June 1, 2020

The Honorable Mitch McConnell
The Honorable Chuck Schumer
The Honorable Marco Rubio
The Honorable Ben Cardin
The Honorable Susan Collins
The Honorable Jeanne Shaheen

Dear Majority Leader McConnell, Minority Leader Schumer, Senator Rubio, Senator Cardin, Senator Collins and Senator Shaheen:

On behalf of the American Seniors Housing Association (ASHA) and Argentum, we thank you for your leadership in enacting the CARES Act, a historic emergency relief measure “to provide emergency assistance and health care response for individuals, families, and businesses affected by the coronavirus pandemic.” Specifically, the Small Business Administration (SBA) Paycheck Protection Program (PPP), has provided much needed relief to many distressed businesses but it is unfortunately outside the reach of much of the senior living industry due to its “affiliation” rules.

Our industry has yet to gain access to a reliable federal financial relief program to assist with the significant expenditures they are incurring to address COVID-19. These businesses care for a vulnerable senior population who are most at risk for COVID-19 and have therefore doubled down on their efforts to maintain a safe environment for their residents and staff. This has come at a significant cost to the industry and should be considered as Congress continues to address federal support programs such as the PPP.

ASHA and Argentum are the leading national associations exclusively dedicated to supporting companies operating professionally managed, resident-centered senior living communities and the older adults and families they serve. Our member companies offer assisted living, independent living, continuing care, and memory care services, representing approximately 75 percent of the professionally managed senior living industry.

The PPP is limited to businesses that employ less than 500 employees and applies affiliation rules to this employee count. This can limit eligibility for many senior living providers who otherwise meet the size limitation if applied on a per location basis. The CARES Act waived the affiliation rules for PPP loans for “any business concern with not more than 500 employees that . . . is assigned a North American Industry Classification System code beginning with 72.” We urge similar treatment for senior living by authorizing a waiver of the affiliation rules for NAIC codes beginning with 62, Health Care and Social Assistance. This exemption should also include coverage of senior independent living communities, classified under codes beginning with 52, specifically 531110 and 531311.
The financial impact on the industry cannot be overstated. Senior living has incurred new and additional expenses relative to COVID-19 planning and response efforts such as additional and increased staffing costs, securing adequate supplies of Personal Protective Equipment (PPE)-at inflated prices, test kits, enhanced infection control supplies, and additional dietary supplies to name a few. The industry is also realizing lost revenue due to community shutdowns that have paused new move ins. It is expected the overall industry impact due to COVID-19 this year will be in the range of $45 billion to $57 billion.

As you consider adjustments to the PPP terms and conditions, please consider amendments to allow the broader senior living industry the opportunity to participate. Senior living communities across the country operate in all markets, contribute to local economies, provide direct as well as indirect jobs and relieve the overly burdened health care system during this crisis and beyond. Programs like the PPP should recognize these contributions take necessary action to ensure these communities come out of this crisis financially sound so they can continue this necessary and critical work.

Again, we thank you for your leadership in these challenging times.

If you have any questions, please contact Jeanne McGlynn Delgado at jeanne@seniorshousing.org, and Maribeth Bersani at mbersani@argentum.org.

Respectfully,

David Schless
President
American Seniors Housing Association

James Balda
President & CEO
Argentum

CC: The U.S. Senate