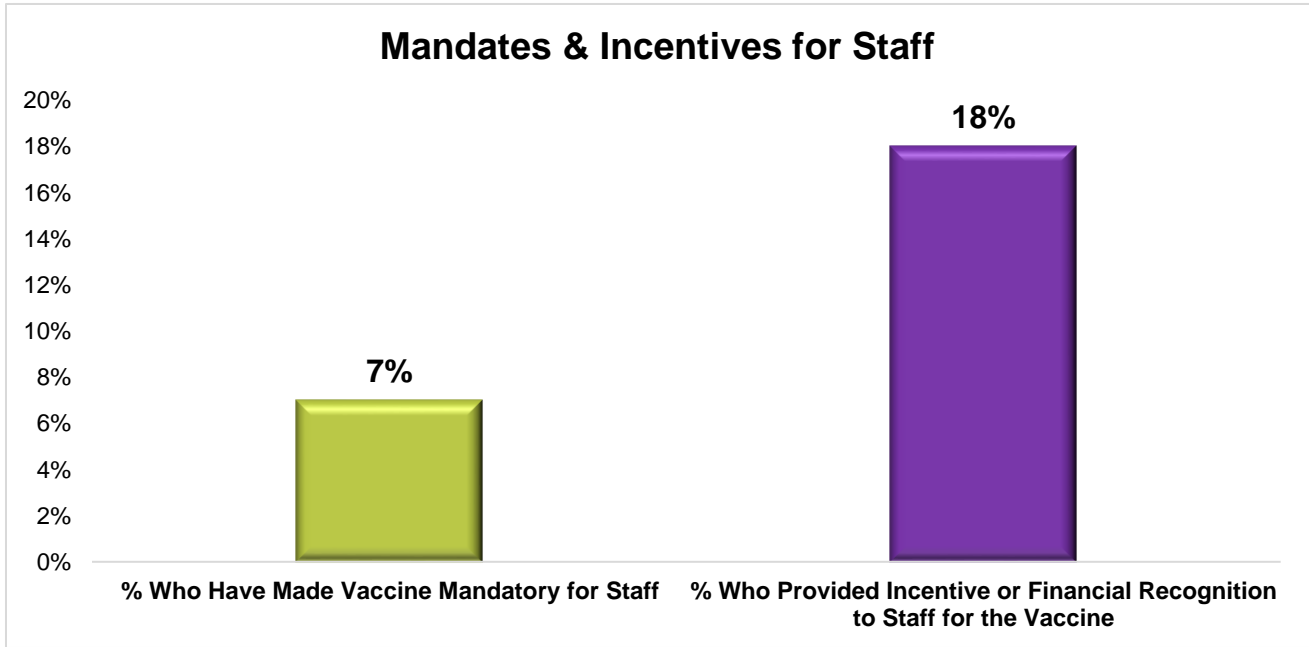
Vaccination Rollout

The first several questions asked about the rollout of the COVID-19 vaccine. At the time of data collection in early March, all respondents indicated that they had at least two vaccine clinics in their community(ies). The largest proportion, 88%, indicated that they have had three or more clinics. The table below details the percentage of residents and staff that have received the vaccine. These results are consistent with what is being tracked by other agencies, with the highest levels of vaccine receptivity among the resident population. The staff figure is slightly above the national averages, which are closer to 50-55% at this time.



Questions were also asked regarding mandates for the staff to receive the vaccine, as well as whether or not the organization provided an incentive for the staff to get the vaccine. As shown below, a small percentage of organizations have mandated the vaccine for staff, but a higher percentage reported that they did incentivize staff to receive the vaccination. The survey results show that among those organizations who mandated vaccinations among staff, the percentage of staff receiving a COVID-19 vaccination was 82% compared to those without a mandate at 61%. Interestingly, there was not a significant difference in staff

