McKnight's

Dealmaker's Handbook

2018

Your essential guide to capital

Fundamentals still sound for this sector?

The long game looks better than ever

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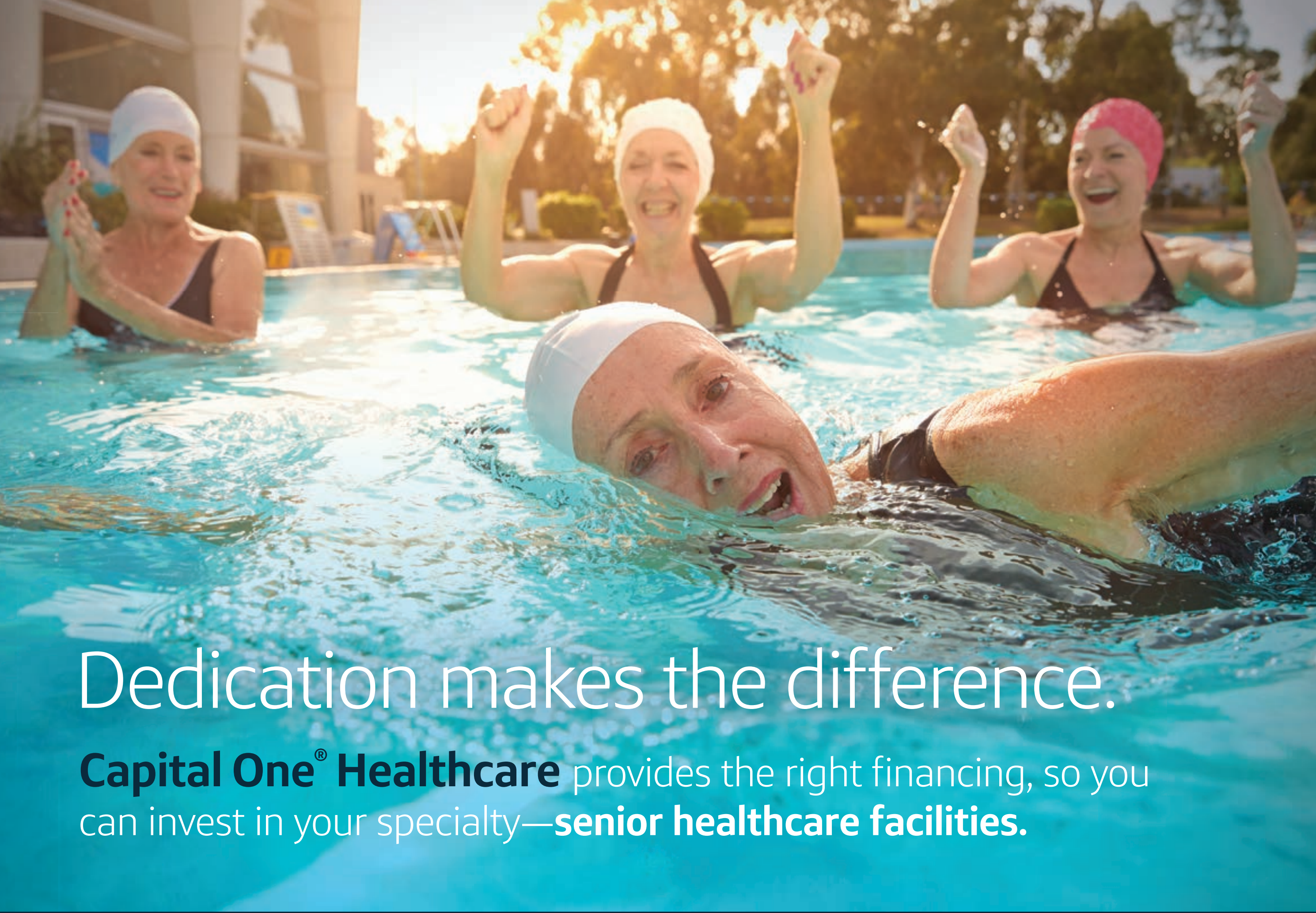

COLUMBIA PACIFIC ADVISORS
$242,700,000
First Mortgage
Administrative Agent
June 2018

HOLIDAY RETIREMENT
$65,000,000
First Mortgage
Administrative Agent
May 2018

prevarian SENIOR LIVING
SENIOR COMMUNITY DEVELOPMENT + INVESTMENT
$9,277,000
Fannie Mae Seniors Term Loan
May 2018

MERIDIAN SENIOR LIVING
$36,600,000
Term Loan
Administrative Agent
April 2018

HTI HEALTHCARE TRUST INC
$64,153,000
Fannie Mae Seniors Term Loan
March 2018

TITAN SENQUEST
$6,895,000
Freddie Mac Senior Term Loan
December 2017

Kayne Anderson Real Estate Advisors
$299,892,000
Freddie Mac Revolving Credit Facility
Lender
August 2017

Kayne Anderson Real Estate Advisors
$251,200,000
First Mortgage
Administrative Agent
August 2017

PruittHealth
Committed to Caring
$16,250,000
First Mortgage
Administrative Agent
July 2017

SUMMIT HEALTHCARE REIT, INC.
$10,050,000
Term Loan
Administrative Agent
July 2017

Capital One®
Commercial Banking

capitalone.com/healthcare

MARKET INSIGHT

Fundamentally sound?

Big picture looks good, despite some recent setbacks

Photo: Chaiyaporn Baokaew/Moment/Getty Images Plus

By Lois A. Bowers

Times seem rough for many seniors housing and care providers. The occupancy rate for assisted living in the second quarter was the lowest it has been since the National Investment Center for Seniors Housing & Care began reporting data in late 2005. And several surveys and anecdotal remarks this year have shown that a number of real estate investment trusts, developers and investment firms have cooled on skilled nursing.

In the big picture, however, these trends are short-term blips, not long-term doom for those who care for older adults or who back operators financially, according to several experts.

"While they may be going through a challenging period, both the senior living and skilled nursing sectors are fundamentally sound," Green Street Advisors Senior Analyst Lukas Hartwich says. "In the case of senior living, people are actively making the decision to spend out-of-pocket — their own money — for the offering, which is strong evidence of its value in the eyes of the consumer. Meanwhile, skilled nursing's role as a low-cost setting for high-acuity care makes for an attractive value proposition in the overall healthcare ecosystem."

Providers are facing labor shortages, construction cost increases and other major issues that won't disappear any time soon. "It's hard to see that changing until we see some sort of economic slowdown," Hartwich says.

Perhaps the biggest immediate matter facing senior living, however, experts say, is the supply pressure due to overbuilding in some markets in anticipation of the continued move-ins of members of the Silent Generation and the impending arrival of the oldest baby boomers (although at 72 this year, those oldest boomers may be a few years away from becoming residents).

It's not the first time the relatively young senior living industry has experienced the overbuilding issue. Both Lawrence "Larry" Cohen, vice chairman and CEO of Capital Senior Living Corp., and Robert G. Kramer, NIC founder and strategic adviser, point to a similar period that began in the late 1990s and say the industry has reason to hope.

"As we saw with the overbuilding in 1999 to 2003, eventually, all these buildings will fill," Kramer says.

"The lesson learned," according to Cohen, "is to be patient and to manage expenses well. This industry has always been resilient."

