The 19th Population Health Colloquium

Mini Summit V

Innovative Models in Elder Care:

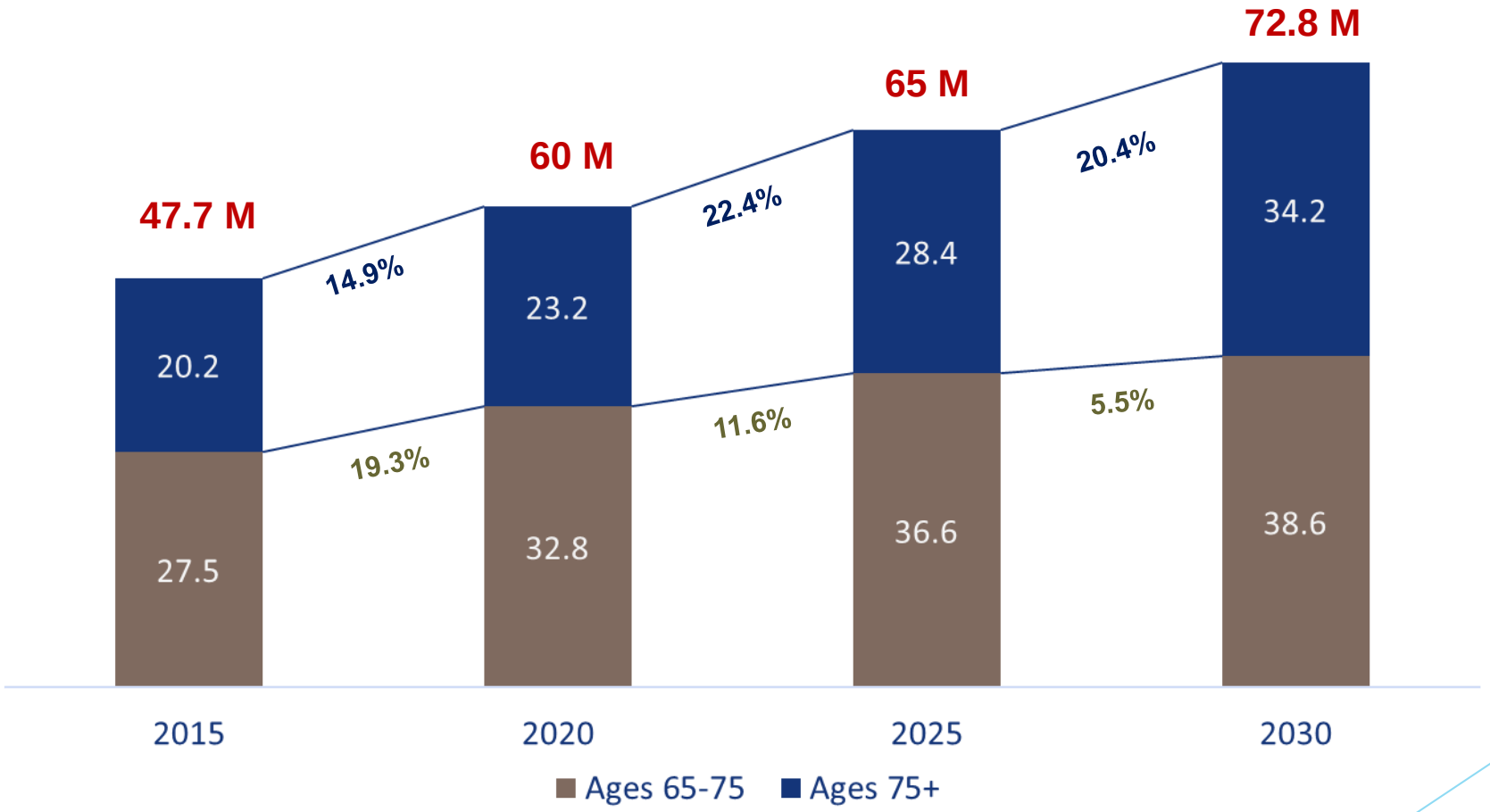
A Population Health Perspective

March 19, 2019

Philadelphia, PA

The Time Is Now To Address Innovative Solutions For Elder Care

75+ Growing Fastest Among U.S. Population Ages 65 and Older, Starting 2020

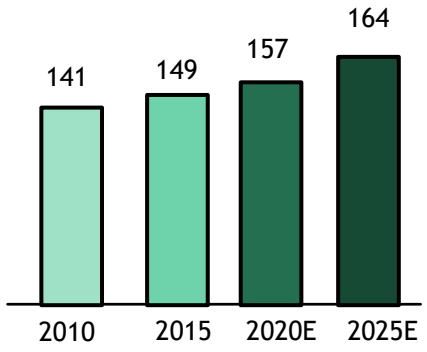


Source: Anne Tumlinson Innovations

Rising healthcare costs are driven by an aging population and growing chronic disease prevalence

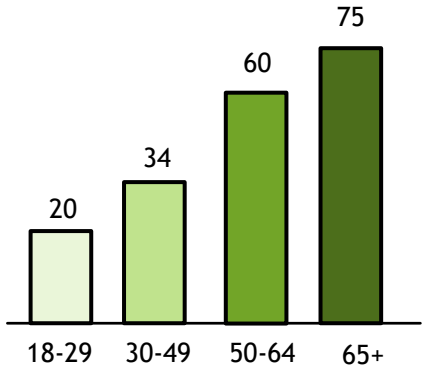
Population with chronic disease is growing…

of people in U.S. with at least one chronic disease (M)[1]



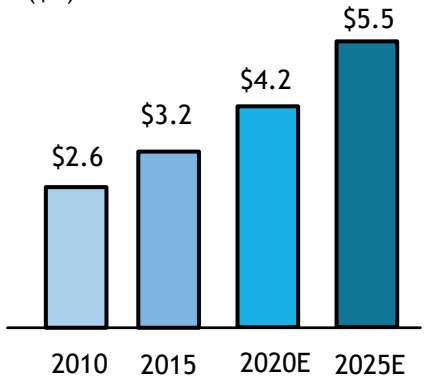
…especially among Medicare-eligible seniors

of people in U.S. with at least one chronic disease by age group[2]



…pressuring sustainability and affordability

US National Health Expenditures ($T)[3]



Chronic disease is a primary driver of increasing costs in the US healthcare system

1. Partnership to Fight Chronic Disease 2007 2. Pew Research 2013 3. Center for Medicare and Medicaid Services (CMS) 2015

Payers Spend Considerably on PAC, and There is Significant Variation in Cost and Quality

$60+ Billion in post-acute spending

Spend **growing >6%** annually

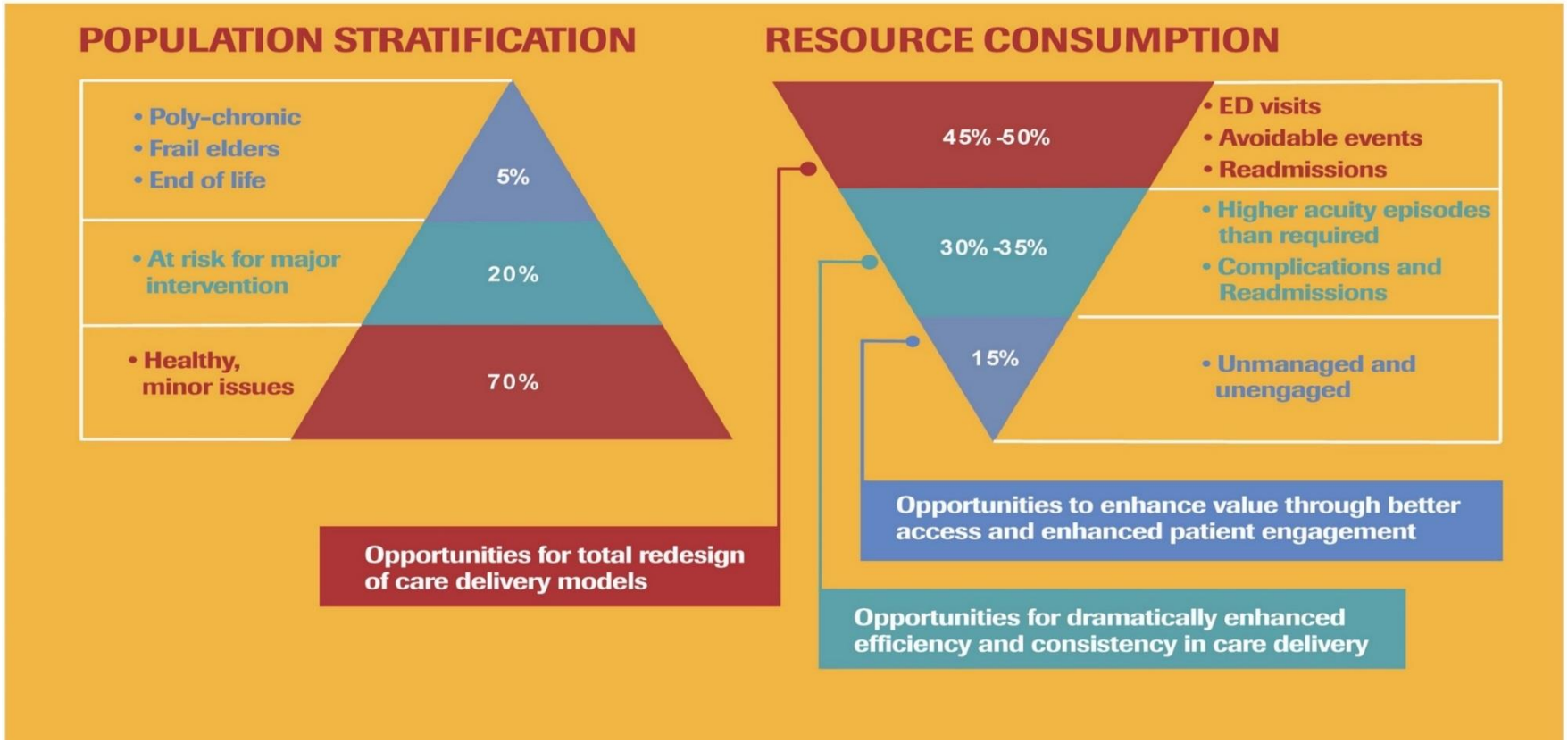
Eliminating PAC spend variation **eliminates 73% of Medicare spend variation**