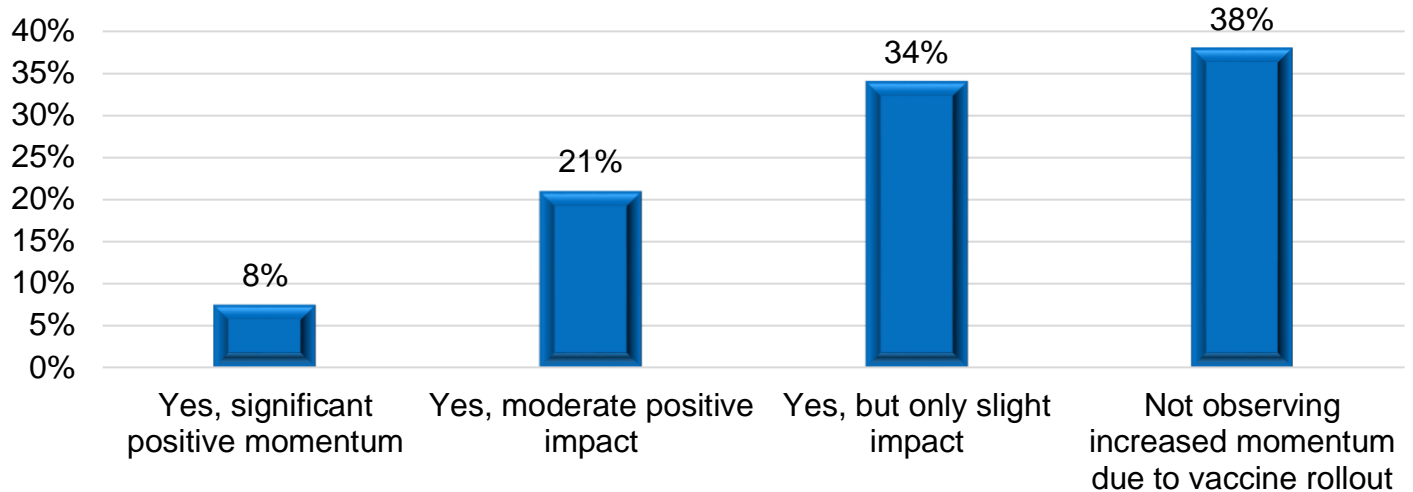
vaccination rates among those who did and did not incentivize staff. Rates among those providing an incentive was 63% compared to 62% among those who did not.



	% of Staff Receiving Vaccine
Mandated Vaccine	82%
Not Mandated Vaccine	61%
Incentive Given	63%
Incentive Not Given	62%

More than 60% of respondents indicated that they are observing at least some degree of positive impact on marketing and sales since the rollout of the vaccine. About 29% indicated that the impact has been “significant” or “moderate.”

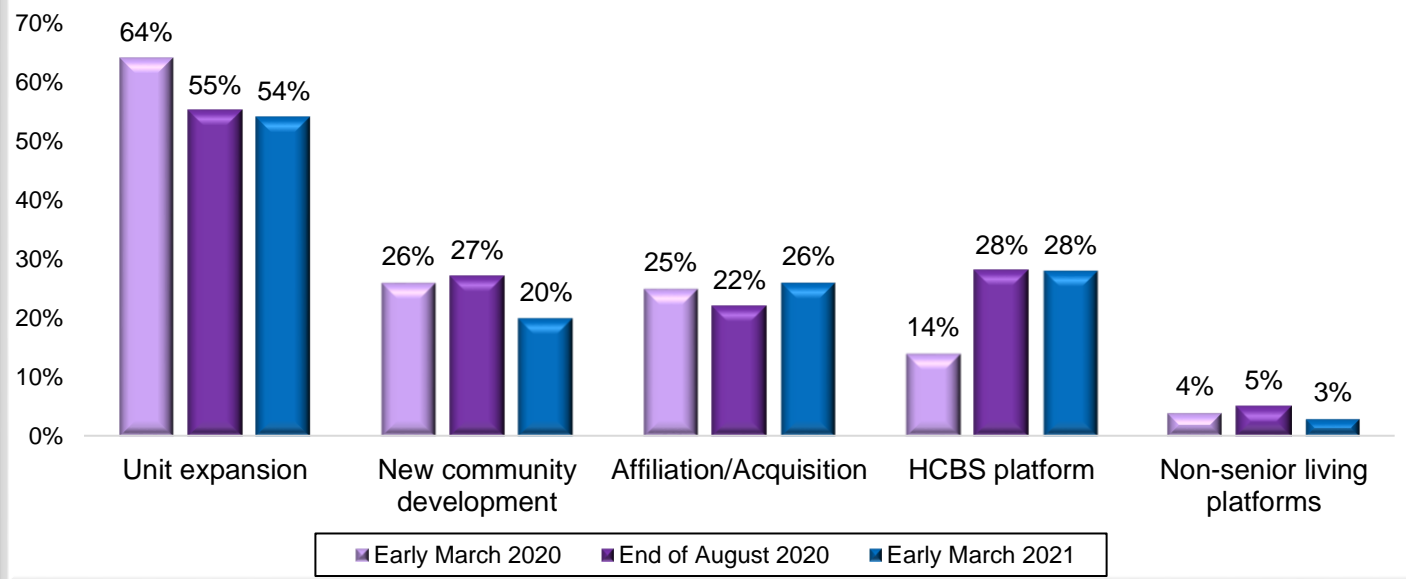
Since the rollout of the vaccines, have you observed increased momentum with move-ins and/or sales and marketing inquiries in your community(ies)?