Unlike the 1990s, or even the economic recession of a decade

MARKET INSIGHT

Photo: Rauluminate/ iStock / Getty Images Plus

Members of the Silent Generation put a premium on security and comfort.

> **"The lesson learned, is to be patient and to manage expenses well. This industry has always been resilient."**
>
> Larry Cohen, Capital Senior Living Corp.

ago, Kramer says, demand for seniors housing remains strong today, despite challenges related to oversupply, especially in assisted living and memory care.

Changes necessary

That current and future demand is enough to cause the NIC founder and others to remain bullish on seniors housing and care. But that doesn't mean the industry won't see changes. Indeed, experts say, for a healthy future, operators will need to cater to the evolving wants and needs of older adults, although how that catering manifests itself remains to be seen.

"We have to realize that we're on the tail end of a first-generation product, and we've not yet really seen what the second-generation product will be," Kramer says of senior living. Communities of the future will be shaped by new generational preferences, however, he adds.

Members of the Silent Generation, the generation preceding the baby boomers, Kramer says, value safety, security and comfort, "so they accepted senior communities that were to a great extent isolating elders from the activity and connections of the rest of society."

Baby boomers, on the other hand, want their lives to be more integrated with the surrounding community, he says. Seniors housing and care providers could address this desire with new buildings in more central locations, and in that case, some existing buildings could be repositioned at a lower price point or for a different type of care or service, Kramer says.

But changing preferences also will be addressed through new programming in existing buildings, he predicts. "In the communities of the future, residents, and therefore the communities, will be known by what the residents do, not just by what they *did*," Kramer says.

Culture, education vital

To stay successful in the long term, Kramer predicts a greater emphasis on culture, which he calls "one of most important issues" in seniors housing and care.

"The successful companies are going to be differentiated on culture, because it's their culture that's going to enable them to get the employees to execute their strategies," Kramer said. "Without that culture — and therefore, without those employees — you may have a great strategy, but you won't be able to execute."

Consumer education and awareness are keys to a healthy future as well, believe Cohen, who recently announced his retirement, effective Jan. 1, and David Schless, president of the American Seniors Housing Association.

"In certain markets, there's only so many people who have the need and the financial wherewithal to move into some of these settings," Schless says. "That being said, I'm still also a believer that the opportunity is there for the industry to increase the number of people who move into these communities. That's a big part of the Where You Live Matters program that we've developed. We know we're serving somewhere around 10 percent of the population on a national basis. And we know that there are markets in the U.S. where we're serving 20 percent — even more than 20 percent. So we're very committed to trying to help educate consumers and trying to dispel some of the misperceptions that people still have about what senior living is."

Cohen agrees.

"There are many markets

Photo: Ariel Skelley/DigitalVision/Getty Images Plus

Baby boomers will bring different expectations to the sector.

MARKET INSIGHT

where we see a lot of supply, but that supply is still serving less than 5% of the age- and income-qualified senior," he says. "There is the population that will be introduced to senior housing to fill those units, and I think as consumer awareness increases — and supply will increase awareness — you'll see that in most of these markets, properties will stabilize and then we'll go to the other side of the pendulum, when hopefully there's growth in the demographic and demand will outpace supply."

Independent living, a strong performer over the past several years, according to NIC and other research, continues to be a potential growth area, Schless says.

"There are some interesting new product offerings out there that are more focused on independent living," Schless says. "The senior population is very diverse, and to some extent, the industry has gravitated more toward serving frail seniors. So I think it's a positive thing that we see some very interesting new models being built that are oriented at serving people who are younger and more active. I'd be very interested to see how some of that new product works and how that evolves."

The need still will exist for higher-acuity segments such as assisted living, however, he adds. "Obviously, that market is clearly there and clearly going to be there," Schless says.

But be prepared for changing segment definitions and new names, Kramer advises.

Senior living communities, he says, "won't be called senior communities, because the boomers hate that word."

And a new model of independent living — "It won't be called that." — will serve people from their late 60s through their early 80s, Kramer says.

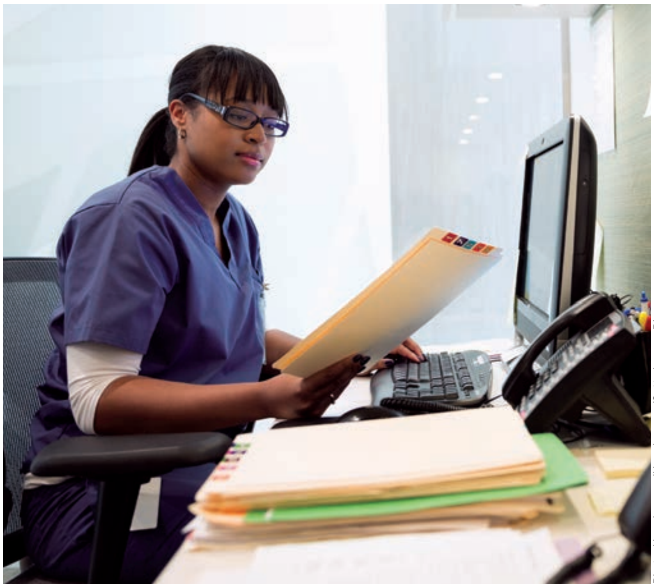

Photo: Hero Images/Hero Images/Getty Images Plus

Culture will drive successful companies in the future, says the NIC's Robert G. Kramer.

"There are some interesting new product offerings out there."

David Schless, American Seniors Housing Association

"The model that's going to serve boomers in the 70s, in terms of large scale, doesn't exist yet," he says. "There are tons of experiments going on, and many of them won't even be age-restricted, or they'll soft-pedal the age restriction. What we know today as independent living, which is what assisted living was eight to 10 years ago; assisted living, which is what the SNF was 10 years ago; and SNF, which is what the medical-surgical unit of the hospital was five to 10 years ago — those models are all going to be part of integrated models of managing healthcare and creating quality of life for people with multiple chronic conditions, and in many instances, multiple activities of daily living needs and/or cognitive impairment."

Don't forget about data

Whatever the offerings are called, providers will need to be prepared with data so they can solicit and accept referrals from other parts of the healthcare continuum, Kramer and Cohen say.

"We're going to have to up our data game, because that's the only way you can play in what I think will be this new world of value-based care," Kramer says. "Ultimately, we'll be involved in not only in personalized care, but personalized aging, which is all about quality of life and engagement, not just about healthcare."

On the private-pay senior living side, where operators aren't necessarily beholden to Centers for Medicare & Medicaid Services requirements, Cohen says, "We'll have to create that data independently, working with our affiliations to come up with relevant data so you have a good baseline and measurement of outcomes to show there is quality of care at a lower cost for seniors living in senior housing than in alternative settings."

Electronic medical records and electronic health records systems, both within senior living communities and within collaborators such as hospitals and accountable care organizations, will be part of the solution, he says.

"That's a challenge but yet an opportunity to this industry to start to have better information, better data so that we can understand hospitalizations, falls, illnesses and other issues happening there, to have a better understanding of the effectiveness of the care that's provided to residents in our communities," Cohen says.

The opportunity to use those data will grow as demographics finally catch up with supply in the next year or two, the experts say.

"While the supply headwinds have been easing, they will likely continue to be a drag in 2019," Hartwich says.

Cohen looks to the past for hope for the future.