Readmissions cost the healthcare system $30-40B annually

Sources: CDC, NCAL, AARP, HealthAffairs, MedPac, The Advisory Board Company, AHRQ, L.E.K. analysis

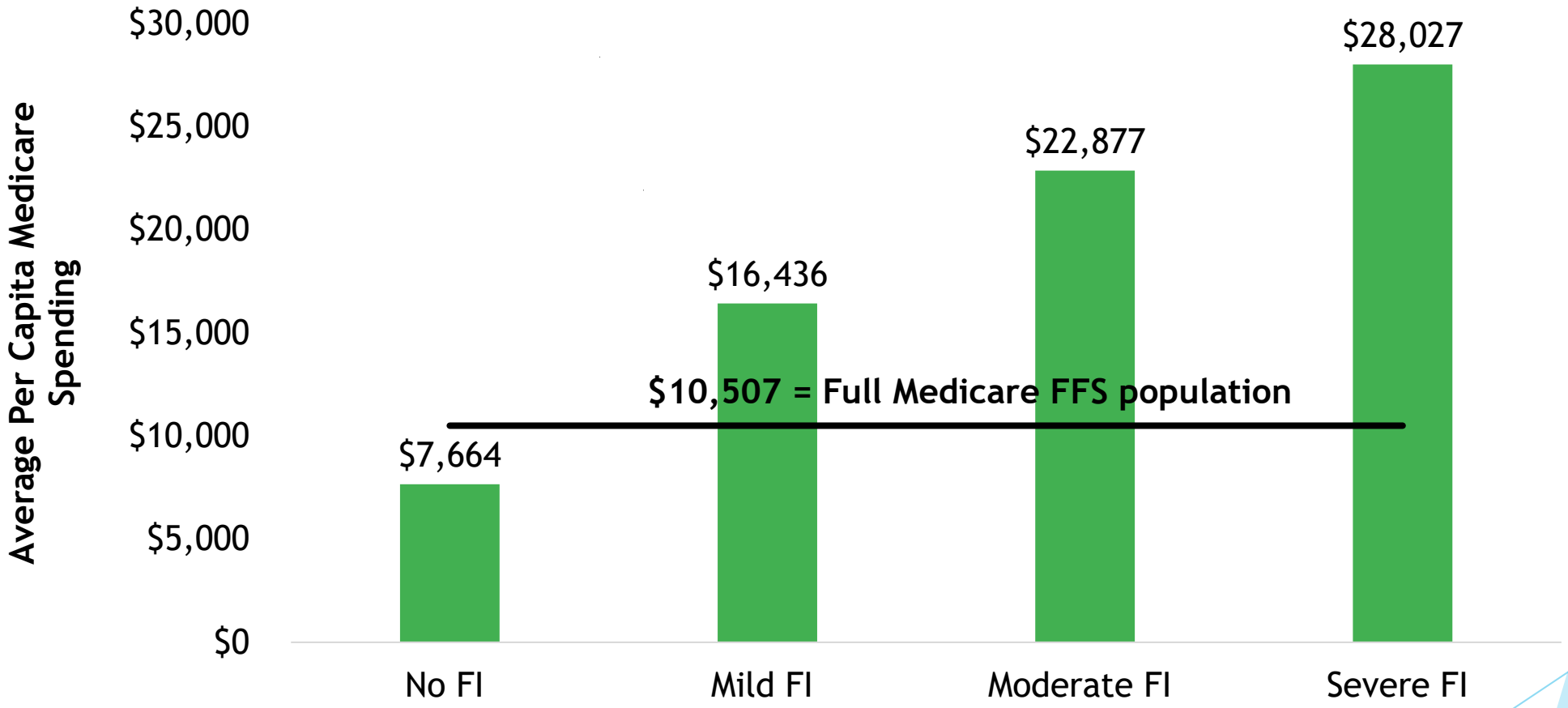
The Challenge and Opportunity

5% of the population account for 50% of resources



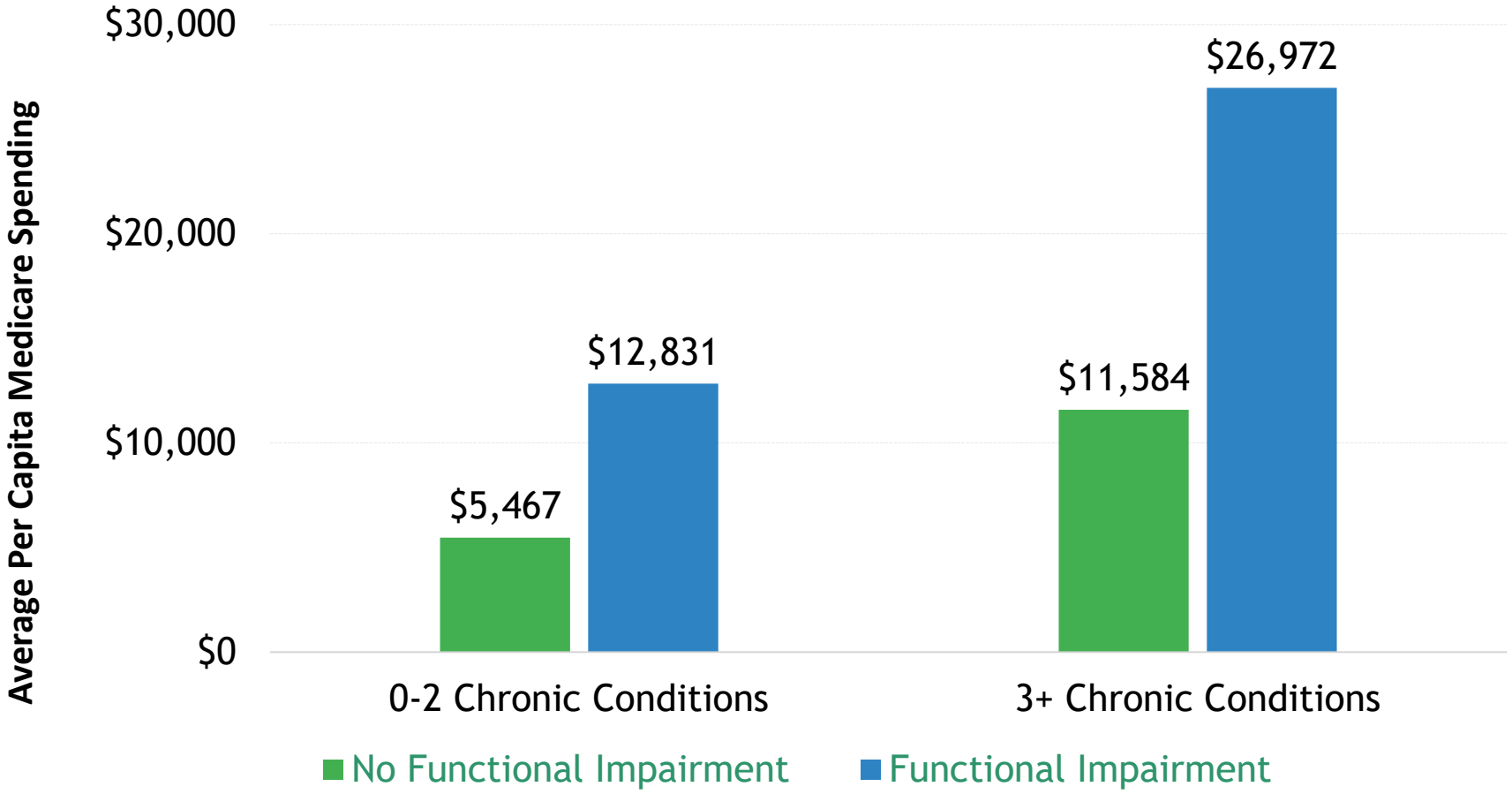
Source: National Institute 2013: ***Blended MarketScan Commercial, Medicare 5% LDS, and representative payor Medicare Data***

Population With Functional Impairment Associated with High Medical Spending



Source: Anne Tumlinson Innovations analysis of the 2015 Medicare Current Beneficiary Survey. Note: Data is limited to fee-for-service Medicare beneficiaries living in the community and excludes long-stay nursing home residents.

