The complexity and pace of change will bring opportunities and pose significant threats across the aging services continuum.
AAHSA and LeadingAge: A Decade of Strategic Planning

Services for the Aging in America: Four Scenarios For the Next Decade

“The Long and Winding Road”
Histories of Aging and Aging Services in America, 2006–2016
The Five Big Ideas of LeadingAge

1. Quality
2. Transitions
3. Talent
4. Finance
5. Technology
The Field Of Aging Services Is Evolving

Spectrum of Services

Want driven

Preventative

Need driven

Long-term care

Hospital

Active adult communities

Continuing care retirement communities/multi-level campus

Source: Adapted from previous Greystone and LarsonAllen LLP presentations
Drivers include local culture, customs, and care delivery patterns.

Successful strategic planning will require comprehensive understanding.
Our Discussion Today...

Five trends

Seven implications

Six strategies
Payment reform will focus on increasing value and lowering total costs.

Stewardship – where values meet value.
Potential Implications for Aging Services

- Robust measurement systems
- Automated data collecting processes
- Significant cost of care reductions
- Changing gain-sharing payer expectations
- Better payer contracting data
Referral sources are instituting changes in preparation for different payment models.
Potential Implications for Aging Services

- Hospital and physician relationships
- New provider roles
- Integrated care delivery models
- Best practice protocols
- Community and post-acute setting care delivery
Hospitals will experience significant financial strains over the next 5 – 7 years.
Potential Implications for Aging Services

- More post-acute and home care discharges
- Frail and clinically-complex residents
- Faster response times
- Greater hospital integration
- Preferred provider networks
Future customer buying practices will likely **not reflect** historical patterns.
## Potential Implications to Aging Services

<table>
<thead>
<tr>
<th>More focus on stewardship, value and quality</th>
<th>Increased vacancies and longer waiting lists; more short-stay residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>New marketing messages</td>
<td>CLASS Act</td>
</tr>
<tr>
<td>Transitions coordination</td>
<td>People staying in their own homes longer ... with services</td>
</tr>
</tbody>
</table>
“Culture trumps strategy.”

“Quality is an automatic public expectation.”
Health Care Reform legislation is creating opportunities for aging services providers.
Potential Implications for Aging Services

- Health information exchange
- Payment reform
- Quality and performance measurement
- Post-acute and home health payment reductions
- Shift to lower cost levels of care, for example housing with services
- Growth in home and community-based services
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What Does All This Mean?
“Who will be the trusted guide?”

“Fall in love with the marketplace, not your current products.”
Impact of Consumers

How are you providing consumer-directed care?
What support do you offer to families?
How do you help consumers navigate the maze?
Do you have a consumer-focused technology plan?
Do you have a talent-focused human resources plan?
Our Overall Perspective: The Critical Issues

- Consumer expectations
- Access to capital
- Recessionary economy
- Technology
- Relationships
- Health care reform
- Stewardship
Impact of Economic Recession

The “New Normal”

Economic downturn creates problems and opportunities

What is the long-term impact?
Health Reform will Drive Tremendous Change

Change is imminent.

Greater financial risk
Operational efficiency
Collaboration
Technology investments

Increased consumer-focused quality
Elevated regulatory risk
Community-based services and care
Access to Capital will Continue to be Difficult

- High interest rates for non-rated credits
- Consider alternate sources of capital
- Fitch Ratings: “negative outlook for the senior living sector” for 2011
- Borrowing capacity defined by operating results and balance sheet strength
- Rating matters for some providers!
Changing **Technology Focus**

**Past:** information management and monitoring

**Today and future:**
- Creating connectivity
- Improving staff productivity
- Using technologies as part of medical procedures
Collaborative Relationship and Process Changes

- Manage referral relationships
- Add value in the “care delivery” stream
- Participate in community collaborations
- Adapt management and governance activities
Increasing Consumer and Payer Expectations

Demand for accountability and value

- Targeted under health care reform
- Person-centered post-acute care
- Home and community-based services
- A long-range financing vehicle
- Living arrangements
- Expectation of “free!”
Preparing for Change…

Key Strategies

Bend the cost curve
Understand and capitalize on strengths
Use technology better
Focus on consumers
Connect quality to value
Build new relationships
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Aging Services: What Does the Future Hold for Us?
Implications for our Organization: Value, Quality and Stewardship
Be Positioned for Success

Does our organization have quality the public can trust?
Are we moving from silos to the broader community?
Are we moving from a product to a resident focus?
Are we succeeding in the battle for talent?
Do we demonstrate our commitment to stewardship?
Are we reinforcing our not-for-profit values?
Have a **Strategy Around Excellence**

What are we aiming to accomplish?
What are our strategies to make this happen?
What are our capabilities for doing this?
How will we know if we are making progress?
What have and haven’t we accomplished so far?
Understand and Capitalize on Strengths

What are we aiming to accomplish?
What are our strategies to make this happen?
What are our capabilities for doing this?
How will we know if we are making progress?
What have and haven’t we accomplished so far?
Make the Most of Technology

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Shift the Focus from Process to the Resident

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Connect **Quality** to Value

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Aging Services: What Does the Future Hold for Us?
Who are LeadingAge and LarsonAllen?

**LeadingAge**

LeadingAge is an association of 5,400 not-for-profit organizations dedicated to expanding the world of possibilities for aging. We advance policies, promote practices and conduct research that supports, enables and empowers people to live fully as they age.

[www.LeadinAge.org](http://www.LeadinAge.org)

**LarsonAllen and ThirdAge**

Who do you call when you have big questions about business or little questions about life? At LarsonAllen, you'll develop a personal connection with a team of people devoted to your field. With more than 50 years of experience, we offer valuable insights, produce original research, and develop techniques and tools specifically designed for you. We value quality and integrity and create noticeably different client experiences. With our industry experience and national resources, we provide services that impact your business.

[www.larsonallen.com/Health_Care Senior_Living/](http://www.larsonallen.com/Health_Care Senior_Living/)
Health Reform and Aging Services
http://www.aahsa.org/healthreformhub.aspx

- HCBS Provisions
- Nursing Home Provisions
- Technology Provisions
- Employer Provisions
- Demonstration Programs
- Consumer Information

See our Future of Aging Headlines for aging services news and updates.
http://www.leadingage.org/

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For more information on health reform, go to LeadingAge’s website:
www.LeadingAge.org
For more information on health reform, go to LarsonAllen’s Health Care Reform Center: www.larsonallen.com/healthreform
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For more information on health reform, go to LarsonAllen’s Health Care Reform Center:
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