"As I said, the business has always been resilient, and I expect it will continue to be as we work through this time gap of the construction that occurred over the last few years," he says. "NIC MAP shows that supply is coming down, and we know the demographic is growing and will grow much more rapidly, particularly starting in 2020." ■

MARKET INSIGHT

Here's what I'm telling my members ...

"From my perspective, the most widespread concern at a national level right now is downward pressures on property occupancies and associated pressures on rates and operating margins. Each market, however, has its own nuances and, as with any aggregate number, some markets buck the trend. Given this, it's important to benchmark metrics against national, regional and a narrower competitive set to help better understand the context of each portfolio's or property's performance. Additionally, forums like conferences are helpful in understanding how others are coping with similar pressures and provide perspective and lessons learned from others. NIC fulfills its mission as a non-profit 501(c)(3) by providing data, analytics and connections that bring together investors and providers."

— **Brian Jurutka,** *president and CEO, National Investment Center for Seniors Housing & Care*

Compiled by Marty Stempniak

"Until three years ago, my advice to our members has been for them to become part of every payment network in their market. They needed to become the preferred referral source for every hospital, MCO, and ACO in their market. They did this by achieving superior quality results. Most payers focused on re-admit rates, Five-Star scores and length of stay. Providers who excelled at these metrics became favored and weathered the occupancy challenges that have plagued the sector. That's still good advice, but it's not enough. Providers also need to explore and take on risk. Payment models have changed so dramatically that even great operators have become commodities. My advice is for our members to explore creating ISNPs, consider the Medicare Shared Saving plan, evaluate PACE and any other opportunities in their markets to benefit from the quality improvements they have made."

— **Mark Parkinson,** *president and CEO, American Health Care Association and National Center for Assisted Living*

"We are navigating uncharted waters in many areas: payment reform, technology and partnerships, not to mention emerging competition and a consumer population with markedly different preferences from prior customers. Perhaps the most subtle, but significant, shift is a change in rules of power, as discussed in the book "New Power." Old power models focus on compliance and consumption; new ones, on sharing, mobilizing, collaborating and cooperating. Aging services providers are challenged — daily — to partner and connect. We do this, even as we are constrained by old power models defined by regulatory structures and assumptions about aging and care. As new models ascend, LeadingAge's community-based members are well-positioned to thrive. Participation and cooperation will be valued more. Rewards will go to those who share their own ideas, spread others' and improve what already exists — all a natural evolution of where LeadingAge members have been and where we are headed."

— **Katie Smith Sloan,** *president and CEO, LeadingAge*

"What most keeps our members awake at night is the state of our workforce. The ability to recruit and grow a caring, professional workforce is a competitive advantage. That requires a consistent strategy, starting from the top, to prioritize workforce development and to create a culture that nurtures employees. The advice I give to members is to set that expectation and then empower their staff — executive directors, supervisors and frontline staff included — to refer candidates, be advocates at schools, mentor others and strive for greater leadership. Argentum is encouraging members to identify and share best practices, and our new projects are helping senior living providers better measure and address hiring, onboarding and retention. As we've built out these resources, we've seen exponential growth in engagement and buy-in from our members. It's incredibly gratifying and lets us know we are on the right track."

— **James Balda,** *president and CEO, Argentum*

MARKET INSIGHT

Photo: Blend Images - JGI/Tom Grill/Brand X Pictures/Getty Images Plus

New rules of engagement are less than a year away.

Bracing for what's ahead

Skilled care preps for looming payment changes from CMS

By John Hall

The new patient driven payment model, which the Centers for Medicare & Medicaid Services plans to implement next October, could revolutionize the way therapy services are provided and paid for. It is the first major restructuring of the SNF Part A payment system since the agency implemented the current Resource Utilization Groups system in 1999.

The changes are so significant, some have speculated it could force smaller, independent providers to exit the business. Most say, "not so fast."

"I would not characterize the new payment system as creating more of a challenge for independent operators than for larger organizations," says Anne Tumlinson, CEO of Anne Tumlinson Innovations, LLC. "This is a massive shift for everyone, and different sized organizations will face different challenges in getting ready." Tumlinson said she believes that in some ways, smaller organizations are better positioned because they are more nimble and flexible. "I've worked with two independent operators in creating our tools, and they are as prepared, if not better, than many of the larger organizations, where there's a need to coordinate readiness across distinct lines of business operations."

Others say that it's a matter of adapting.

"The patients we treat today are the same as those we will treat under PDPM on Oct. 1, 2019," says Cynthia K. Morton, MPA, executive vice president of the National Association for the Support of Long-Term Care. "They have the same medical and rehabilitation therapy needs. It's the rules of engagement that are changing from RUGS to PDPM."

Financial experts like James Bodine, executive vice president of HJ Sims, believe PDPM is yet another step in the continued evolution in post-acute and acute healthcare services and economics to a value-based, performance-based model. Says Bodine, "Value-based models such as PDPM are representative of the continuing 'sea change' in the healthcare landscape toward creating a more rational and economically sustainable healthcare delivery model that balances the need for wide availability of quality care at competitive pricing/cost and sustainable economics for all stakeholders."

Morton said she believes providers should be cautious about making radical changes.

"PDPM does not mean providers can provide significantly less therapy," she says. "Providers are still under the requirements to provide what the patient needs, and if the patient needs therapy as per the assessment, then the patient needs to receive it."

Could PDPM disproportionately affect smaller standalone facilities versus larger chains?

That depends on how their business is aligned with the industry, according to Patricia Boyer, MSM, NHA, RN, director of clinical services for Wipfli LLP.

"If they are dependent on a high level of therapy, the new system will hurt them," she says. "If they have higher nursing acuity needs, then it may help them. I think it's critical that all facilities re-evaluate their strategy for patient care going forward."

Regardless of size, providers will need to be cognizant of properly and appropriately defining therapy needs across the scope of case complexity, accurately capturing and reporting required data, and creating appropriate risk-sharing and operating and financial incentives between post-acute and acute providers and payors, Bodine says.

In the end, the challenges lie not in a provider's size but its level of clinical confidence and competence needed to deliver care to the most medically complex patients, Tumlinson asserts. "We've been saying for a long time that SNFs deliver high value services to complex patients and now we get paid appropriately for these patients," she adds. ■

MARKET INSIGHT

REITs deal with new market realities

Different players are responding to changing conditions in different ways

By John Hall

It's difficult to say which trend was most impactful, but suffice to say one or more of the following did influence much of the year-to-date buying and selling: a booming economy and tax reform; rising interest rates; sagging skilled facility census and reimbursements; and a regulatory environment in higher-than-normal flux. Along with the usual stressors like wage pressures and staff attrition.


Photo: Maskot/Maskot/Getty Images Plus

Rising capital costs are causing some REITs to take a closer look at their skilled care holdings.

One big takeaway: Skilled nursing facilities were beginning to lose their appeal to the big buyers.

Among the bigger headline grabbers: Sabra Health Care REIT, which disposed of numerous nursing homes and leased Genesis facilities. CEO Rick Matros referenced those properties' high exposure in such troublesome places as Texas. Another was Senior Housing Properties Trust — which reportedly announced earlier in the year it had turned its focus on acquisitions of life science and medical office building segments.

Curtis King, senior vice president of HJ Sims, believes rising capital costs were a major pain point for healthcare REITS. "These challenges led to a disposition of underperforming assets, recent concessions to many of REITs' larger tenants in an effort to help with liquidity and solvency issues and in some cases, the complete parting of relationships with troubled tenants."