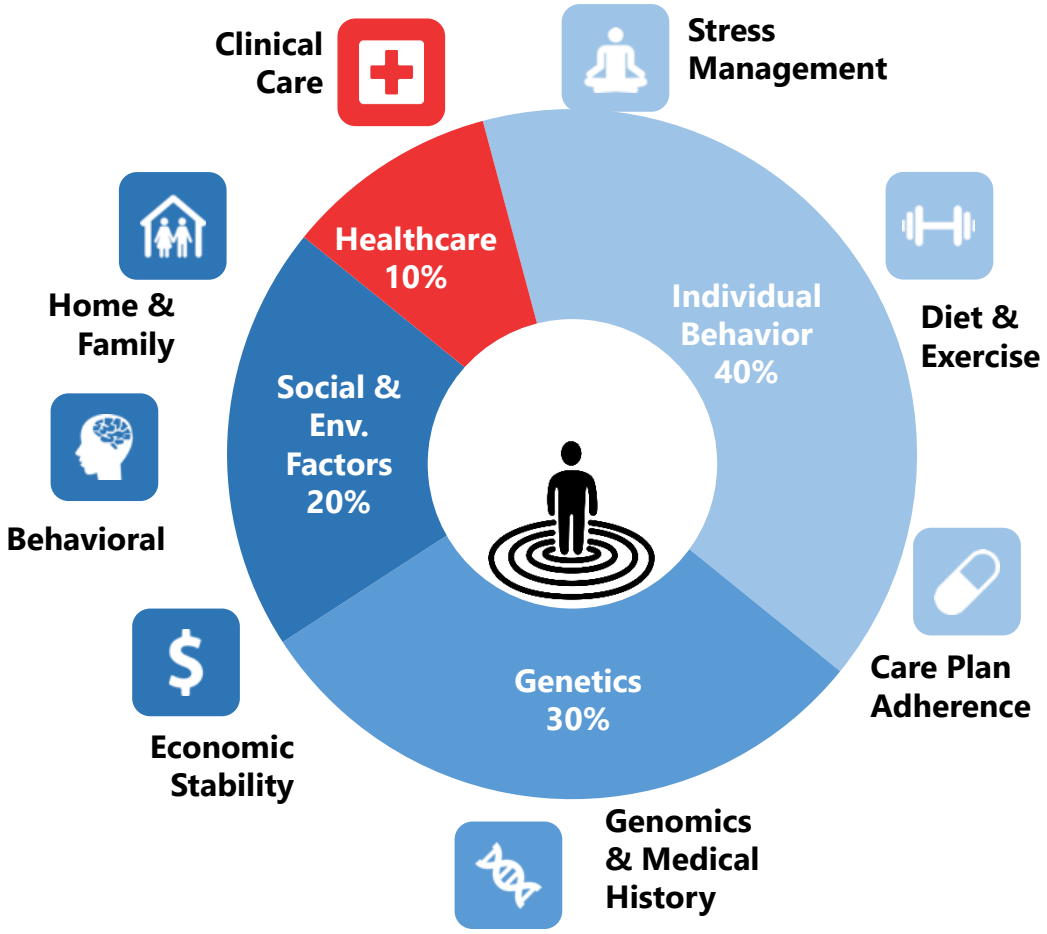
Moderate Functional Impairment Associated with High Medical Spending, Even for 3+ Chronic Conditions



Source: Anne Tumlinson Innovations analysis of the 2015 Medicare Current Beneficiary Survey. Note: Data is limited to fee-for-service Medicare beneficiaries living in the community and excludes long-stay nursing home residents.

What Drives Health?

Healthcare expenditure is <u>not</u> the largest determinant of Health[1] …

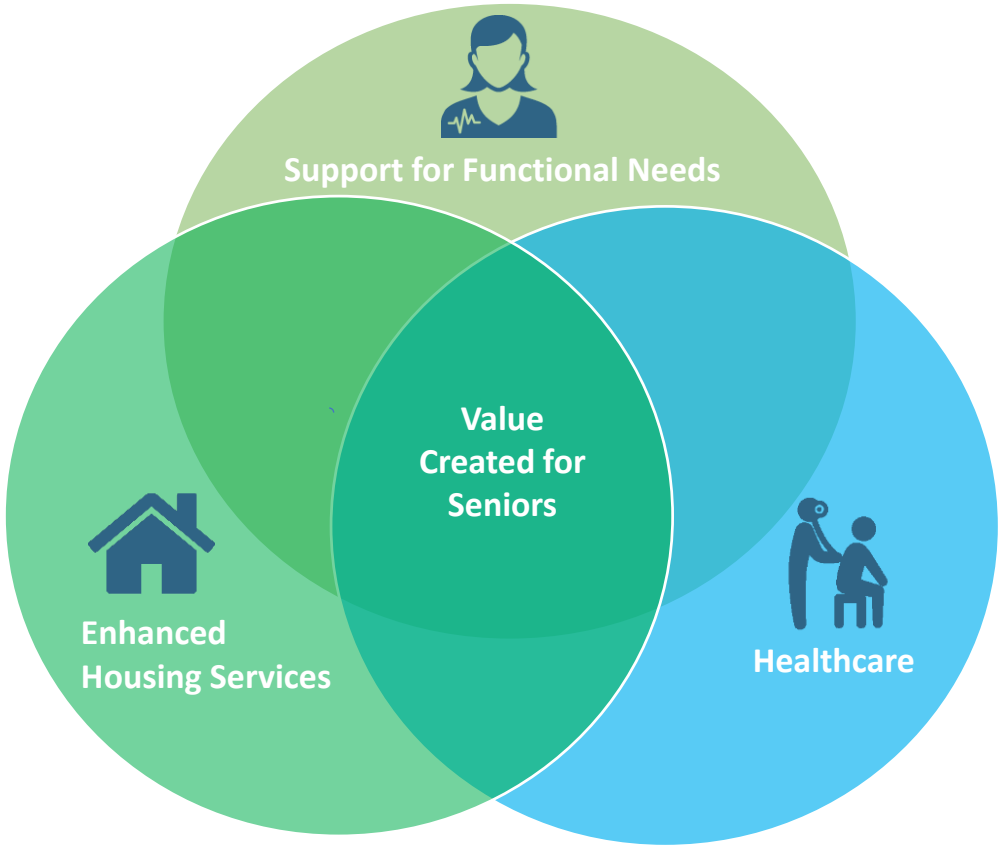


Source: (1) Kaiser Family Foundation (Research depicted conducted on US population; similar studies in other countries show similar distributions)

The Operating Solution

Integrate Healthcare with Enhanced Housing, Services and Support

Delivers value to them and you



Source: Adapted from National Investment Center (2017)

Innovative Models in Elder Care: A Population Health Perspective.

Connectivity & Outcomes – Linking Assisted Living and Post-acute to the Larger Delivery System

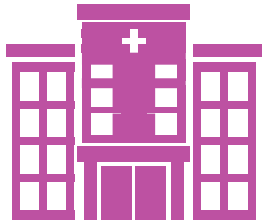
March 19, 2019

welltower

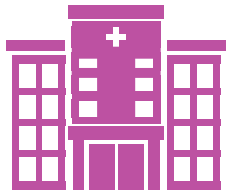
Health Care Landscape

$ HIGHER AVERAGE COST — LOWER AVERAGE COST $

ACUTE CARE



Hospital



Specialty Inpatient Care

POST-ACUTE CARE

Long-Term Care Hospital

Inpatient Rehab Facility

Skilled Nursing (LTC)

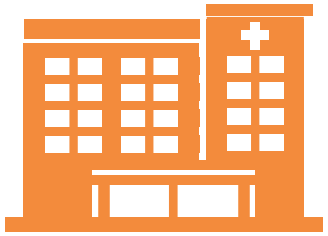
SENIOR HOUSING

Memory Care

Assisted Living

Independent Living

CONSUMER DRIVEN VENUES



Outpatient Medical

Urgent Care

Retail Health

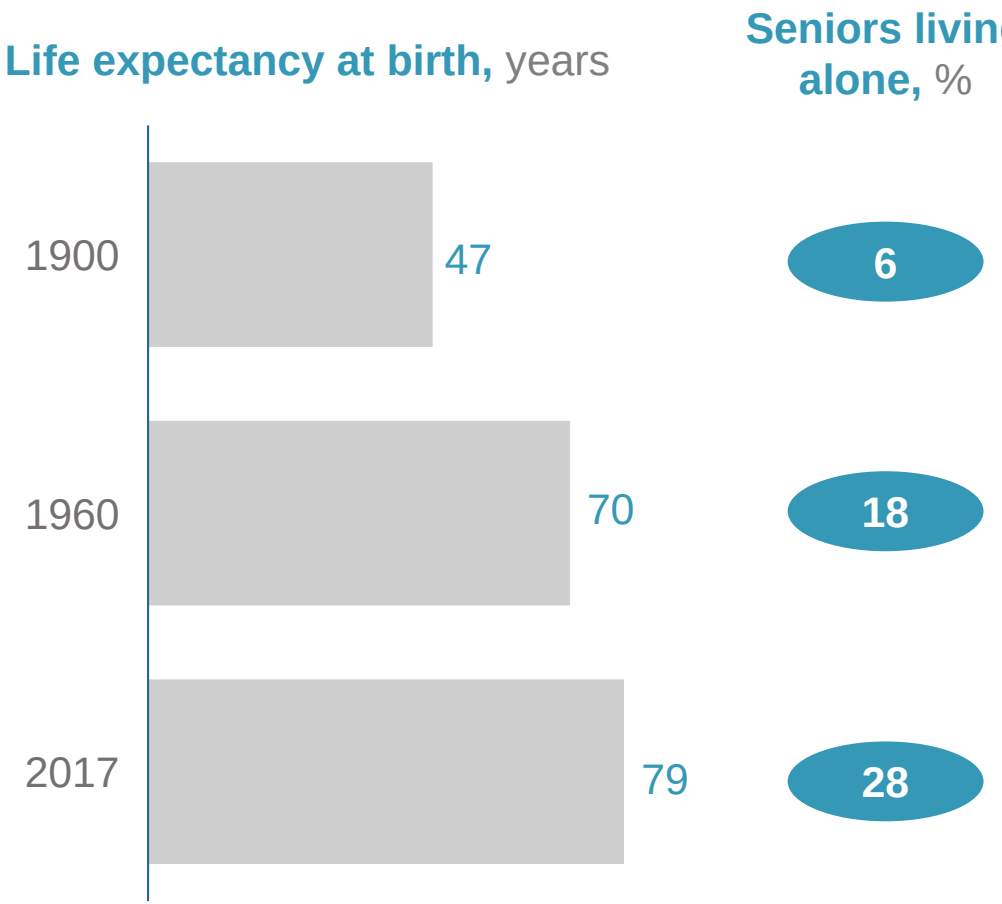
Home Health

Payor Programs

Virtual Health

Digital Innovation

28% of seniors live alone, increasing the risk of social isolation



Social Isolation, Loneliness, and Living Alone: Identifying the Risks for Public Health
"Social isolation was a predictor of mortality on par with smoking, obesity, elevated BP, and high cholesterol"

