

# CHANCERY MONTHLY NEWSLETTER

*The senior living industry faces challenges and opportunities in 2024. Operators in the senior living industry are facing increased scrutiny from the media, lawmakers, and the public due to recent negative stories. Public relations challenges persist as the industry works to combat existing negative perceptions and gain trust. Meanwhile, the AI revolution continues to unfold gradually with some setbacks and limitations in its applications within senior living.*

## Top Senior Housing Trends for 2024 — Part III

### Operators face tougher scrutiny

As the senior living industry becomes more well-known among the general public – and that is the industry’s stated goal – it will no doubt endure much more scrutiny from the press, lawmakers and the general public.

That was on full display in December when the industry was rocked by three Washington Post stories on senior living resident elopement and staffing. The stories centered on residents who wandered from their communities, almost 100 of whom died. The Washington Post reports were hot on the heels of another series from the New York Times and KFF, called “Dying Broke,” about the lack of affordable senior housing.

For senior living operators, the stories are a lesson in public relations. They also represent a new hurdle for operators who want to gain the trust of prospects and their families, given that senior living is already fighting against an ingrained negative public perception.

The so-called mainstream media is not the only pillar of American democracy with its collective eye on senior living. Earlier in 2023, Silverado and CEO Loren Shook were charged in a case related to a deadly Covid-19 outbreak early in 2020. Though those charges were later dropped, the case sparked questions about whether prosecutors in other parts of the country might similarly put other executives in the crosshairs.

The bottom line for operators is that the coming years will not be easier with regard to public relations, and they must be prepared to effectively tell their companies' stories – lest someone else tell them.

The industry also needs to think carefully and strategically about balancing transparency with discipline in 2024 and henceforward. In critiquing the industry's focus on profits, the Post described a NIC conference session at which presenters "fired fake money from toy handguns labeled 'MAKE IT RAIN' when contestants pitched a senior home concept with promise."

That might seem like a harmless bit of fun to liven up a session, but going forward, industry leaders should consider who might be in the room during conferences, and how they are portraying the industry to people who are casting a skeptical eye over it.

### **The AI revolution keeps – gradually – unfolding**

News headlines in 2023 were awash with bold predictions that an artificial intelligence revolution was right around the corner. But in 2024 that revolution will unfold gradually, and with some setbacks to address and overcome.

That is not to say that AI is not in an exciting trend. In only a few short years, artificial intelligence became a powerful new tool that regular people could use to write prose, code, translate languages and analyze data patterns. Today, it can even be used to help detect mild cognitive impairment in older adults.

But the use case of AI in senior living is still limited. Although many operators tout AI as a way to usher in a new tech-forward future, its current applications are largely rooted in possibility, not practicality.

There is also the fact that some of today's promising AI functions in senior living are powered by platforms belonging to other actors in the tech space, like OpenAI, which ran into an existential crisis this year after firing and then rehiring CEO Sam Altman. While the saga did not ultimately affect the company's services like ChatGPT, the entire situation highlighted how controversial and divisive AI technology is, and the serious debates and quandaries that have to be conducted and addressed for responsible use.

Then there are the recent lawsuits filed against UnitedHealth and Humana over their use of AI tools to help determine whether Medicare Advantage beneficiaries should qualify for certain types of post-acute care. These legal battles will play out over the course of 2024, and will help shape and determine the future uses of AI in senior care.

None of this is to say that the senior living industry is not headed toward an AI-powered future – it seems increasingly likely with each passing year that all of us are. And AI was among the hottest topics at our recent BUILD and CONTINUUM conferences, with leaders expressing plenty of enthusiasm about how the technology can already help address major challenges such as fall detection and prevention. But given the barriers that still stand in the way of widespread AI adoption, it does not seem like 2024 will be the year the AI revolutionaries fully storm through the barricades.