Meanwhile, Bill Kauffman, senior principal at the National Investment Center for Seniors Housing & Care, downplays any effort to describe 2018 as anything other than normal in terms of buyer activity, describing the year as "somewhat quiet for the public REITs in the first half.

"After 2015 our data shows that the public buyers' activity has decreased significantly," Kauffman adds, noting that after registering $11.4 billion of closed volume in 2015, the public buyer category decreased to $3.6 billion in 2016, $4 billion in 2017 and now $1.5 billion in the first half of 2018. "Many of the public REITs have been net sellers in the seniors housing and care transaction market as of late, or simply not being as aggressive as a buyer then they were in 2014 and 2015."

Michael Gehl, chief investment officer for Housing & Healthcare Finance LLC, does not see much of an increase in cap rates even with REITs not being as aggressive buyers, "not because of the strong current fundamentals so much as the supply of capital outside of the public REITs in search of yield is keeping the cap rates where they are."

King said one of the biggest surprises from his view is "the continued inflow of capital into the private-pay seniors housing industry given declines in occupancy across the board from significant supply growth."

Kauffman parallels the eyebrow-raising activity among private buyers, calling that segment "the driver of activity. The total volume closed in the first half of 2018 across all buyer types was $5.1 billion," he adds, "and the private buyer has been the most active participant so far, representing almost half of the closed volume with 45% of the total volume, closing $2.3 billion through the second quarter of 2018, averaging over $1 billion a quarter."

In gauging REITS' continued interest in skilled care, experts are understandably mixed.

"For REITS that are predominantly skilled to begin with, like Omega and CareTrust, they are still interested," Gehl adds. "However, folks like HCP and Ventas are out right now."

Kauffman expressed confidence that those public REITS entrenched in the skilled side will not lose interest at all. "Cycles come and go, and some segments of the market can be more active than others during certain times," he adds. "And as the skilled nursing business continues to evolve, along with the healthcare system as a whole, you will continue to see cycles play out and different buyers and sellers execute different strategies over the years." ■

MARKET INSIGHT

Dealmaking, and a whole lot more

The NIC's Fall Conference in Chicago promises to be bigger than ever this year

Staff report

As the National Investment Center for Seniors Housing & Care Fall Conference marks its 28th year, dealmaking remains a top priority.

That commitment will be readily apparent when nearly 3,000 industry leaders and stakeholders gather at the Sheraton Grand Chicago to network, learn and, yes, drive new business.

With exclusive events for new attendees, all-day networking lounges, and networking receptions, the Fall Conference creates an unrivaled marketplace for capital seekers and providers. This year's event, which will take place Oct. 17-19, promises to be bigger than ever.

Photo: Bloom Productions/DigitalVision/Getty Images Plus

As the National Investment Conference marks its 28th year, dealmaking remains front and center. But that's only part of the story.

Can we talk?

A relatively new addition to the festivities are NIC Talks. These eight to 12-minute TEDTalk-style presentations feature experts from fields as diverse as healthcare, human resources, consumer technology and even improv.

"We created NIC Talks to be part of our annual NIC Fall Conference as a means of sharing innovative ideas about aging in a unique and engaging format," says Bob Kramer, NIC founder and strategic adviser, who will moderate the NIC Talks.

This year's talks will focus on the future of aging. Here are the scheduled speakers at topics:

- **Yoky Matsuoka,** chief technology officer at Nest, will highlight the challenges of building technology that seamlessly blends into the lives of elders.
- **Dwayne J. Clark,** co-founder and CEO of Aegis Living, will spotlight the importance of creating a culture of innovation based on the company workforce.
- **Susan Dentzer,** CEO of the Network for Excellence in Health Innovation, will talk about "healthcare without walls" and how this trend affects health outcomes and the provider opportunities for seniors housing.
- **Kelly Leonard,** executive vice president of The Second City, Chicago's famed improv theater, will share how improv techniques can be used to improve interactions with people with dementia and Alzheimer's.
- **Chinwe Onyeagoro,** president & chief strategy officer for analytics firm Great Place to Work, will provide insights into how to create a high-trust, high-performing workplace culture that inspires a sense of purpose.
- **Lisa Marsh Ryerson,** president of the AARP Foundation and a noted expert on social isolation, will discuss loneliness and its social and health effects on older adults.
- **Chetan Sharma,** founder and CEO of Chetan Sharma Consulting and one of the leading strategists in the mobile industry, will explore the idea of aging in place amid a significant technological shift to "connected intelligence."
- **Bret Kinsella,** editor and publisher of Voicebot.ai and expert on voice-first technology, will focus on the applications of voice-first technology for elders and their caregivers. ■

SCHEDULE AT A GLANCE

WEDNESDAY, OCT. 17

9 AM - 6:30 PM
Registration

Noon - 1:00 PM
First-time Attendee Power Hour

2:30 PM - 3:45 PM
Breakout Sessions

4:00 PM - 5 PM
Breakout Sessions

5:30 PM - 7 PM
Welcome Reception

THURSDAY, OCT. 18

7 AM - 5:30 PM
Registration

7 AM - 9 AM
Networking Breakfast

8 AM - 9:30 AM
Opening General Session

9:45 AM - 11 AM
Breakout Sessions

10:45 AM - 11:15 AM
Networking Break

11:15 AM - 12:30 PM
Breakout Sessions

12:30 PM - 2:00 PM
Conference Luncheon

2:30 PM - 3:45 PM
Breakout Sessions

3:45 PM - 4:15 PM
Networking Break

4 PM - 5:15 PM
Afternoon Session

4:15 PM - 5:15 PM
NIC Talks

5:30 PM - 7 PM
Networking Reception

FRIDAY, OCT. 19

7 AM - Noon
Registration

7 AM - 9 AM
Networking Breakfast

8:30 AM - 9:30 AM
Breakout Sessions

9:30 AM - 10 AM
Networking Break

9:45 AM - 10:45 AM
Breakout Sessions

11 AM - Noon PM
NIC Talks

MY TURN

When is the optimal time to adapt? Right now may be the best answer

By Patrick McCormick, CPA


Photo: Chris Ryan/Caiaimage/Getty Images Plus

Operators that step up services can improve both care and the bottom line.

The halcyon days of assisted living communities resembling comfy hotels and providing little more than social and residential programs for well-off residents is fading fast. Operators that hope to compete for customers down the road need to change their business models and, in particular, ramp up offerings for more healthcare services.

A pair of demographic forces are sparking this new thinking: tens of millions of baby boomers are expected to move into assisted living communities starting in the mid-2020s. Tomorrow's residents aren't going to be like yesterday's residents:

- They likely are going to be older than today's average admission age of 85.
- They're going to need a greater level of medical care.
- They're going to have higher standards and be looking for facilities that meet their lifestyle expectations.
- And they're going to be paying for care not out of pocket, but increasingly via insurance or Medicare.

It may not look like it now, with vacancies today somewhat high across the industry — the occupancy rate was 85.2% in the second quarter of 2018 — but the bubble is coming. The time for the industry to adapt is now, not five years from now when more services and facilities are needed.

The good news is that the short to intermediate-term struggle to fill rooms may turn into an impetus for some communities to move away from their almost exclusive reliance on private-pay residents.