Health Effects of Social Isolation and Loneliness
"Socially isolated men had 90% increased risk of cardiovascular death and doubles the risk of non-fatal stroke"

Social isolation can actually hurt your heart
"Isolation was associated with a 43% higher risk of first-time heart attack and a 39% higher risk of first-time stroke"

SOURCE: Pew Research Center; FRED Economic Research; Administration on Aging

The Center for Medicare and Medicaid Innovation is experimenting with methods to address SDoH

> What if we gave organizations more flexibility so they could pay a beneficiary's rent if they were in unstable housing, or make sure that a diabetic had access to, and could afford, nutritious food…stay tuned to what CMMI is up to.
>
> **– Alex Azar, US Secretary of HHS, November 2018**

$650M grant

North Carolina Department of Medicaid to address housing, food, and interpersonal violence

$200M in funding

Awarded across multiple providers to alleviate housing, transportation, and food insecurity

Payors are investing in housing to improve social determinants of health outcomes

KAISER PERMANENTE®

$200 million to build **low-cost housing developments** across eight markets

Anthem BlueCross BlueShield

$10K annual decrease in medical costs through **short term housing support** in Indiana

CareSource

Age restricted, **payor subsidized housing** in Ohio

Results show **~30% reduction** in nursing home stays

United Healthcare

$350 million to develop **affordable housing communities** and services across 16 states

Welltower at a Glance

Welltower is redefining the settings where healthcare services will be delivered in the future

1,676

TOTAL HEALTH CARE PROPERTIES (1)

~321,000

RESIDENTS(2)

~19,965,000

OUTPATIENT MEDICAL VISITS(2)

$45B Enterprise Value(3)	NYSE Symbol: **WELL**	**S&P 500**	**Dow Jones World Sustainability Index**	Moody's **Baa1** Stable	S&P **BBB+** Stable	Fitch **BBB+** Stable

1. 4Q18 pro-forma for CNL acquisition.
2. Based on internal estimates derived from trailing twelve-month facility level data as of 12/31/2018, and includes CNL acquisition.
3. Source: Bloomberg as of 1/31/2019.

Welltower Associated Sites of Care

Residential Care
(AL, IL, Memory Care)

SAGORA SENIOR LIVING

STORYPOINT Shine. Everyday.

cogir REAL ESTATE

BELMONT Village SENIOR LIVING

SUNRISE SENIOR LIVING

BRANDYWINE LIVING *Life is Beautiful*

Post Acute

HCR ManorCare

Arden Courts

POWERBACK REHABILITATION By Genesis HealthCare

Outpatient Medical & Ambulatory Care

Providence St.Joseph Health

Atrium Health

PROMEDICA

JOHNS HOPKINS MEDICINE

NewYork-Presbyterian

Panel Participants

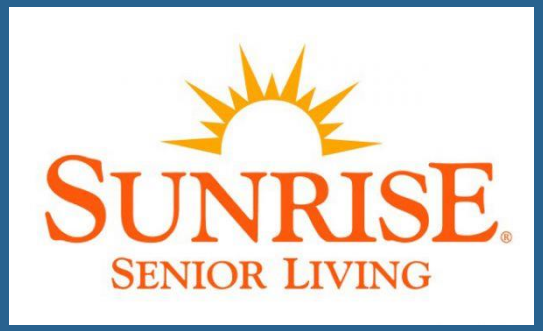
Steve Cavanaugh
HCR ManorCare
President

Mary Myers
Johns Hopkins Home Care Group
President

Sue Coppola
Sunrise Senior Living
Chief Clinical Officer

Kate Sommerfeld
ProMedica Health System
President, Social Determinants of Health

Mark Shaver – Moderator
Welltower
SVP, Strategy


SUNRISE
SENIOR LIVING


JOHNS HOPKINS
MEDICINE


PROMEDICA


welltower


HCR ManorCare

Part 2
Meeting Frail Seniors Where They Live: Care Delivery Models That Improve Outcomes and Reduce Costs

Moderator/speaker: Bob Kramer
Founder and Strategic Advisor—National Investment Center for Seniors Housing & Care (NIC)

Panelists:

- ***Lynne Katzmann***, Founder and President—Juniper Communities
- ***Dr. Robert Schreiber***, Vice President and Medical Director of Program for All-Inclusive Care for the Elderly (PACE)—Fallon Health
- ***Sean Kelly***, President and CEO—The Kendal Corporation

Our Story

- Founded in 1988 by President and CEO Lynne S Katzmann
- Recognized as one of the premier regional senior living companies in the United States
- 22 communities in four states (NJ, PA, CO, and FL)
- Portfolio comprises ALF (including MC), IL, SNF, and LifePlan
- Approximately $82,000,000 in annual revenue
- Uncommon “angel” investor base with long-term perspective
- Unique operating approach based on deeply embedded culture

connect4life

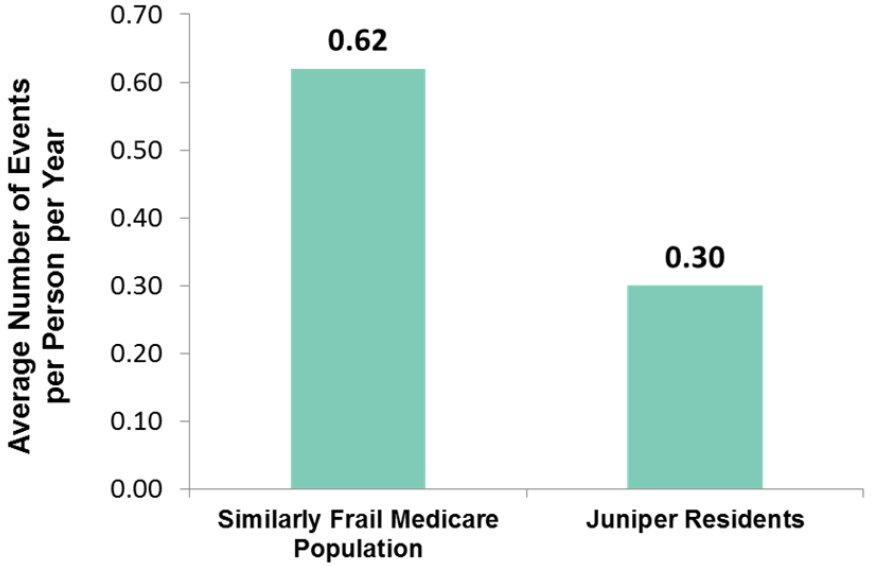
PERENNIAL ADVANTAGE PLAN

REDWOOD HEALTH PARTNERS

Theralink

Our Innovation

Juniper Hospitalization Rate 50% Lower Than Similarly Frail Medicare Population



$4-6 Million

Savings on inpatient spending for Juniper’s resident population

$10-15 Billion

Total potential Medicare savings for similar population

JUNIPER℠ 30 Years | Innovating for good

What Senior Living Brings to the VBC table

- Our **core business is addressing the social determinants of health** with things like nutrition management, medication administration, ADL assistance
- We have long been good at **Care coordination and management** regularly doing assessments of need and service, Comprehensive, multi-disciplinary care planning and monitoring for change of condition
- We have built –in **economies of scale** particularly for older adults with chronic illness and functional impairment (HC/HN) (good for cost savings and marketing of MA plans)

JUNIPER℠
30 Years | Innovating for good

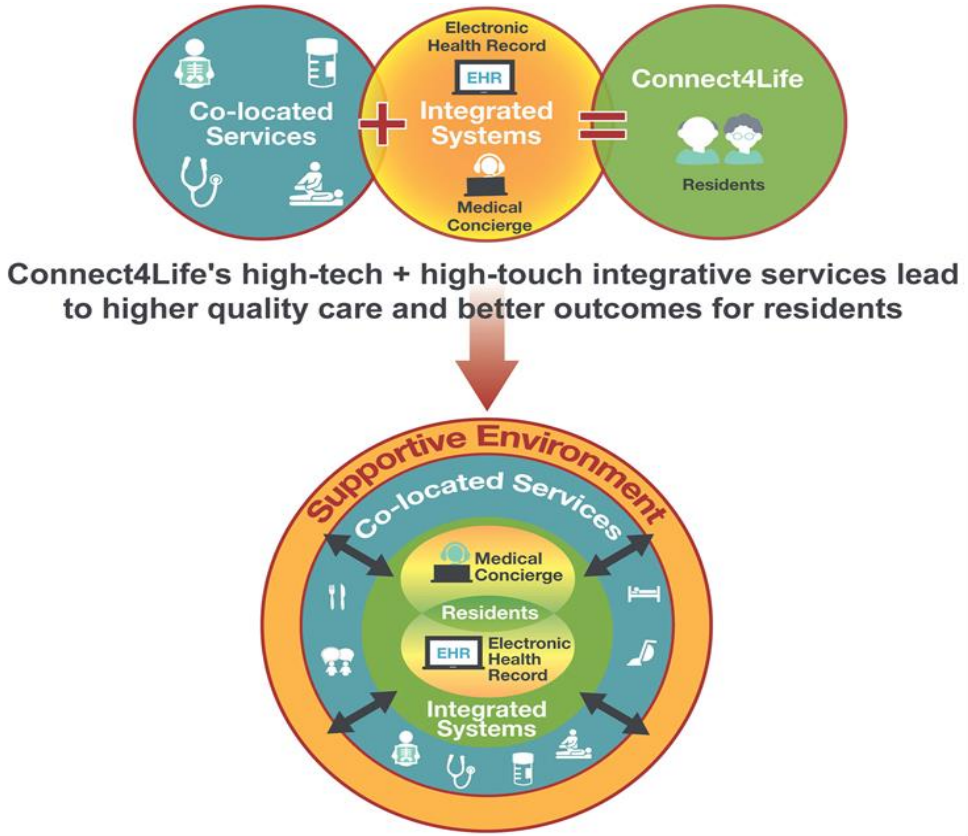
Juniper's Integrated Care Model: connect4life

