

# CHANCERY MONTHLY NEWSLETTER

*In 2023, senior living providers like Brookdale Senior Living embraced value-based care, signalling a pivotal moment. In 2024, the industry aims to further integrate value-based care into operations. This shift requires a crucial “mindset shift” among operators. It offers opportunities to partner with healthcare networks, promising financial gains and better resident care.*

## Value-Based Care ‘Mindset Shift’ Needed to Reach Industry’s Next Evolution

In 2023, value-based care reached a “tipping point,” with big senior living players including Brookdale Senior Living (NYSE: BKD) embracing the trend.

Looking ahead to 2024, the industry is preparing to move the needle even further and integrate value-based care into their operations as a way to increase the quality of care and more appropriately charge for services. But to do so it will take a “mindset shift” around what value-based care is and the role it plays in senior living.

With margins slimmer for many operators coming out of the pandemic, a shift towards value-based contract and reimbursement structures is dependent on multiple factors. From needing scale and density to make a value-based care model sustainable to needing the right leadership in place, many changes are still needed within the industry to help drive the perceived mindset shift.

Senior living providers now more than ever before have greater access to partner with primary care networks, accountable care organizations (ACO) and Medicare Advantage (MA) networks to help realize the benefits of value-based models with healthier bottom lines.

Proponents of the value-based care movement say the monetary upside of the shift is second to the greater benefit of better medical responses and reductions in hospitalizations for residents.

With these financial and wellness benefits in mind, those with stakes in the value-based care world including Lifespark, Juniper Communities, Salmon Health and Retirement, Curana Health, Serviam Care Network say this is only the beginning for the shift towards optimized health care and senior living.

But to get there, these organizations highlighted the need for increased thought-leadership and action from operators in the industry to help realize this sea change.

### **‘Mindset shift’ needed after five years of progress**

Nearly five years ago, Juniper Communities CEO Lynne Katzmann helped launch the Perennial Consortium, an effort that helps link providers with owning a MA plan. At the time, value-based care in senior living was a novel concept embraced by early adopters such as Katzmann.

Then came the pandemic, which pushed many senior living operators to get creative with how they offer and charge for services. Some organizations in the aftermath of Covid-19 embraced value-based care, and that has helped lead to a wider change in operators understanding their role within the wider health care landscape.

“Even in the last five years, things have changed markedly,” Katzmann said.

One of the biggest changes over the years has been the ability for operators to participate in a value-based care program, with more options available now than ever before to identify new revenue streams from providing care. That also means changes related to the tools or metrics being used by operators to achieve better health outcomes, Katzmann said. Without the proper data, an operator can’t appropriately identify proper care levels and related changes, which could create blindspots on revenue generation if the proper tracking is not in place.

Helping to drive these changes is the fact that CMS expanded the type of opportunities for participating in value-based care, with a projection that all Medicare beneficiaries will be in value-based care programs by 2030.

Juniper Communities is a partner with Curana Health, a provider-led primary and post-acute organization that counts AllyAlign Health — which helps operators access Medicare Advantage for services — among its divisions. CEO Mark Price said that, from his perspective, 2023 was the “year of rapid adoption” for value-based care.

“It’s a proven track record and it’s no longer a question of whether the community’s residents will be in a value-based program because they are all going to be in a value-based program,” Price said. “The question at this point is, do senior living operators want to design those programs and benefit from them.”

With value-based care a significant and growing force in senior living, Katzmann is heartened by the “long way” the industry has come. But today’s efforts are only the beginning and Katzmann said the industry must now undertake a “mindset shift” and change for the future of value-based care.

By that, Katzmann meant that senior living executives need to understand and capitalize on the benefits of value-based contracts. Given their proximity to residents, senior living operators can have a “huge impact” on the outcomes and ultimate cost for their residents — a desirable quest in both health care and generally the country today.

Senior living operators have spent the last five years securing a seat at the proverbial value-based care dinner table. Now, “we should be getting if not first dibs at the protein — or pretty darn close to it,” Katzmann said.