Communities that add medical services likely not only will have a larger universe of potential residents and new revenue streams; they also will be able to move principally from simple private-pay billing systems to more complicated reimbursements from insurers and government programs such as Medicare.

This transition has been a long time coming.

Many people already believe that skilled nursing facilities look like hospitals, assisted living communities look like SNFs (but with pleasant lobbies and rooms with doors that close) and independent living communities look like the more recent assisted living centers, with residents in walkers and wheelchairs. Assisted living is poised to take on a more dramatic shift in the care continuum by diversifying its payer stream and navigating the impending regulatory environment to take on a larger role of population health management.

Assisted living operators have begun working with healthcare providers in recent years, but we now have reached the tipping point in these partnerships. Indeed, learning to navigate healthcare systems and increasing levels of medical care coordination will be vital to maintaining and increasing revenue in this new era. The ability to do so very well may be the difference between communities staying in the assisted living business long-term or not — especially with new players, such as managed care operators, also looking to enter the field.

With the baby boomer wave coming, the imperative for change is evident. The question is how big a shift the industry can make and how fast before new players come in to take over the marketplace. ■

Patrick McCormick, CPA, is a partner in Plante Moran's senior care and living practice. He is based in the company's Cleveland office.

MY TURN

Minding the 'gap' — new strategies for creating affordable senior living

By Michael D. Binette, AIA, NCARB

Although affluent seniors remain a prime target, they represent a small fraction of the overall market.

The boomers aren't babies anymore, and with nearly 75 million people nationwide at or approaching retirement age, demand for senior housing is strong and only will increase.

But for so-called "gap seniors" — with moderate income and moderate care needs — current housing models often are inadequate. These are people who need to transition toward aging-in-place environments or who require some level of daily assistance but not 24-hour skilled nursing care, and they can't afford expensive senior or assisted living options but also don't qualify for traditional low-income housing.

Savvy developers, owners and operators see this need as an opportunity. In fact, promising models already are on the market. By tapping into trends in affordable and mixed-income housing, it's possible to start to bridge what currently is being built and what actually is needed for gap seniors. Here are some strategies for creating value by serving the missing middle.

Bridge the gap between cost and services with affordable long-term residential care facilities.

An emerging, and compelling, solution is the creation of long-term residential care facilities, or RCFs, that use innovative state and local partnerships to offer affordable options for seniors while making their development more financially viable for owners and operators.

Combo platter

Some states already are taking steps in this direction, combining care subsidies such as Medicaid with housing subsidies such as low-income housing tax credits. Indiana, for example, is licensing a new 115-unit senior affordable assisted living community in Bloomington to house seniors who are eligible for Medicaid and who qualify for some level of assisted living services. Crucially, this project also received funding from low-income housing tax credits and tax-exempt bonds from the Indiana Housing and Community Development Authority. That means it's easier for the development team to serve seniors who earn less than 60% of the area median income.

Projects such as this one form a much-needed bridge between traditional Section 42/low-income housing tax credit senior housing — which typically caps eligibility at 50% of area median income — and nursing home care. They also represent an ideal way to leverage a potent mix of incentive programs, in turn improving the owner's ability to operate the facility as an affordable or mixed-income one.

By filling this intermediate space, the affordable RCF model helps alleviate the cost – for the both the provider and care recipient — of skilled nursing care for those who are still able to function somewhat independently and are considered low-income. Many of these older adults currently seek housing in a Medicaid-subsidized nursing home facility, given the lack of any low- or moderate-income alternatives, although the service levels are well beyond their actual needs.

The typical resident of an affordable RCF might be 75+ years in age and need some level of services to maintain independence, and there's no doubt that market demand for this kind of project is significant. In Bloomington, approximately 1,600 individuals 75 years of age or older and with some level of disability meet the income and assistance-with-daily-living requirements to live at the state-licensed community. That's

MY TURN

nearly 10 times the number of available units. Clearly, this is a market with potential for senior or assisted living owners and operators.

Those markets are strong throughout the country, too, and several other states are taking innovative steps to address the need for affordable care.

New Jersey, for example, offers a program called Managed Long Term Services and Supports, which pays the cost of nursing home care for those unable to afford it. Crucially, there are no enrollment caps; if you need help and meet Medicaid requirements, then you can get assistance. What's more, New Jersey also provides partial state funding for some assisted living facilities through the Congregate Housing Services Program, which serves seniors who aren't eligible for Medicaid.

Similarly, New York also offers innovative care subsidy programs for assisted living. One, the Managed Long Term Care Waiver, provides assistance with nursing home-level services for those who don't want to live in a nursing home; it can be used in a standard assisted living facility.

Another subsidy, the Assisted Living Program, pays for the full cost of services in licensed assisted living facilities throughout the state.

Here's a statistic worth considering: Approximately 5,500 units are licensed through the ALP

Photo: CasarsaGuru/E+/Getty Images Plus

Private- and public-sector approaches to more affordable senior living are on the rise.

> **"These kinds of affordable solutions are important for communities across the United States."**

in assisted living communities across New York. State officials have expressed a commitment to creating up to 6,000 more available slots in the ALP program.

It's a great opportunity for policymakers and care providers alike to step up. Just imagine how many more units might get built in New York if care subsidies such as the ALP combined with LIHTC or similar tax programs to incentivize more construction of affordable RCFs.

Similarly, consider how many people could benefit nationwide if more states adopted forward-thinking programs like New York's, especially as states like Massachusetts see their over-60 populations becoming larger than their under-20 populations.

The growth of these innovative care subsidies ultimately illustrates the importance of affordable RCF projects. By taking advantage of various state and federal financing mechanisms to build strategically located new facilities, senior or assisted living providers are placing them where they matter most. That means closer to where seniors have lived and worked, helping ease the transition, and translating to increased visitations from family and friends. It also means providing more, and better, options in areas where alleviating the costs of care and addressing lower-income housing need are vital concerns.

These kinds of affordable solutions are important for communities across the United States, and every state should consider implementing some form of combined care and housing subsidy. By filling these gaps, owners, operators and legislators create value for everyone. ■

Michael D. Binette, AIA, NCARB, is vice president and principal of The Architectural Team, Inc. (TAT), a Boston-based firm with more than 45 years of national expertise in planning and design for senior and assisted living, adaptive reuse and historic preservation, and affordable housing projects.

Bridge-to-HUD financing remains a popular tool

Many operators are enticed by an option that delivers funding aid while federal funding is pending

Bridge-to-HUD options long have been viewed as popular viable and valuable tools that allow senior living owner-operators needed time and money for things such as acquiring or renovating a property or cashing out equity.

"Bridge-to-HUD financing is a product utilized by owner-operators to procure temporary mortgage loan financing, traditionally obtained through banks, giving operators time to stabilize their operations and qualify for a HUD-insured loan by meeting financial milestons, such as debt service coverage, loan-to-value ratio and other criteria," says Tami Antebi, first vice president, BHI healthcare.

Why are bridge-to-HUD loans so popular now? BHI's bridge-to-HUD financing allows operators to borrow money at competitive market rates for two to four years, although longer terms are available.

"Given both macroeconomic and microeconomic factors, such as rising interest rates, upcoming changes in the reimbursement methodology, slight compression in occupancy levels in some markets, and regulatory and political uncertainty, HUD-insured loans are a very appealing option for operators with stabilized financial performance who are seeking a long-term, fixed interest rate and non-recourse loan," says Steven Caligor, BHI executive vice president, healthcare and commercial real estate.