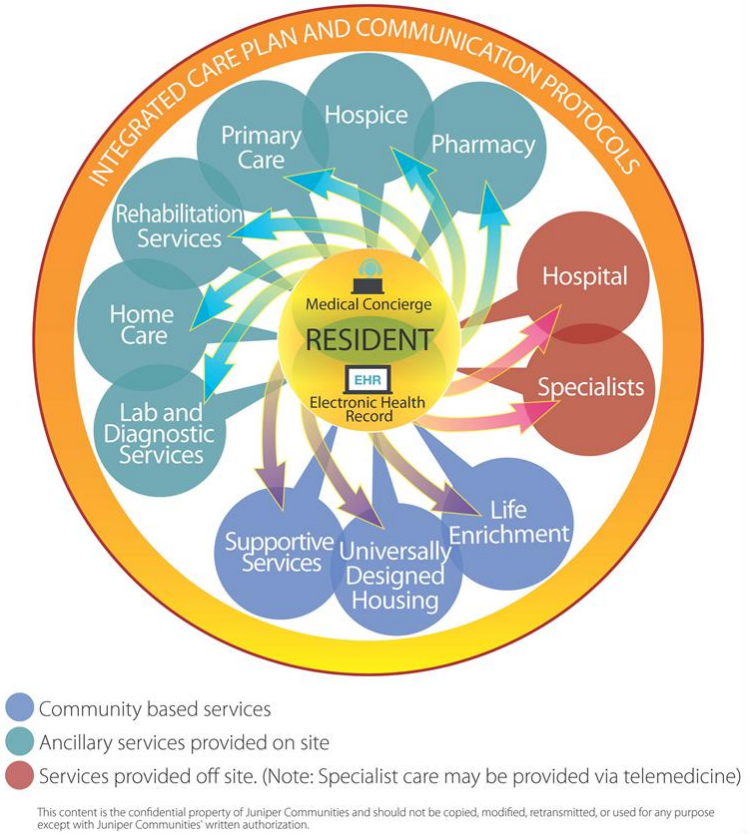
Integrating the clinical and lifestyle aspects of health to proactively manage major cost drivers

JUNIPER℠ 30 Years | Innovating for good

A Model for Structure and Service Integration

The formula for preserving health and enhancing wellbeing is grounded in partnership, the integration of clinical care and safe housing with supportive services.





Step 1

Connect4Life Implementation: A Two Step Process

Co-located services provided by select, preferred companies

Critical service components

- Primary Care
- Pharmacy (dispensing does not need to be on-site)
- Rehabilitation

Helpful

- Lab and x-ray
- Certified Home Health
- Private duty home care
- Hospice

Preferred status means specific responsibilities that change the way all of the companies provide and document services, collect data, communicate with us and each other, and demonstrate the value of their work

JUNIPER℠ 30 Years | Innovating for good

Step 2

High Tech/High Touch Communication Is the Secret Sauce

Both are non-negotiable components and equally important to assure that communication, timing and transitions work smoothly

High Tech Communication

Data

- Must be accurate, timely and complete
- Used for real time sharing; outcomes measures; data trending and preventive intervention

Communication

- Common real-time platform permits providers to alert each other to changes in condition
- Permits easy and consistent reminders for appointments, medications, or daily tests
- Facilitates education and other forms of "patient" engagement

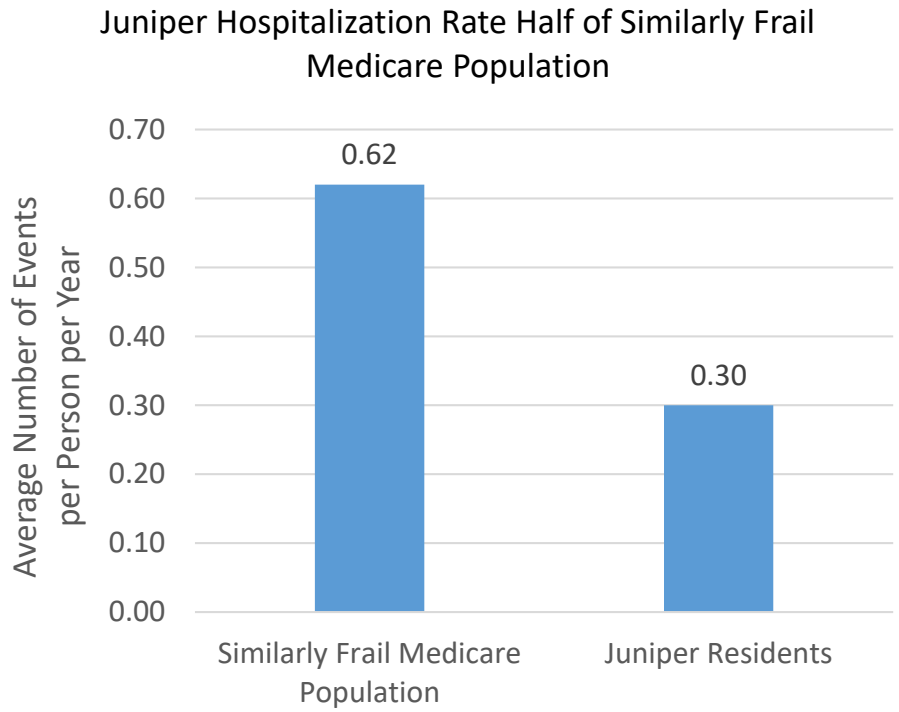
High Touch Communication

- **Medical Concierge** is the heart of high touch communication
- Can be a nurse; preferably a certified medical assistant (CMA)
  - Coordinates the team and provides 1:1 communication among providers, residents, and families
- Increases engagement of residents in their own care
- Part administrator, part auditor and part coach

JUNIPER℠ 30 Years | Innovating for good

Connect4Life Improves Healthcare Outcomes for Residents and Society

Delivers on Promise of Population Health Management



Savings

$4-6 Million — Savings on inpatient spending for Juniper's resident population

$10-15 Billion — Total potential Medicare savings for similar population

JUNIPER℠ 30 Years | Innovating for good

Supportive Housing for the Program for All Inclusive Care for Elders: The Value and Strategic Proposition for Population Health Management

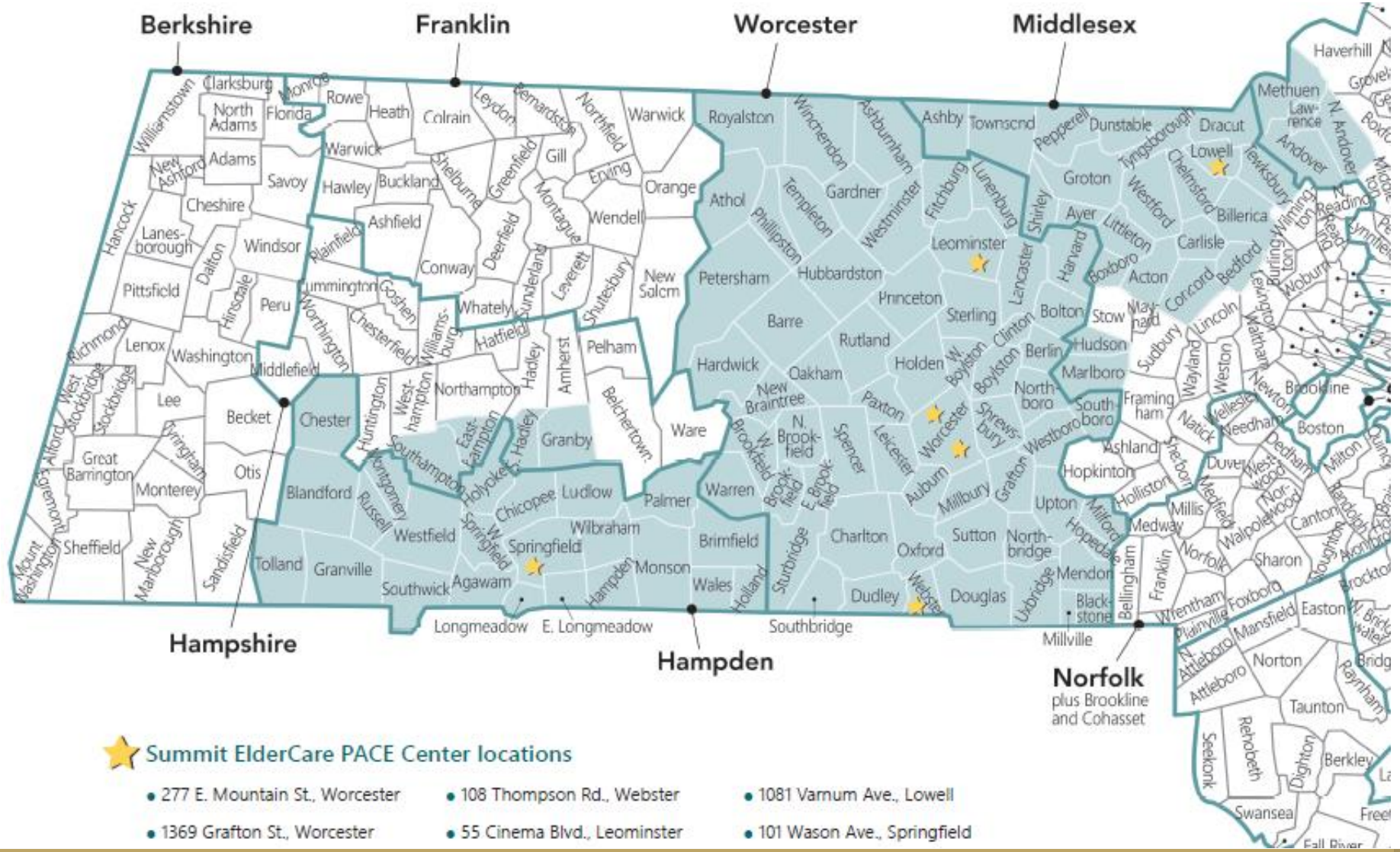
Rob Schreiber MD, AGSF
Vice-President and Medical Director, Summit ElderCare

Population Health Colloquium
March 19, 2019

What is a PACE program?

