



November 14, 2022

The Honorable Phil Murphy
Governor
State of New Jersey
Chair
National Governors Association
444 North Capitol St NW #267
Washington, DC 20001

The Honorable Spencer Cox
Governor
State of Utah
Vice Chair
National Governors Association
444 North Capitol St NW #267
Washington, DC 20001

Dear Governors Murphy and Cox:

I am contacting you on behalf of Argentum, the leading national non-profit association exclusively dedicated to supporting companies operating professionally managed, resident-centered senior living communities and the older adults and families they serve. Argentum member companies operate senior living communities offering assisted living, independent living, continuing care, and memory care services. Along with its state partners, Argentum's membership represents approximately 75% of the professionally managed communities in the senior living industry. The residents who live in senior living communities average 85 years of age, with the majority having chronic health conditions and needing assistance with activities of daily living such as bathing, eating, toileting, as well as personal and health care services.

Senior living communities are an enormous financial benefit for stretched state budgets, saving Medicaid an estimated \$43 billion annually by providing an alternative to skilled nursing care, which is twice the cost of assisted living. Unfortunately, this vital long-term care option did not receive nearly the same relief as other providers. The losses they sustained, coupled with increasing strain on the workforce, has left the majority of senior living providers operating at a financial loss and many have been forced to close.

Today, I am requesting that the National Governors Association move aggressively to encourage state governments to provide COVID-19 financial relief that is allocated through the American Rescue Plan Act (ARPA) to senior living providers and caregivers. The funding will be used to help recoup a portion of the financial losses senior living providers have incurred as a result of extraordinary efforts to keep residents and employees safe during the COVID-19 pandemic.

Senior living providers collectively have incurred more than \$30 billion in expenses for procuring gowns, gloves, masks and other infection prevention and control supplies, hero pay, additional staff, and lost revenue due to record-low occupancy rates. A chart is included in this correspondence detailing these losses by state demonstrating the impact exclusive on senior living communities. Unfortunately, these facilities have not had the same access to federal relief as other health care providers. Through the federal Provider Relief Fund, which was established by the CARES Act, assisted living facilities have received to-date roughly \$1 billion nationwide (compared to \$12.5 billion for skilled nursing facilities, which also serve the same number of seniors (2 million) as senior living communities). That funding has since been exhausted and there are limited options for providers to seek further relief.



The vast majority of senior living residents—more than 85%—privately pay for their care. This means senior living provides an affordable option for seniors, preserving Medicaid for the most financially challenged and frail seniors. But with the losses amassed over the course of the pandemic, and slow recovery in occupancy, there is a real threat to the survival of many senior living communities. If closures increase, federal and state Medicaid budgets will increase dramatically due to the demand for skilled nursing beds at a tremendous cost to taxpayers.

Additionally, we urge your attention to the critical need to invest in workforce development programs to meet the rapidly aging population and corresponding need for caregivers. Within the next ten years—for the first time in our nation’s history—the U.S. will have more seniors than children, and more importantly, the 85-plus population, those most in need of direct care, is due to nearly double by 2036 to 12.3 million.

There was a critical need for more caregivers prior to the pandemic, and this has only been exacerbated in recent years. Just in the first 20-months of the pandemic, providers lost more than 100,000 caregivers, representing a decline of over 10% from pre-pandemic employment levels. This is why we urge states to invest in programs that will help to recruit, train, and retain the workforce that will be needed to care for our seniors in their greatest need. This includes funding career pathway and geriatric care programs in community colleges and secondary education that focus on all aspects of senior care shortages (care, management and hospitality), and also making investments in grant programs and state offices of long-term care workforce development.

By making these critical investments in the caregiving workforce and disbursing critically needed relief through the program created specifically to “support industries hardest hit by the crisis,” we can and will meet the challenges we face together in the coming years and decades. This is why we respectfully ask the National Governors Association to strongly encourage governors to use the resources available through the American Rescue Plan Act for senior living providers to enable them to remain viable options for seniors to receive the care they need and to maintain Medicaid funding availability for America’s most financially strained citizens.