Caligor stresses conventional HUD financing requires diligence and a great deal of planning and patience. Prospective borrowers often choose this type of short-term vehicle because HUD loan applications can take as long as six to nine months to complete, he adds.

Photo: Busakorn Pongparnit/Moment/Getty Images Plus

Tried and true bridge-to-HUD financing remains a popular tool.

Upsides and downsides

Prospective borrowers should understand the process and rules before taking the leap.

For example, BHI provides bridge-to-HUD financing primarily under three scenarios:

- Operators acquiring a new asset that may include a turnaround or stabilization component;
- Operators who need to own a facility for a certain duration before applying; or
- Operators who have owned the facility for a given period of time, and with it now stabilized, seek to maximize their leverage position.

"This sometimes includes a recapitalization and cash-out component, which HUD has specific rules about," Antebi explains.

Upsides include:

- Competitive advance rates, including subordinated and mezzanine debt.
- Flexible terms that allow borrowers lower monthly payments to service debts.
- Limited guarantee structures or at times burn downs/burn offs based on the strength of the operations and other financial milestones.
- Possible earn-out options that allow borrowers the opportunity to obtain additional funding proceeds upon reaching certain financial milestones.

Among the downsides:

- Strict underwriting and compliance standards for each loan request.
- Relationship-driven banks, including BHI, predicate underwriting on the "strength of the sponsor." Thus, some newer operators seeking initial bank financing may find it prohibitive.

Says Antebi, "Our ability to maintain direct relationships with nursing home operators, as well as HUD lending partners, provides a unique opportunity for BHI. Our client service is high touch." ■

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Debt and equity: Two sides of mezzanine funding

This flexible financing option has earned its stripes in every kind of economic climate

By John Hall

Regardless of economic conditions, senior living owner-operators should never underestimate the flexibility that mezzanine financing provides.

Part of its attractiveness is the ability to structure a mezzanine loan as debt or equity, as needed, making it a useful tool for bridging financing gaps or making the overall capital structure more efficient, says Curtis King, senior vice president at HJ Sims.

The most typical form of mezzanine financing is straight subordinate debt that may or may not be secured by a second mortgage. "Most likely, the debt is secured by a pledge of the ownership interests of the entity that owns the project," King adds.

In the nursing home setting, some state regulations either limit debt or require certain minimum equity contributions.

In such cases, mezzanine financing, in the form of preferred equity, is often used.

"This form of preferred equity can look and act like debt, and it often has a required minimum annual return, essentially debt interest, and may have minimum repayment obligations, which are the equivalent of principal debt payments," King explains.

Photo: Rob Daly/OJO Images/Getty Images Plus

Mezzanine financing remains a flexible option for many operators.

Moreover, there often is a "put feature" that allows the investor or lender to put the investment back with the owner on a certain date, much like a final maturity.

If required payments are not made, then the preferred equity investor usually will have the right to foreclose on the common equity's ownership interests, much like a mortgage in a debt setting.

"Due to general market uncertainty, increasing interest rates, oversupply concerns for senior living and industry headwinds facing the skilled nursing industry, senior lenders have pulled back on leverage and instituted more restrictive covenants," King says.

In turn, borrowers increasingly have turned to mezzanine financing to fill a portion of the "capital stack," a term King says is used to describe all of the components of the financing of a project.

Why has mezzanine financing become so popular? According to King:

- It is less expensive than equity alternatives.
- Mezzanine capital has favorable covenants to senior loan financing.
- Lenders can be flexible with items such as principal payments and recourse.
- Mezzanine financing can leverage a borrower's resources, allowing them to grow their business with less equity investment.

Upsides and downsides

The upsides of mezzanine debt: With so many skilled nursing providers now focused on value-add and distressed acquisitions, mezzanine debt is an ideal fit for capital providers in need of leveraging of equity returns because it allows operators to finance larger or a higher number of acquisitions with the same amount of equity, according to King.

A large portion of mezzanine financing is debt, and it is heavily controlled by the priorities of cash flows and some covenants, which still often are less restrictive than senior debt covenants. It is also more expensive than senior debt, King says.

A look forward

"In the form of preferred equity, mezzanine debt has increasingly been used for senior living development as construction lenders have pulled back on proceeds," he adds.

"In recent years, with cap rates at historical lows, mezzanine financing has not been utilized for stabilized senior living acquisitions. Higher leverage financing structures have not made sense given that the spread between cap rates and senior loan interest rates are narrower," he adds.

Going forward, however, King predicts mezzanine financing will become an increasingly feasible financing source for stabilized senior living properties. "If the cap rate and senior loan interest rate spread increases, or the credit spread for mezzanine capital decreases, it may once again become a feasible," he says.

"For organizations seeking to leverage their existing resources, substitute common equity with a less expensive alternative or buy down recourse or covenants, it makes sense to reach out to a mezzanine lender," King notes. ■

Lancaster Pollard

Company Profile

Formed in 1988, Lancaster Pollard has maintained a 30-year focus on the seniors housing and long-term care sector. Lancaster Pollard helps healthcare and senior living providers expand and improve their services by delivering a full range of investment banking, mortgage banking, private equity, balance sheet financing and M&A advisory services. The firm consists of four affiliated companies: Lancaster Pollard & Co. LLC provides debt underwriting, debt placement and syndication and M&A advisory services. Lancaster Pollard Mortgage Company LLC provides mortgage insurance and loans through government agencies and is a Fannie Mae/GNMA/HUD-FHA/USDA-approved lender. Lancaster Pollard Finance Co. LLC provides balance sheet financing. The Propero™ Seniors Housing Equity Fund LLC provides equity financing for the new development and acquisition of seniors housing and care properties. The firm's home office is in Columbus, OH, with regional banking offices in Atlanta; Austin, TX; Chicago; Denver; Kansas City, KS; Minneapolis; Newport Beach, CA; Philadelphia; and San Francisco.

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Eligible properties: ■ CCRC ■ Skilled nursing ■ Assisted living ■ Retirement communities ■ Congregate care ■ Hospital ■ Rehab hospital ■ Medical office

Options: ■ Construction ■ Substantial rehab ■ Acquisition ■ Refinance ■ Exit

Product base: ■ Bridge Loans ■ Equity Financing ■ Fannie Mae ■ FHA/HUD ■ M&A Advisory ■ Syndications ■ Term loans

Our Philosophy

We work hard to thoroughly understand our clients' needs and risk tolerance, and we perform the most comprehensive qualitative and quantitative assessment in the business. We simplify complicated processes so you can understand every option and make the most informed decision on a capital financing strategy that best serves your needs. Lancaster Pollard's associates:

- Are knowledgeable and highly experienced in the broadest platform of funding solutions, resulting in delivery of unbiased and comprehensive information to foster well-informed client funding decisions
- Maintain state-specific geographic coverage to foster awareness of local market activities and regulatory, licensure and reimbursement matters
- Are active contributors on the Committee on Healthcare Financing and the Mortgage Bankers Association's Section 232 Working Group

What We Offer

Lancaster Pollard & Co. is an independent firm and is not pressured to push a particular financial instrument or outcome. We provide unbiased recommendations to help you select the most appropriate course of action to help you meet your financial and business objectives.