- Nationally-recognized program for nursing home eligible adults 55 and older
- Supported and regulated by government programs–Medicare and Medicaid
- Focused on helping older adults with chronic care and ADL needs to continue living safely and independently in the community
- Team of health care professionals–with expertise in geriatrics–who provide participants with coordinated care

Summit ElderCare Service area



Challenge: Keeping Participants in the Community

- PACE is a Community Model
- Challenge of how to manage individuals if their personal care needs are too difficult to manage
- Limited options-Rest Home, ALF-social model
- Nursing home becomes the default for those without adequate caregiver support or needed more than 3-4 hours of care per day

Why an Option is Needed

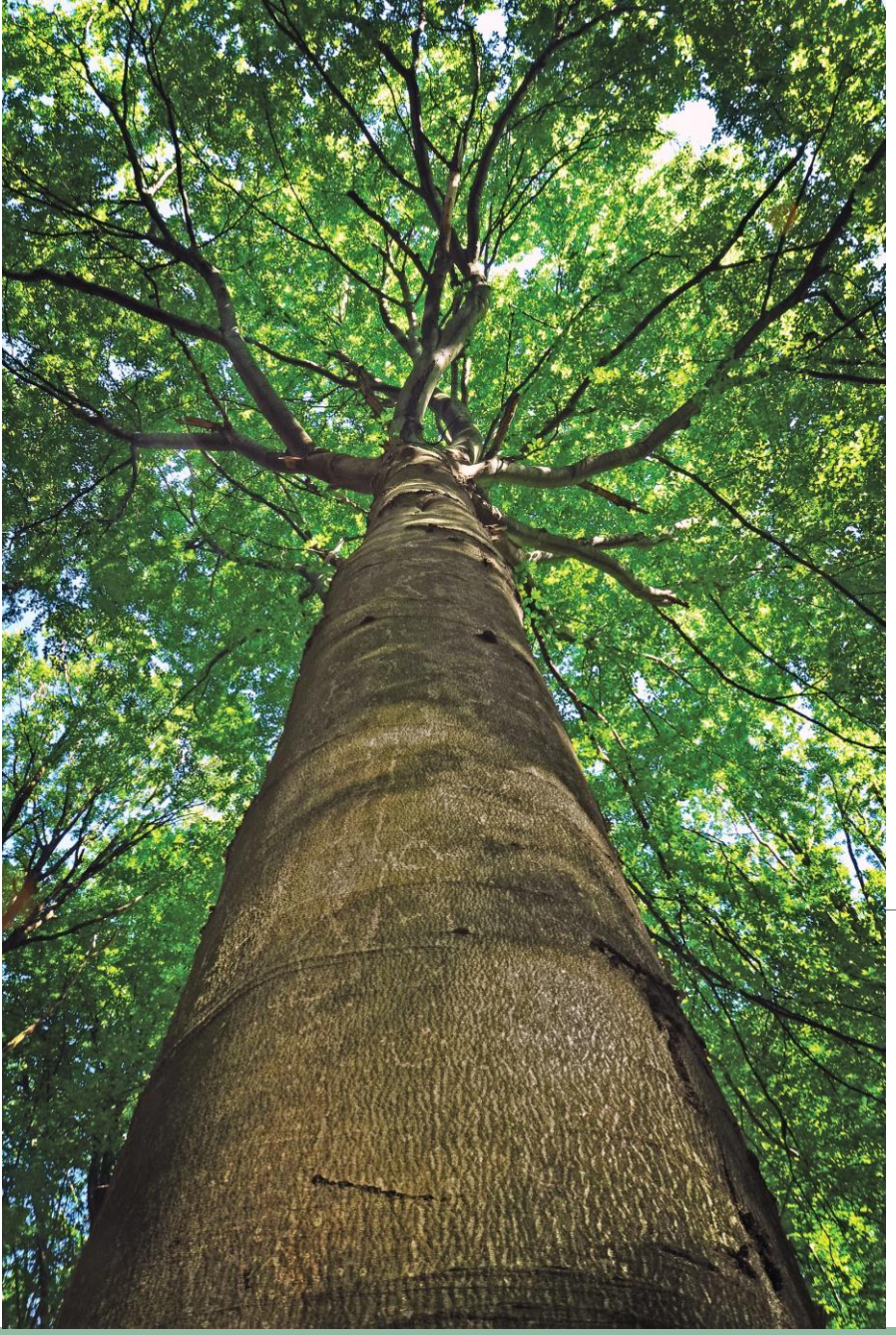
- The promise of PACE
- Who wants to live in a Nursing home?
- Is there a model for supportive housing that is less costly and deliver the same or better outcomes
- Medical Loss Ratio is 144% for nursing home residents
- Approximately 40% of our long term population could live in a supportive housing model

Supportive Housing: The Concept

- 6-8 participants living in congregate housing with central shared area
- Small bedroom, handicap accessible bathroom
- Housing rent paid for by participants not PACE
- Uses PACE center 4-5 days per week
- One Home Health aide works 24/7/365
- Can bring additional supports
- Average cost for HHA services $270K annualized

Value Proposition of Supportive Housing

- Based on analysis of existing 30 beds of supportive housing
- $3207 PMPM savings for each of the participants sent to SH vs. LTC placement
- For 50 people, savings of $1.9 million/annually
- Assumes same costs of medical care and utilization in SH as LTC
- Bring in End of Life Care on site so individual stays in home

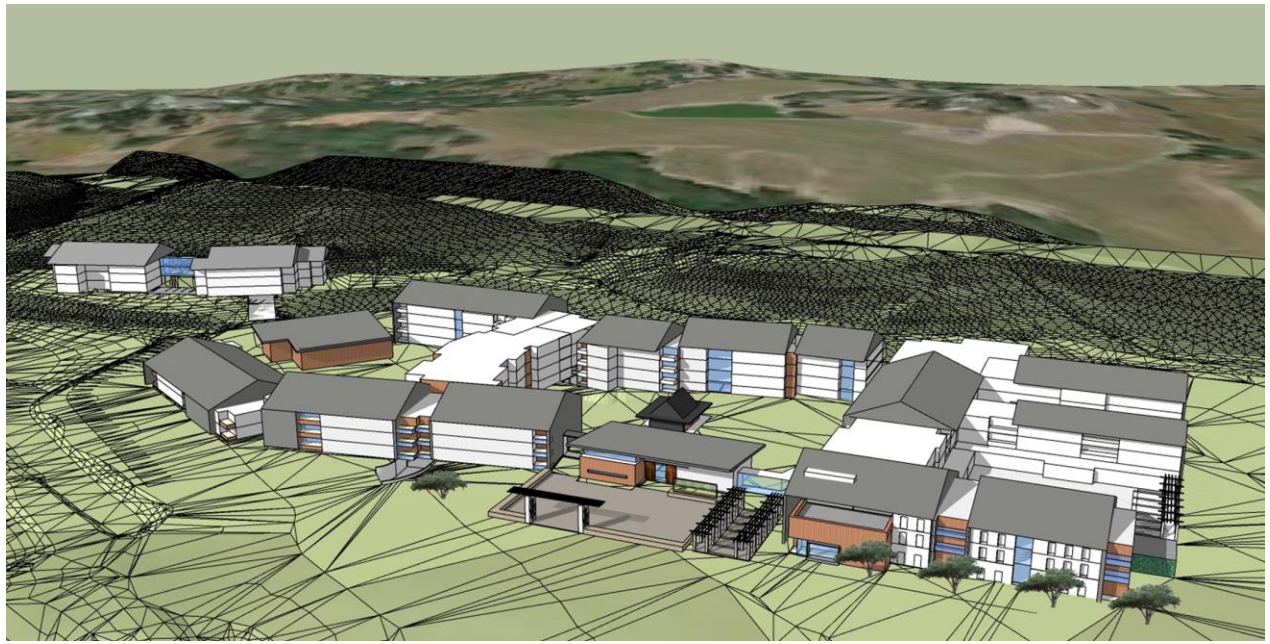


Together, Transforming the Experience of Aging®

REFRAMING SOCIETY'S UNDERSTANDING FOR WHAT IS POSSIBLE AS WE AGE

KENDAL®
Together, transforming the experience of aging.®

CCRC / LifeCare / LifePlan Communities …



The data

By Julie P.W. Bynum, Alice Andrews, Sandra Sharp, Dennis McCollough, and John E. Wennberg

DOI: 10.1377/hlthaff.2010.1102
HEALTH AFFAIRS 30,
NO. 5 (2011): 975–984

THE CARE SPAN

Fewer Hospitalizations Result When Primary Care Is Highly Integrated Into A Continuing Care Retirement Community

ABSTRACT Meeting the medical and social needs of elderly people is likely to be costly, disruptive, and at odds with personal preferences if efforts to do so are not well coordinated. We compared two different models of primary care in four different continuing care retirement communities. In the first model, used in one community, the physicians and two part-time nurse practitioners delivered clinical care only at that site, covered all settings within it, and provided all after-hours coverage. In the second model, used in three communities, on-site primary care physician hours were limited; the same physicians also had independent practices outside the retirement community; and after-hours calls were covered by all members of the practices, including physicians who did not practice on site. We found that residents in the first model had two to three times fewer hospitalizations and emergency department visits. Only 5 percent of those who died did so in a hospital, compared to 15 percent at the other sites and 27 percent nationally. These findings provide insight into what is possible when medical care is highly integrated into a residential retirement setting.

Julie P.W. Bynum (julie.bynum@dartmouth.edu) is an associate professor of medicine and associate director of the Center for Health Policy Research at the Dartmouth Institute for Health Policy and Clinical Practice, Dartmouth Medical School, in Lebanon, New Hampshire.

