



Surviving the Occupancy Squeeze: Rethinking Data to Drive New Business

Using EHR Data To Drive Occupancy and Quality

Senior living occupancy continues to struggle in many markets on the heels of a development boom that has led to moderate oversupply across the country and across care types.

As operators look to recover lost business around sustained low occupancy over the last several quarters, there are a few ways they can lean on technology to relieve the pressure.

This ebook will discuss some of the creative approaches to the occupancy challenge that plagues today's senior living operators, as well as how technology supports these strategies.



The Occupancy Squeeze

In the months and years following the great recession and housing market crash across the U.S., senior housing experienced a development boom. Favorable demographics and access to capital led to a wealth of new construction and development.

Today's occupancy figures show that the resulting oversupply has challenged operators in many markets. As of the second quarter of 2019, national senior housing occupancy had fallen to 87.8% according to the National Investment Center for Seniors Housing and Care, slightly below its previous post-recession low of 88%.

The resulting challenging competitive landscape means that many existing owners and operators are having to sell their senior living products against counterparts that often are offering new construction properties, discounted rates and other move-in perks.

But some operators say they are stemming the losses, or in some cases thriving, by finding ways to combat the occupancy squeeze – in large part through the use of technology.

Market Fundamentals 2Q19 - Seniors Housing

	1Q19	2Q19
Occupancy	88.0%	87.8%
Annual Rent Growth	3.1%	2.9%
Annual Absorption	2.9%	2.9%
Annual Inventory Growth	3.2%	3.0%
Construction vs. Inventory	7.2%	6.9%

Source: NIC MAP Market Fundamentals

Rework the sales approach

Reevaluating the sales and marketing approach is a critical first step addressing occupancy challenges in the current development cycle. Providers should examine their existing efforts, to identify whether they are geared toward the current marketplace, and adjust their sales expectations as well as marketing strategy according to the competitive landscape in their local and regional markets.

“Desperate competitors do desperate things,” says Paul Gross, founder and CEO of London, Ohio-based Bluebird Retirement, which operates two assisted living properties in Ohio. “Even if you have a premier property, when you have desperate competitors they will do things that are harmful to your business and to your market as a whole.”

For Bluebird, the company differentiates itself based on service and resident experience, which is critical during competitive times, Gross says.

“What we do for sales and marketing is passionately care about our residents with a level of intimacy,” he says.

The company is able to do that by knowing its residents, their preferences, their needs and acuity – which it achieves in part through the use of an electronic health record.

For other tech-enabled providers, digital workflow can support leadership decisions with respect to sales and marketing, including the integration of a Customer Relationship Management (CRM) system to manage leads in light of occupancy goals.



The CRM in turn can be used to lay the groundwork for new sales and marketing activities in occupancy downturns, says Lynne Katzmann, founder and president of Juniper Communities.

“The number of online inquiries has increased dramatically,” Katzmann says. “How we have responded has involved several changes, some of which are tech-based. We are using marketing automation technology and artificial intelligence to target specific groups of potential residents through direct mail and other outreach.”

Juniper is also approaching its lead pipeline in new ways in light of the challenging marketplace, Katzmann says.

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Inform business decisions

In addition to targeting new move-ins, providers need to look closely at the services being provided to current residents, including the care level and unit type. There may be opportunities to provide new services to existing residents, or for residents to move to higher levels of care as needed. By generating business within the existing resident base, providers can help stem losses associated with declining occupancy, and by giving a comprehensive look into the resident base, technology can help inform critical business decisions during challenging times.



An electronic health record can assist by capturing unbilled revenue, documenting resident needs to justify care transitions to higher levels of care.

“While the clinical piece is big, and is where

we began...we look at the data to drive the management of our business,” Katzmann says of the company’s early EHR adoption. “Where do we need to go? What are our problems? What is data and what is anecdotal?”

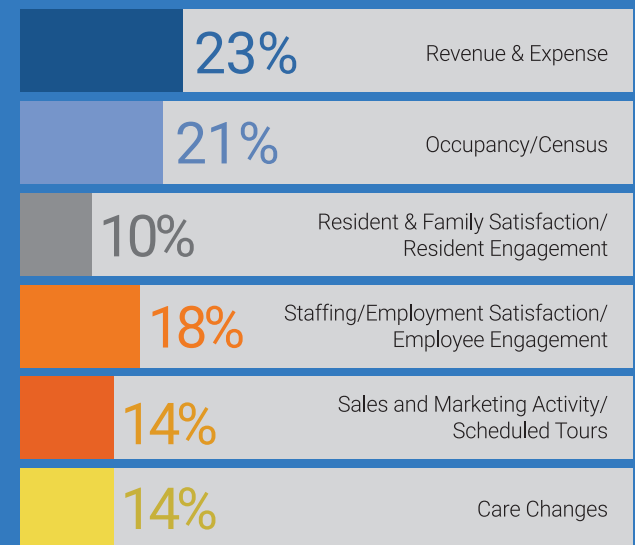
For example, the provider uses its EHR, PointClickCare, to track the use of psychotropic drugs among memory care residents and can measure the use against outcomes. It also helps inform family members about their loved ones.

“Having the information online enables us to access it in real time by a group of providers who can answer questions for families and residents,” Katzmann says.



Senior Housing News and PointClickCare surveyed industry executives about the metrics they would measure if given an “Executive Dashboard.” Operating revenue and expenses topped the list, followed by occupancy and staffing metrics.

Important senior living community metrics according to leading operator executives:



SHN took a tally of responses among senior living executives regarding the areas they would like to measure via “executive dashboard.”

Support operational efficiencies

As a community's occupancy ebbs and flows, decisions must be made with respect to staffing and other operational areas to ensure the business is running as efficiently as possible.

A comprehensive approach to an EHR means a community can gain insight into its key operating metrics so that it can adapt and adjust accordingly.

"We have dashboards and we look at them all the time," Katzmann says. "It's critical to what we do."

Based on what the dashboards show, community leadership can make decisions accordingly to hire, organize shifts, change programming and drive communications.

But taking a step further with an EHR, a provider can also use it as an underlying platform for improving its care quality, which should help drive occupancy regardless of market factors, Gross says, giving the example of one of Blue Bird's new memory care residents who had a particular need for help getting settled each night before going to sleep.

"In the system, we indicated someone needed to take 15 minutes each day to talk her to sleep," Gross says. "Most would say, you don't have the time to take the 15 minutes. ... but when you care deeply about the residents, you don't have to sell. The system and architecture is fantastic if you're willing to step back and address the objectives."



Operators can use their EHR to track:

- Clinical outcomes
- Marketing and finance
- Accounting
- Staffing
- Overtime
- Quality indicators



Using technology to combat occupancy woes

Occupancy has challenged operators in senior living in recent quarters across geographies and care types, and is projected to remain a challenge in the coming months. Technology can be a differentiator for operators that use it wisely. **Whether to directly track key performance indicators or to drive quality care that leads to continued business and word-of-mouth referrals, successful operators report that they are able to employ an EHR along with other technologies to stem losses and keep an eye on growth potential during challenging times.**

Contact PointClickCare to learn more about how our technology solutions can support your organization.

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