Our independence allows us to consider every viable option. Clients have significantly altered their courses of action after we have had a thorough discussion about all of their financial options, which include:

- Acquisition financing & equity recapitalization
- Sale-leaseback financing
- Mergers & acquisitions
- Agency financing
- Loan syndications and placements
- Public bond offerings

Lancaster Pollard's knowledgeable associates:

- Are supported by one of the largest groups of underwriters and analysts to achieve successful and timely outcomes while minimizing the "burden" on our client's executive leadership
- Offer more options, flexibility and streamlined processes because our investment banking and mortgage banking services are under one roof
- Diligently negotiate the best and most flexible terms possible in the current marketplace

A Successful Partnership

Lancaster Pollard bridges the gap between capital and our clients to help them achieve their goals. We do this by leveraging our collaborative culture to provide exceptional customer service, innovative financial solutions and meaningful long-term partnerships.

Guardian Pharmacy Services

Company Profile

Guardian Pharmacy Services is one of the fastest-growing long-term care pharmacy companies in the U.S., providing a wide range of services to assisted living communities, skilled nursing homes, CCRCs and behavioral health groups through our national network of pharmacies.

We conduct business according to the Golden Rule, treating our customers, residents and each other fairly and honestly. Guardian's commitment to excellence and to provide outstanding customer service defines our corporate character and inspires us every day.

What We Do

Guardian pharmacies work hard to understand each customer and the specific needs of their community. We develop meaningful relationships with community staff, residents and families to create fine-tuned, customized pharmacy solutions that ensure safety, accuracy and resident satisfaction.

Our Mission

Guardian aims to personally empower our customers with the resources they need to provide the best service to their residents. We maintain the highest level of service and sensitivity required to meet the individualized needs of each community.

The Guardian Way

Guardian Pharmacy Services has a unique business model that allows us to offer both the personalized services of a local pharmacy and the resources of a large corporation.

Each Guardian Pharmacy is vested with ownership and the authority to make day-to-day decisions at the local level. Assisting our pharmacies is the corporate Guardian Pharmacy Services team in Atlanta, who provide support in areas such as Accounting, IT, Recruiting, etc. This support allows the local pharmacy team to focus on customers and the specific needs of their market.

We believe this business approach leads to better customer service, greater accuracy, and efficiency of medication distribution.

FastFacts

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Servicing:
- CCRC
- Skilled nursing
- Assisted living
- Memory care
- Retirement communities

What We Offer

Clinical Support

Guardian streamlines processes and helps integrate multiple eMAR/eHAR technologies to make sure medication management is efficient and error-free.

Our pharmacies regularly meet with community staff through on-site visits, and host continuing education and training courses to help lower the risk of medication error and enhance the level of resident care.

Simplified Billing

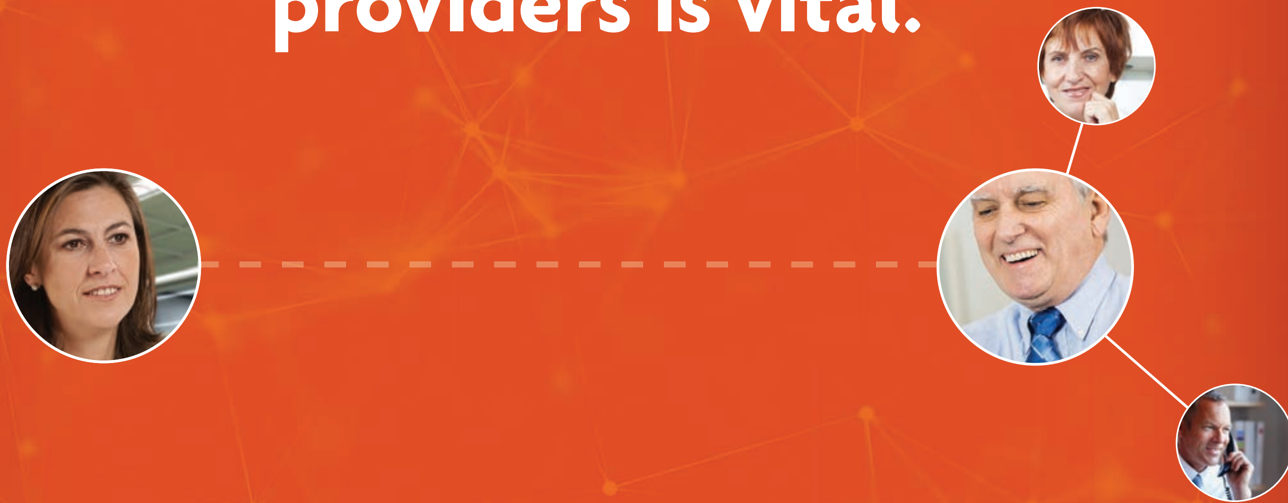
Medication billing can be challenging for any long-term care provider, but it doesn't have to be. All billing, dispensing, consulting and customer service are handled by the local pharmacy, not from a remote hub — no frustrating 800 numbers.

We educate residents and families on Medicare Part D plans that best fit their needs and help reduce costs. From pre-authorizations and noncovered medications to the "donut hole," our local experts take the extra steps and make the extra time to ensure there are no billing issues or questions.

Seamless Pharmacy Transition

Guardian offers hands-on support to new customers making a pharmacy switch. We work hard to ease the transition process by coordinating timelines that reduce burden on the community and save staff time.

The ability to connect to other providers is vital.



It doesn't have to be hard.

As long-term care becomes increasingly integrated, those who can't connect are increasingly left out. Factor in the narrowing of referral networks and it's clear that the ability to integrate your system with other provider systems is critical.

MatrixCare's platform exchanges information with other systems more than 3 million times every day. Our full suite of connected — and connectable — software solutions not only helps you operate more efficiently and effectively, it puts you in the best possible position to succeed as the LTPAC world evolves.

"*We wanted to be able to put a resident in the system one time, admit them one time, and have them flow naturally through the system from marketing all the way through to skilled care. MatrixCare came to the top of the heap.*"

Shawn Clark
Corporate Director of Strategic Implementation and Technology Services
Blakeford

MatrixCare
Integrated Care. Better Outcomes.

Best in KLAS Software & Services 2017
Best in KLAS Long-Term Care 2018

Ranked Best in KLAS for Long-Term Care Software

Find out how MatrixCare's interoperability can help you grow your referral network:

Visit **MatrixCare.com/connectedM**
or call **866-469-3766** today.

MatrixCare

Company Profile

MatrixCare solutions have powered long-term care for over 30 years. Today MatrixCare is the largest U.S.-based LTPAC technology provider and the first to offer a true full-spectrum solution that is used in more than 13,000 facility-based care settings and 2,500 home care and home health agencies. Ranked best in KLAS for Long-Term Care Software in 2017 and 2018, MatrixCare's solutions are designed specifically to help skilled nursing and senior living providers, life plan communities, and home health and hospice organizations prosper as we migrate to a fee-for-value healthcare system. Through our CareCommunity care coordination and population health management platform, we are also able to offer the industry's first solution for helping diversified LTPAC operators deliver superior care and better outcomes across the full spectrum of care.

FastFacts

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Eligible properties: ■ CCRC ■ Skilled nursing ■ Assisted living ■ Retirement communities ■ Congregate care ■ Home Care

Our Philosophy

MatrixCare's philosophy is to deliver solutions that will help our clients be the most valuable provider in the healthcare networks strategic to their success. In the rapidly changing healthcare landscape, high-growth provider organizations require HIT solutions that not only meet their needs today, but position them to meet the regulatory, interoperability and scalability requirements of tomorrow.