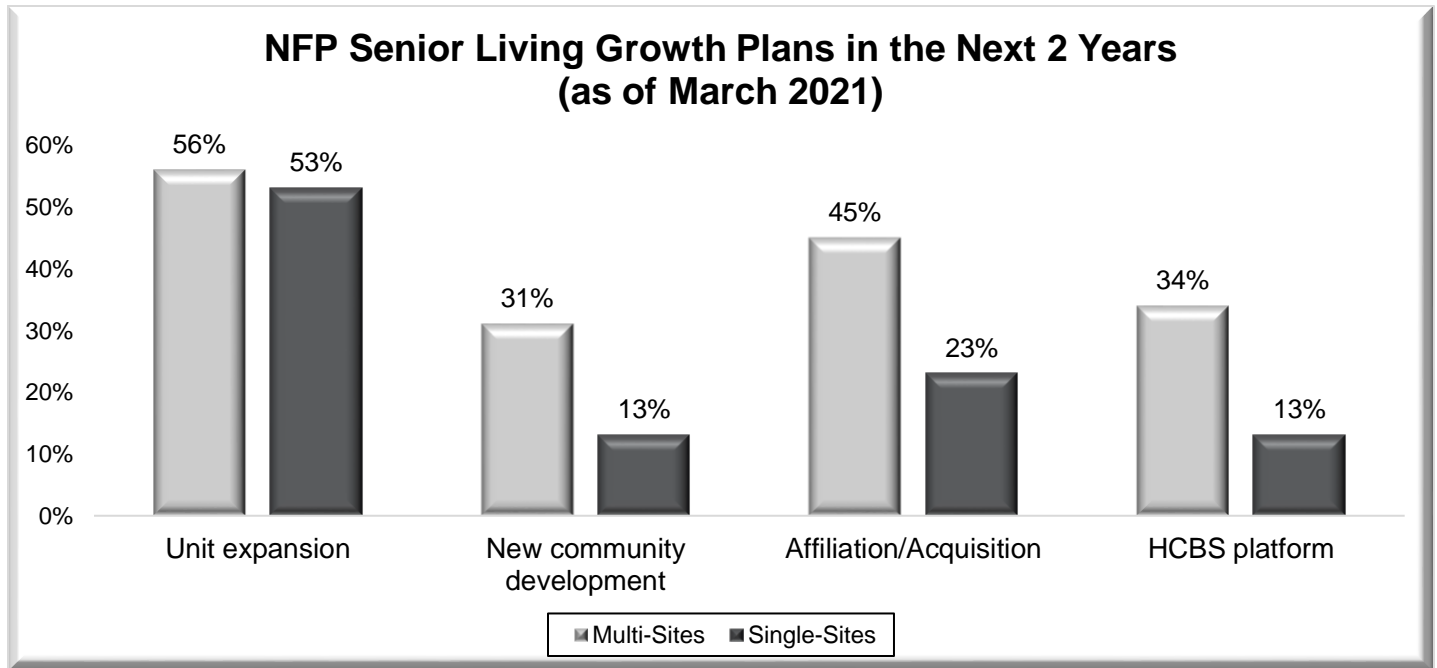


Growth Plans

One year ago, CFOs were asked about their growth plans over the next two years. This was just as COVID-19 was making its way into communities. This same question was asked again in August of 2020 and then again in the current survey. With the exception of growth plans for HCBS, most categories were similar to or below one year ago. Consistent with one year ago, growth plans are more significant among multi-site providers.