Alice Andrews is an instructor at the Dartmouth Institute.

Sandra Sharp is a research associate at the Dartmouth Institute.

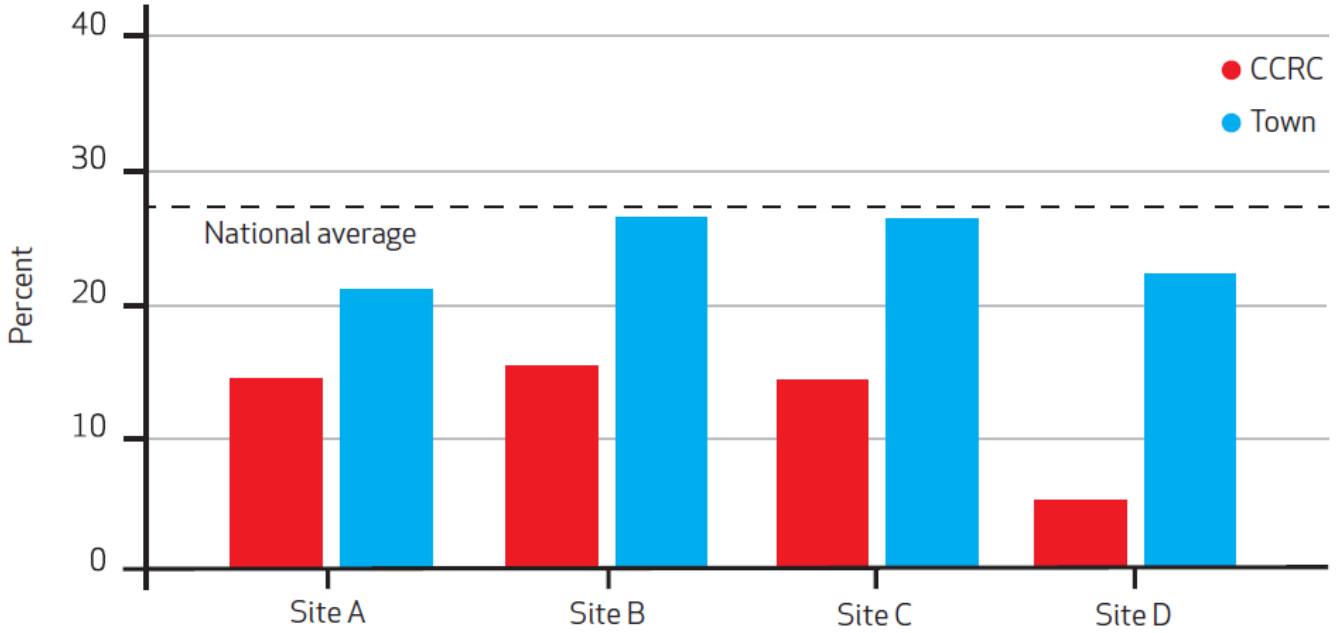
Dennis McCullough is an associate professor of community and family medicine at Dartmouth Medical School.

John E. Wennberg is the Peggy Y. Thompson Professor (chair) in the Evaluative

The data

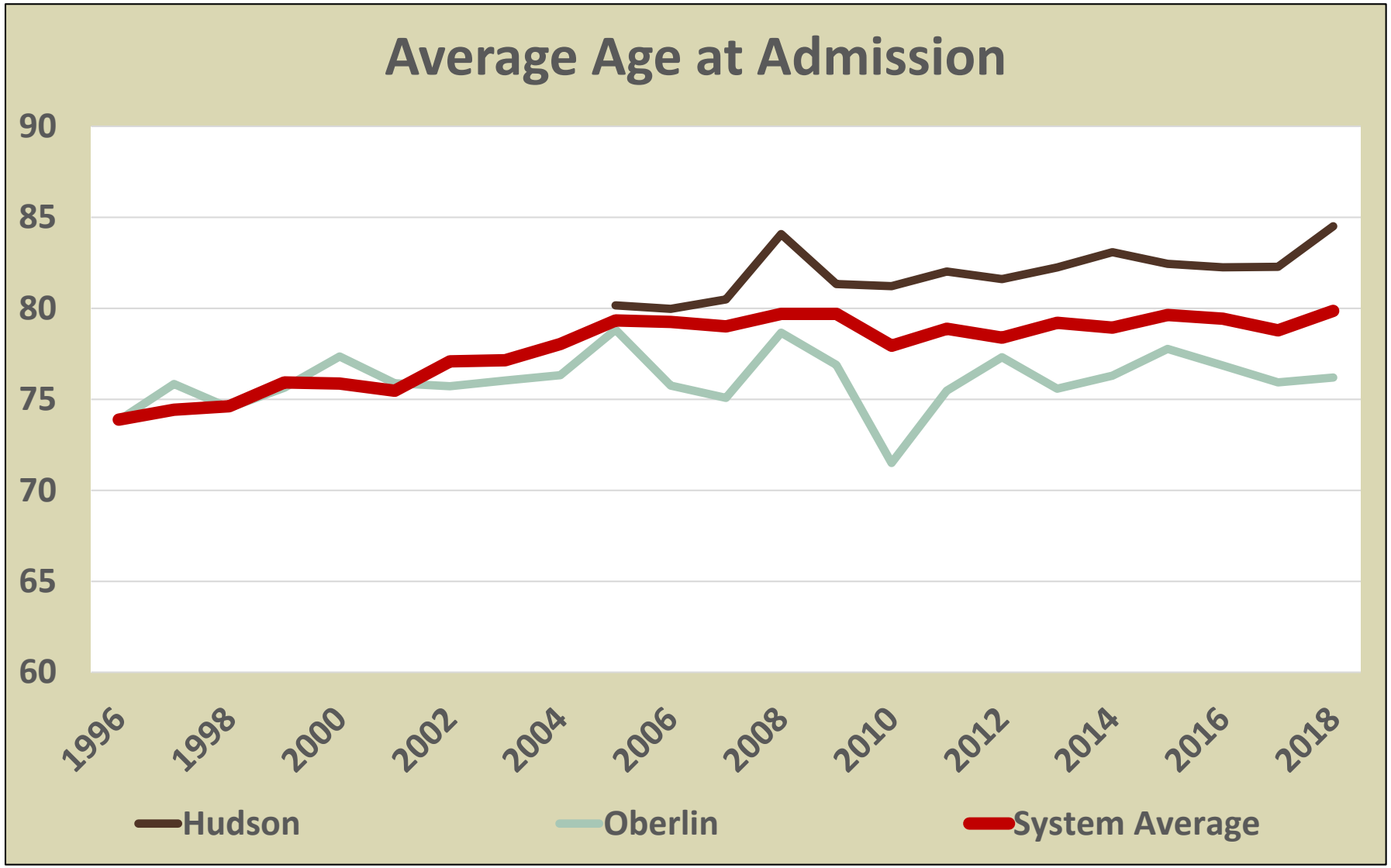
EXHIBIT 3

Percentage Of Deaths That Occurred In The Hospital For Continuing Care Retirement Community Residents Compared To Residents Of The Surrounding Town And Nationally



SOURCE Authors' analysis of Medicare administrative data. **NOTES** CCRC is continuing care retirement community. Dotted line represents the national average for people age seventy-five or older (27 percent). Results are for Medicare beneficiaries age seventy-five and older who died between 1997 and 2006. A version of this exhibit showing standard error bars is available in the online Technical Appendix; see Note 8 in text.