Without forward-thinking leadership, Price said operators could miss out on the benefits of a value-based structure.

“The biggest reason [a senior living provider] would not do it right now is that they don’t have the management bandwidth to take on something new,” Price said. “That would be far-and-away the most frequent reason and the biggest barrier.”

St. Louis Park, Minnesota-based Lifespark recently conducted an internal review to determine just how many communities within its recently-acquired senior housing portfolio had made tangible shifts in positive health outcomes.

What the team found was that in communities in which site leaders routinely practiced and emphasized Lifespark Complete — the organization’s health tech and home-based care model aimed at reducing hospital readmissions and improving health outcomes — reported a 30% drop in local hospital readmissions, according to Vice President of Growth Matt Kinne.

“It takes a change, both mindset and in leadership at the site level to really move the needle in a meaningful way,” Kinne said. “A lot of organizations aren’t ready for that and are still in survival mode.”

Through Lifespark Complete, communities have improved revenue income and performance, Kinne noted, highlighting the extended length of stay, decreasing days of lost service revenue and improved culture after making the shift towards value-based care. Those communities have reached 90% and higher occupancy levels, Kinne added.

“There’s considerable margin in that part of the business that up to this point providers haven’t had to think as much about having been more hospitality-driven in nature,” Kinne said. “Even if a provider doesn’t want to participate in the value-based contract, there’s still a meaningful opportunity for them to see considerable upside.”

### **‘Driver’s seat’**

With an emphasis on chronic care management and disease prevention, Katzmann said she believes the value-based care movement will not only improve operations, but improve resident quality of life.

Price said he feels that senior living operators will be “in the driver’s seat” for guiding value-based care changes over time.

“I think it will grow, and continue to be more centered on the operator with them in the driver’s seat for all these programs for how these programs evolve,” Price speculated.

Still, without scale or density behind them, some operators can have a tough time accessing value-based structures.

That’s where organizations like Serviam Care Network come in. Curana and Serviam partnered in May to bring more value-based services to operators. The partnership added Curana’s health care platform to nearly two dozen Virginia-based AL and memory care communities.

Alan Fairbanks, who works as the president of value-based care for Serviam, said this year he’s heard more operators than ever-before discussing participation within a shared savings program centered on value-based care.

With the power of value-based contract structures, operators can influence “many of the factors” that drive health care costs, he said.

“We as an industry have a great opportunity to significantly impact the overall health care span that’s taking place today in this country,” Fairbanks added.

Just announced earlier this month, Salmon Health also partnered with Curana aimed at reducing hospitalizations, according to Chief Future Officer Andrew Salmon. He added the partnership will bring Curana’s health providers on-site to one of its communities before rolling out across the portfolio.

“The intention is as we grow the platform with Curana, our census grows and the rising tide will lift all boats up and spill over into other areas of the company,” Salmon said. “This was a way for us to put our toes in the water and expand upon that.”

In looking out at the value-based care landscape, Fairbanks said he believes operators and their affiliated partners need to help solve affordability for middle-market communities with value-based structures in place.

“I believe value-based care can play an integral part in meeting the needs for the middle market and it gives operators access to funds to offset costs,” Fairbanks said.

But he added “we have to be able to communicate the outcomes if we’re able to show the outcomes and show what we’ve done.”

*Original Article:*

<https://seniorhousingnews.com/2023/08/28/value-based-care-mindset-shift-needed-to-reach-industrys-next-evolution/>

## Stony Plain Project Update

Three Robins Stony Plain is a seven-storey building with a total of 85 one-bedroom, one-bedroom plus den, and two-bedroom plus den suites. The ground floor of the building houses the Stony Plain Public Library, Ladybugs Flowers, and other residence amenities.

- A summer program called “On the same page” at the Stony Plain Public Library pairs seniors from our community with children to read, play games, and to get to know our residents!



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