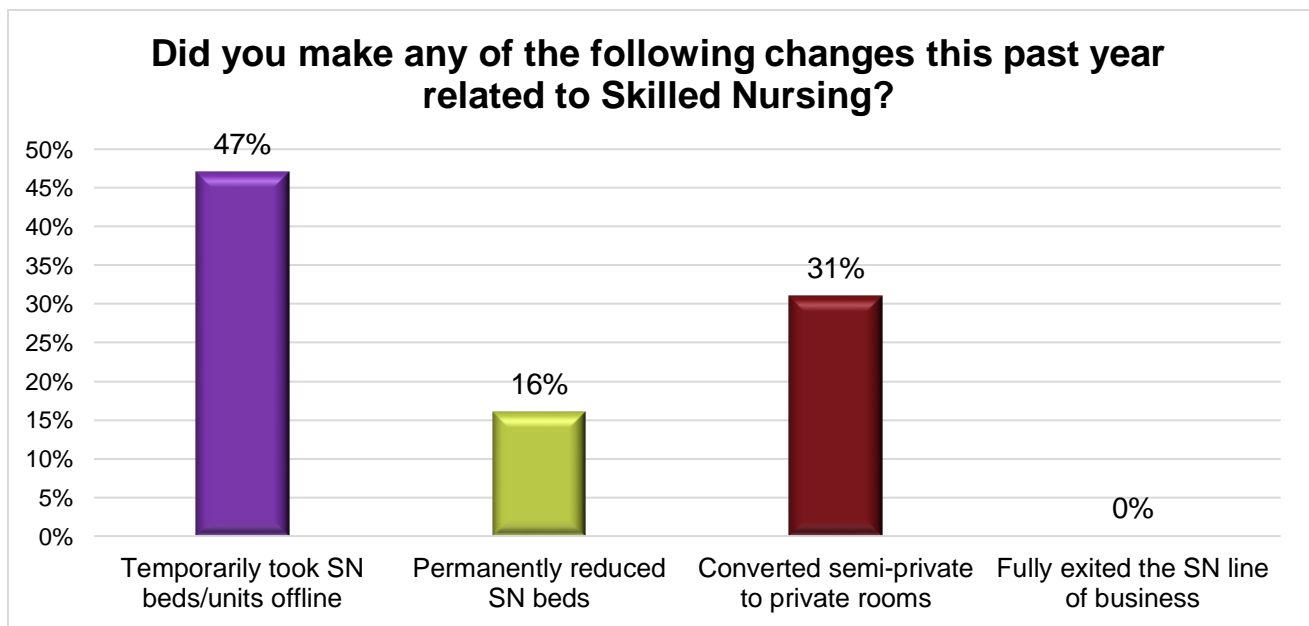
NFP Senior Living Growth Plans in the Next 2 Years





Skilled Nursing (SN)

A question was asked regarding changes made in the past year to skilled nursing. Nearly half of the respondents indicated that they temporarily took skilled nursing beds and units offline. This is not surprising given the decreased census and staffing challenges throughout 2020. Roughly one-third converted semi-private rooms to private rooms, a trend that has been tracked by Ziegler in recent years. This past year that conversion was also likely influenced by the creation of specialized COVID-19 units by many providers. Sixteen percent indicated a permanent reduction in SN beds, while no respondents reported that they fully exited the skilled nursing offering.



The Year Ahead: Concerns & Optimism

Two open-ended questions were included in the survey, with one asking respondents what their top concerns are for the year ahead, and the other asking what they are most optimistic and excited about. A summary of those key responses is below.

Top Concerns for Year Ahead	# of Mentions
Rebuilding census/occupancy	135
Staffing challenges (increasing wages; recruitment/retention)	82
Ability to re-open safely; new normal once re-open	29
Careful management of expenses/cost reduction where possible	13
Ongoing costs associated with testing and PPE	13
If COVID-19 doesn't go away; new variants	9
Overall financial stability	8
Improving staff vaccination rates	7

Optimism & Excitement for Year Ahead	# of Mentions
Ability to reopen to guests; visitors	45
Return to "normal" (however defined)	31
Improved census and move-ins	28
Project-related (expansions, new communities, restarting paused projects)	23
A COVID-free campus/COVID-19 under control	17
Increased number of people getting vaccinated	11
Ability to focus on planning, strategy; things other than COVID-19	9

Lastly, the survey allowed for open-ended comments to be made. Below is a sampling of those comments:

- *Believe that the first half of 2021 is going to present only minor changes from current status. Hopefully, second half of the year will be very positive.*
- *Believe full recovery is 2 years away. CARES act dollars have helped - but reality of low census will hit soon. Our organization is in good shape - but think our industry is in trouble.*
- *Despite the expectations of slow occupancy numbers, our story is a great one to share with our market to educate them on the benefits of a LPC. This will translate into continued success in occupancy and reputation. New spaces being offered to an expanded market over a solid foundation of success during COVID. LPCs had/have the resources and staff to weather the storm and support our residents and employees.*
- *I am optimistic.*

- *I anticipate a slow recovery.*
- *I miss seeing people.*
- *No doubt 2021 will be a challenge. Hopeful that challenges will be for positive reasons.*
- *Optimistic that we will see some recovery and begin getting more consumer confidence in AL and SNF.*
- *Remote working is likely here to stay for many positions.*
- *The regulators really need to get out of the way now that we have a vaccine.*
- *Very guarded optimism during the balance of the year.*
- *We have survived what we believe is the toughest time, now we need to accept our new reality and thrive. Be creative. Change is necessary and expected.*
- *We were considering getting out of the Skilled business and now are so happy we elected to stay in. Consumers now value nursing over amenities.*
- *While budgets and financials will be challenging, we have a great opportunity to fully evaluate all we do coming out of COVID and be able to talk about the "white elephants" in the room.*
- *Will the economy recover, including the government being able to pay for all the stimulus paid out, which is a longer term question than 2021.*

The senior living organizations' responses included in this report have been collated without verification of the accuracy of the data/comments therein. The results provided do not express an opinion of nor can they be guaranteed by Ziegler.

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