Average Age at Admission



An Idea and Evolution …

KENDAL®
at Hanover

Together, transforming the experience of aging.®

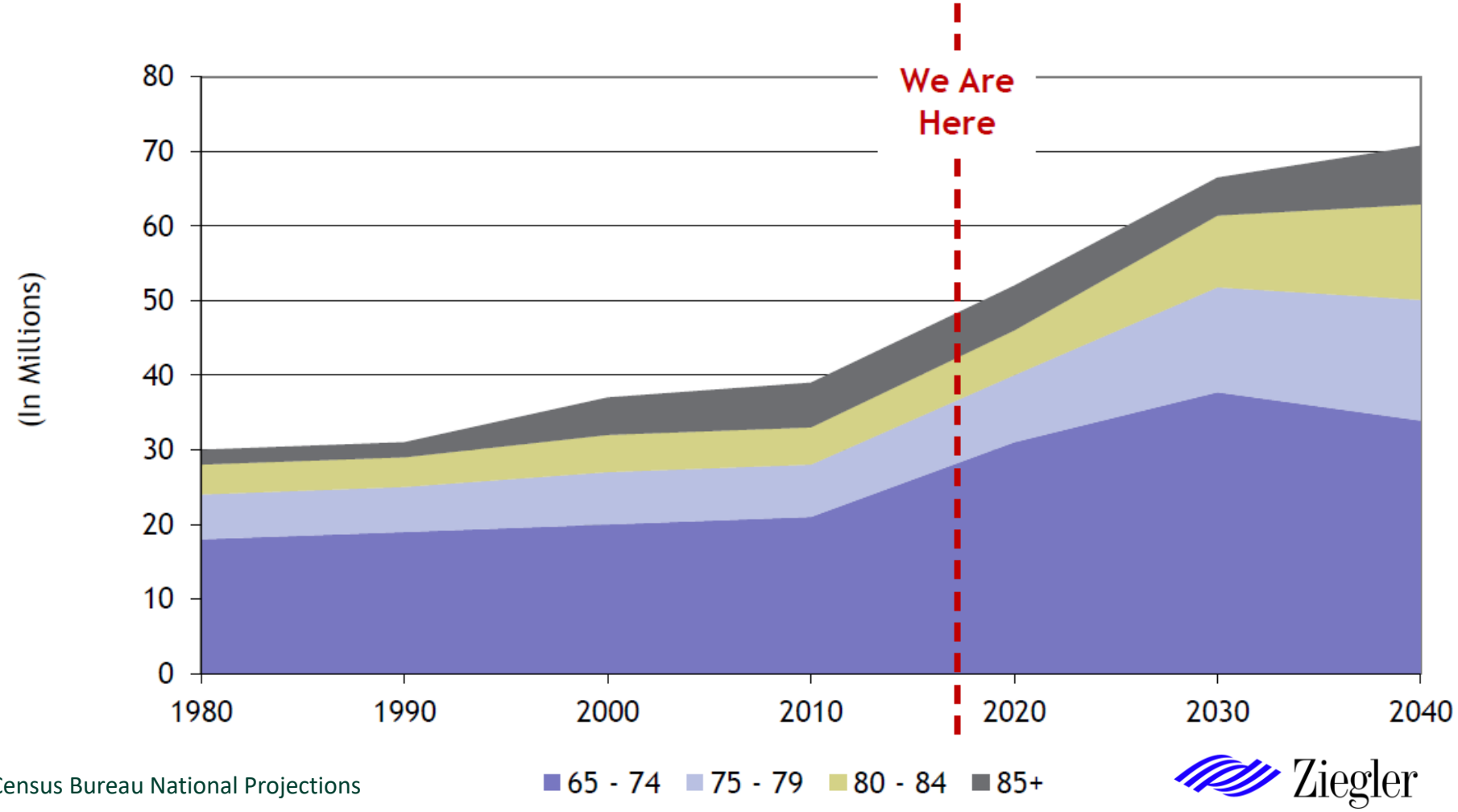
KENDAL®
at Home

Together, transforming the experience of aging.®

DEMOGRAPHICS DEFINE THE MARKET

FORECASTED U.S. SENIORS POPULATION (1980 TO 2040)

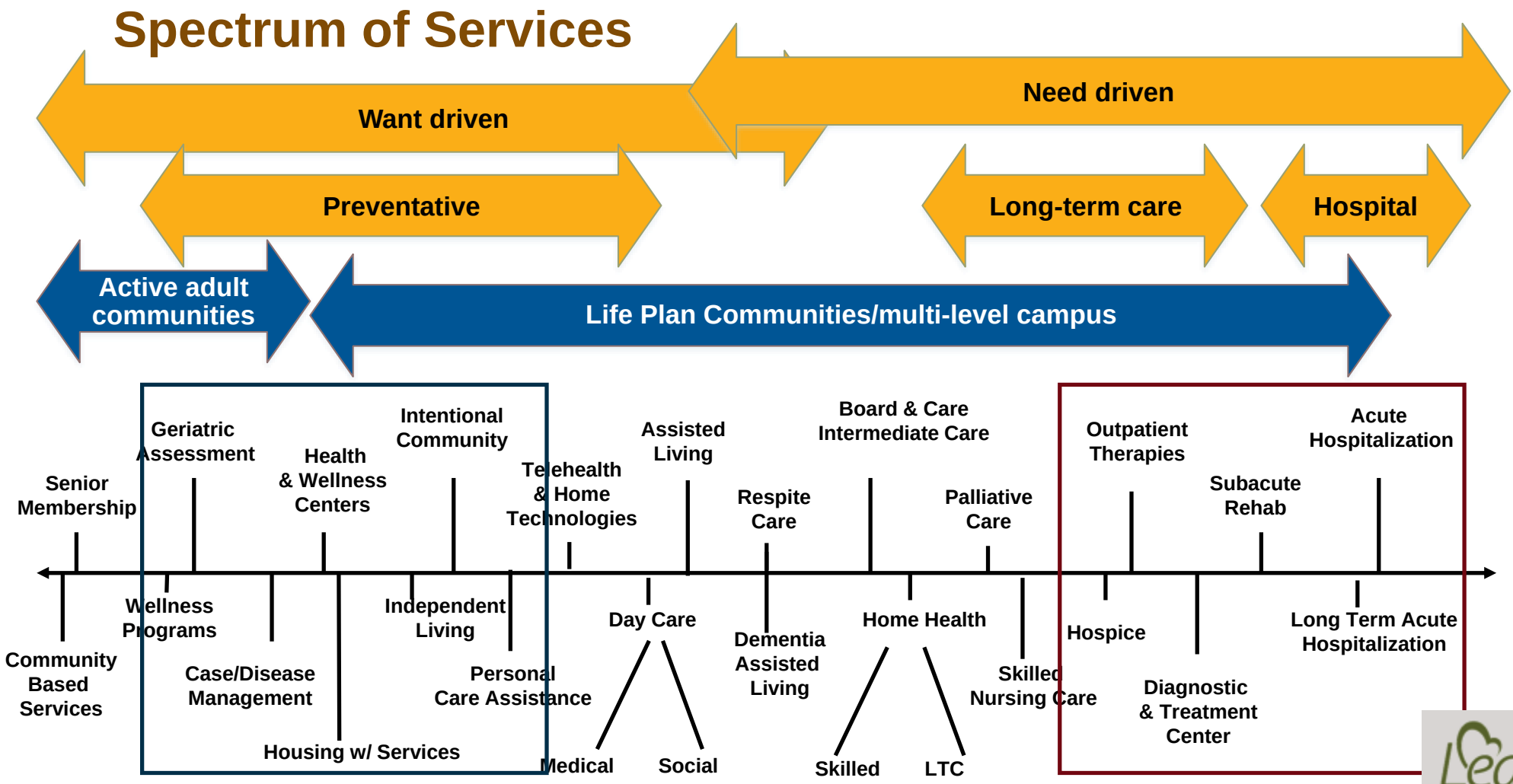
(MILLIONS)



Source: US Census Bureau National Projections

Ziegler

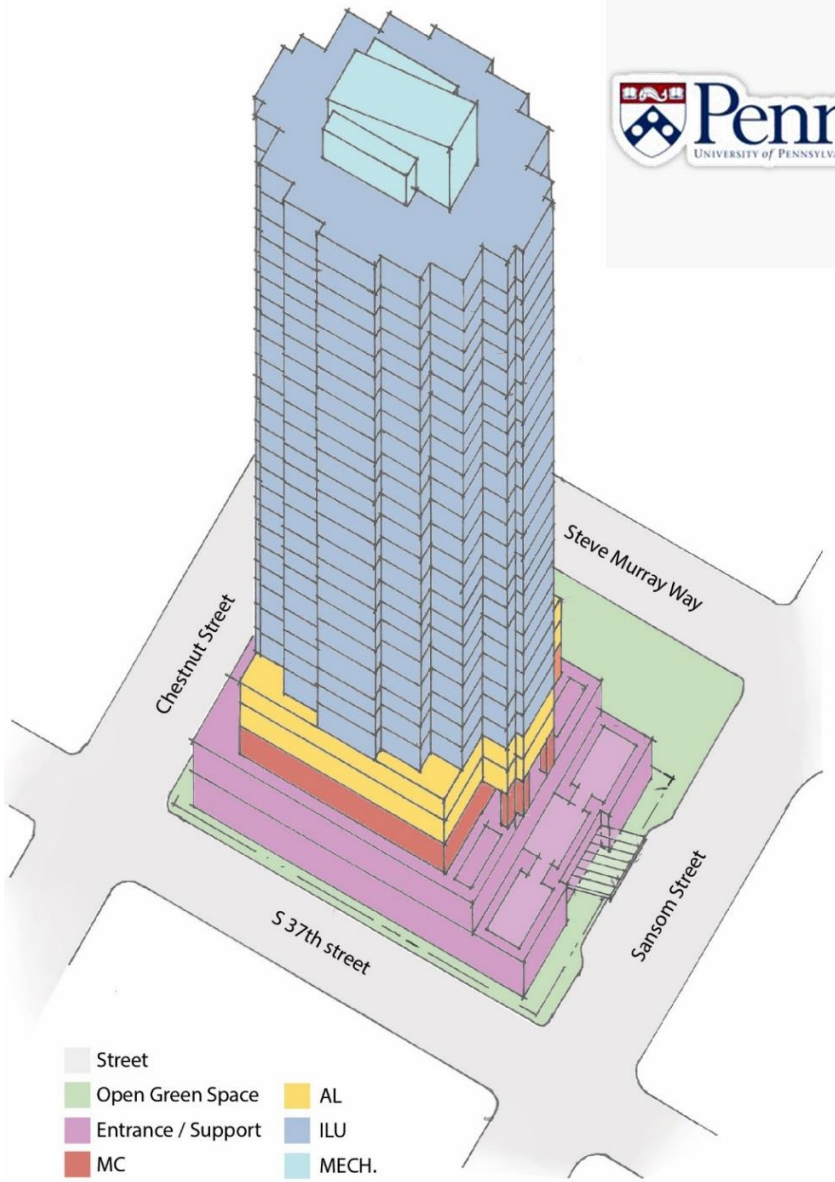
The Field Of Aging Services Is Evolving



Source: Adapted from previous Greystone and LarsonAllen LLP presentations

CCRC SPACE PROGRAM

Parking	90,000 gsf
Assisted Liv/MC	33,120 gsf
Therapy/Clinic	4,104 gsf
Il Apartments	223,250 gsf
IL Common Areas	
• Admin/Mktg	3,800 gsf
• BOH/Support	10,000 gsf
• Café/Bistro	3,400 gsf
• Kitchen/Servery	4,300 gsf
• Library	1,240 gsf
• Dining areas	3,720 gsf
• Great Room/Stor	5,000 gsf
• Pool/Lockers	6,800 gsf
• Exercise	2,500 gsf
• Gen'l Commons	62,122 gsf
IL Commons Total	102,882gsf
Total Area	453,356 gsf
Total w/o parking	363,356 gsf



Robert G. Kramer
Founder & Strategic Advisor

National Investment Center
for Seniors Housing & Care (NIC)

rkramer@nic.org
www.nic.org
seniorcare.nic.org