What We Offer

The MatrixCare architecture for long-term care includes product suites to help providers deliver person-centered care while maintaining high occupancy rates, maximizing revenues, reducing readmissions, and integrating with partners and physicians across the entire spectrum of care. MatrixCare delivers the elements necessary to successfully provide value-based care: enterprise-wide clinical decision support, interoperability, sophisticated data analytics, enterprise business intelligence and highly scalable technology to service thousands of facilities with a low total cost of ownership. Built on the Microsoft Azure hypercloud, MatrixCare solutions provide the tools necessary to compete and thrive in the LTPAC market. MatrixCare delivers superior service to its clients, resulting in better business outcomes for their organizations. MatrixCare is the only true full-spectrum solution that provides:

- Integrated, real-time analytics for an organization-wide view of outcomes and the cost of care
- Embedded Clinical Decision Support driven by evidence-based best practices and industry-accepted protocols
- CareCommunity™ — Innovative care coordination tools to drive care team engagement and produce better outcomes across the entire spectrum of care

A Successful Partnership

Ranked best in KLAS for Long-Term Care Software in 2017 and 2018 by our customers, MatrixCare values our client partnerships and actively engages with them to ensure we continue to be their technology provider of choice. We strive to actively listen to our clients and serve as a trusted partner and advisor.

Best in KLAS for Long-Term Care Software


Omnicare®
a CVSHealth. company
Say hello to dedicated pharmacy care.
Every member of our team makes it their priority to bring you the heartfelt service you deserve with the cost savings and pharmacy solutions you need, so you can focus on quality care for your residents.
Get to know us at Omnicare.com

Omnicare, a CVS Health company

Company Profile

Omnicare, a CVS Health company, is an industry-leading long-term care pharmacy services provider focused on supporting community residents and staff throughout the continuum of care. You value the health of your residents and patients. And we value it, too. With us, you can expect customized expertise and benefits, superior medication availability, comprehensive infusion therapy for acute care patients, advanced digital tools and guidance through state and federal regulations to keep your community compliant — all while helping control costs. No matter the need, you can rely on us to deliver specialized, quality services so you can devote your time to providing excellent care.

Our Mission

We are a pharmacy innovation company with a simple and clear purpose: Helping people on their path to better health.

Our Philosophy

As your partner, we'll work to provide value, resolve issues and cover the details so you can focus on giving the best care to your residents. Just like you, they want to feel in control of their care, and that's why we're here for you and your residents whenever you need us. You can take comfort in knowing whenever questions or concerns arise, we're always accessible. Let us show you how our personal touch sets us apart.

What We Offer

Pharmacy Solutions delivered with care. Omnicare is a national provider of long-term care pharmacy services delivering more than 100 million prescriptions a year to post-acute and senior living customers nationwide. We're committed to building strong, consultative partnerships with you, so that together we can successfully support each member of your community.

Our pharmacy solutions include:

- 24/7/365 access
- Suite of cost containment programs
- Consultant pharmacists
- Comprehensive Infusion Therapy program
- Advanced digital tools
- Daily delivery
- Medication reviews
- Specialized packaging
- Compliance management
- Medicare Part D plan finder tools

FastFacts

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Eligible properties: ■ CCRC ■ Skilled nursing ■ Assisted living

Geriatric Experts

Recognizing that seniors have unique medication needs and requirements, Omnicare pharmacists specialize in geriatric pharmacy. Our specially trained pharmacists provide medication therapy reviews in order to identify potential drug interactions and provide alternative drug recommendations.

Pharmacy Automation

Our in-pharmacy automation selects and seals medications in specialized packaging, ensuring accuracy and safety in administration at the facility. This state-of-the-art system offers another level of resident safety by dispensing medications more accurately and reducing time spent on correcting errors, helping your community avoid risk and keeping your community's residents safer.

A Successful Partnership

We're ready to partner with your facility today. Visit *omnicare.com* or call 1-888-545-6664 to learn more.

PharMerica

Company Profile

Your Long Term Care Pharmacy Experts. For more than 30 years, PharMerica has served the pharmaceutical needs of seniors in long-term care nursing facilities, assisted living facilities, hospitals, home, and other specialty centers nationwide. We currently operate 100+ pharmacy locations that fulfill medication requirements throughout the country. PharMerica has a singular focus on customer service, collaborating with our clients to develop products and services that help them provide quality care, control costs, and remain compliant with ever-changing regulations. Contact us to learn how a partnership with PharMerica can help you succeed.

Our Philosophy

At PharMerica, we continuously strive to bring value-added pharmacy service to skilled nursing and long-term care facilities, assisted living facilities, hospitals and other institutional care settings. We have a singular focus on customer service, collaborating with our clients to develop products and services that help them provide quality care, control costs, and remain compliant with ever-changing regulations.

Changes in payment models, the ever growing importance of quality scores, and the increasing need to compete for patient referrals mean that the future success of your business will rely more and more on having the right partner.

Special Solutions We Offer

PharMerica's pharmacy services help our customers differentiate their own performance in the ever competitive long-term care industry:

- **Medication Availability**
  PharMerica ensures medications are ready when our customers need them through integrated operational approaches, including multiple daily deliveries, STAT deliveries, back-up pharmacy service and 24/7/365 pharmacy availability. We even offer the most advanced on-site dispensing solution, RxNow, that covers over 80% of all emergent medication needs immediately.
- **Cost Containment**
  PharMerica's cost containment tools are designed to optimize medication spending. Our multi-faceted approach drives lower cost through generic drug dispensing, therapeutic substitution to preferred formulary medications, consultant pharmacist recommendations and best-in-class methods to eliminate non-covered charges. Each of PharMerica's cost-containment programs is supported by savings reports, which are reviewed with customers during every quarterly business review.
- **Compliance and Education**
  PharMerica's account managers, expert consultant pharmacists and nurse consultants work together to keep our customers compliant with ever-changing regulations. Our services are specifically designed to avoid F-Tags, and include med-pass observations, med room inspections, staff training and education, and even a full mock audit service to prepare a facility for survey. We also offer numerous nationally accredited educational opportunities, from online IV therapy training to nationwide educational symposia events, on topics essential to both nursing staff and administrators.

FastFacts

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Headquartered in Louisville, Kentucky, PharMerica delivers over 40 million prescriptions a year to nursing facility customers nationwide, operates approximately 120 institutional and specialty infusion pharmacies in 45 states that serve over 300,000 licensed beds, and has approximately 6,000 employees nationwide.

A Successful Partnership

Long-term care organizations must continually adapt to thrive in an environment defined by ever-changing regulations, care initiatives and payment models. With over 30 years' experience in long-term care pharmacy, PharMerica has consistently evolved our own services to help our clients meet these challenges. Contact us today to learn how a partnership with PharMerica can help you succeed.

Dining Experience

Created by Kwalu

© Michael Lowry Photography

Today seniors don't just eat, they dine. Mealtime is a social event featuring fine food served in fine locations with exceptional furniture in place. Kwalu dining tables and chairs create an elegant dining experience, upscale and comfortable. Kwalu believes variety is the spice of life in food and in furniture. Kwalu is Designed to Last®.