If you have any questions regarding this request or if you need additional information, please contact Maggie Elehwany, Argentum’s Senior Vice President of Public Affairs, at melehwany@argentum.org.

Sincerely,

James Balda
President & CEO
Argentum

cc: Bill McBride, Executive Director, National Governors Association
Tiffany Waddell, Director of Government Relations, National Governors Association

Estimated Losses to Senior Living Providers due to COVID-19 (by state)

Majority of providers operating at a loss

State	Seniors Served	State Economic Impact of Senior Living	COVID-19 Economic Impact
Alabama	14,607	\$1 Billion	-\$239,280,334
Alaska	1,637	\$444.5 Million	-\$26,816,041
Arizona	45,143	\$4.7 Billion	-\$739,496,963
Arkansas	9,066	\$63.8 Million	-\$148,512,050
California	208,343	\$26.5 Billion	-\$3,412,910,435
Colorado	33,469	\$3.6 Billion	-\$548,262,717
Connecticut	14,156	\$2.6 Billion	-\$231,892,409
Delaware	3,999	\$638.2 Million	-\$65,508,459
Florida	145,554	\$14.5 Billion	-\$2,384,350,640
Georgia	46,736	\$5 Billion	-\$765,592,231
Hawaii	3,913	\$447.3 Million	-\$64,099,675
Idaho	13,865	\$1.3 Billion	-\$227,125,477
Illinois	50,790	\$5.9 Billion	-\$832,001,656
Indiana	57,110	\$3.2 Billion	-\$935,530,903
Iowa	31,884	\$821.2 Million	-\$522,298,500
Kansas	30,766	\$157.9 Million	-\$503,984,307
Kentucky	14,580	\$1.2 Billion	-\$238,838,042
Louisiana	10,667	\$2.7 Billion	-\$174,738,367
Maine	12,165	\$1.3 Billion	-\$199,277,420
Maryland	34,517	\$3.6 Billion	-\$565,430,226
Massachusetts	28,330	\$6 Billion	-\$464,079,679
Michigan	44,819	\$7.7 Billion	-\$734,189,451
Minnesota	84,481	\$4.2 Billion	-\$1,383,901,002
Mississippi	8,468	\$702.6 Million	-\$138,716,086
Missouri	45,604	\$2.1 Billion	-\$747,048,701
Montana	6,329	\$1.1 Billion	-\$103,676,678
Nebraska	18,624	\$1 Billion	-\$305,083,655
Nevada	8,870	\$1.1 Billion	-\$145,301,333
New Hampshire	2,536	\$555.7 Million	-\$41,542,749
New Jersey	37,139	\$3.5 Billion	-\$608,381,758
New Mexico	7,442	\$715 Million	-\$121,908,965
New York	72,366	\$10 Billion	-\$1,185,442,643
North Carolina	47,085	\$7.5 Billion	-\$771,309,273
North Dakota	5,031	\$541.9 Million	-\$82,413,868
Ohio	107,259	\$4.8 Billion	-\$1,757,032,203
Oklahoma	18,707	\$612.4 Million	-\$306,443,295
Oregon	39,556	\$7.2 Billion	-\$647,975,143
Pennsylvania	127,533	\$6.2 Billion	-\$2,089,144,855
Rhode Island	5,701	\$742.6 Million	-\$93,389,278
South Carolina	28,223	\$1.9 Billion	-\$462,326,890
South Dakota	5,851	\$656.6 Million	-\$95,846,460
Tennessee	29,687	\$2.4 Billion	-\$486,308,981
Texas	102,653	\$8.8 Billion	-\$1,681,580,350
Utah	15,480	\$1.8 Billion	-\$253,581,131
Vermont	3,546	\$428.6 Million	-\$58,087,771
Virginia	57,007	\$5.1 Billion	-\$933,843,638
Washington	53,955	\$7.4 Billion	-\$883,848,186
West Virginia	4,460	\$410.1 Million	-\$73,060,197
Wisconsin	56,956	\$8.6 Billion	-\$933,008,197
Wyoming	1,964	\$204.3 Million	-\$32,172,696

Loss projections are based on national loss data and severity of COVID-19 within each respective state.