

Transcript
Coronavirus Q & A – Episode 55
April 5, 2022



Alex Metricarti: Hello! I'm Alex Metricarti, chief marketing and public relations officer for Living Branches. Today is Monday, April 4. Hello, and hello to Ed Brubaker, our Living Branches President/CEO. We're here again on a Monday! Doing things differently.

Edward Brubaker: That's right. Probably it's because last Friday was April 1, and we wanted people to take our video messages seriously. People do try to fool people from time to time that day, but we didn't want to be the ones fooling people. Haha!

AM: Ha! That was it. Well we do have Covid things to talk about today. I thought perhaps we were going to make an episode with no Covid, but our luck has run out. Yesterday – Sunday – we found out we have a resident in Harmony House who has tested positive for Covid. So far it's only the one; I think they're testing everyone as we speak.

EB: Yeah, that's right. It was interesting, too, I was at the church service for Joy Sawatzky as her final church service at Souderton before her retiring, and they say when you get a voicemail or text that your phone is "blowing up." So my phone was blowing up and I didn't see it until later, but yeah the reality was that we still have this situation where when we have a Covid positive, we need to jump into action. So while pretty much everyone else in the United States said "we're done with this," we in health care can't say "we're done with it." Whether it be the masking we still have for employees, whether it be when they're on site in Health Care and Personal Care, all those kinds of things haven't changed for us. Even our protocols haven't changed. I think at some point they will need to, but I think that's some time for people to understand that it is wonderful though the rates are down, when we do get a case we need to rip into action – whenever it is. Yesterday it happened to be Sunday morning and things needed to be done. If you don't work in health care, frankly you don't understand that, to be honest.

AM: That's true. As per usual we will be sharing the results of the testing on our website and emailing to families in Harmony House. So we are continuing to keep everyone up to date – ha, no pun intended – with what's going on there. A lot of conversation this week around second booster shots; that was announced for persons over 50. So, thoughts about that?

EB: We have not gotten to the point of pushing that yet. It's probably something that we'll evaluate over the next couple weeks here to see. Well certainly the recommendation is there to do it, and for me personally, if we as an organization decide to do it, I'll probably get it just because I think – I'm not afraid of the shot; it's really just my body helping learn the antibodies to fight the disease. I don't see it as being something that is – you know – dangerous to take. For me personally I would do it if we come to that place. But for our residents, I don't know if the situation we had over the weekend was because of the waning booster reality; I don't know off the top of my head if the person was boosted or not, or what the exact vaccination status was. But it would appear that it might wane over time, so who knows? We might need to get to the point of needing to do an annual booster/vaccine for Covid. It's just hard to know at this point in time. To try and work through all of that will be important for us to do, but we do want to

ultimately keep our residents as safe as possible. But with the openness of our community anymore, we still encourage mask-wearing for visitors, etc. Residential Living residents aren't wearing them, unless they go into Personal Care and Health Care. There's all kinds of people in and out of our facilities, so who knows where this may come from? We're below 5% in Montgomery County, but we go up and down...still below 5% I haven't seen it for this week yet. But it's there – it's still there. We need to be weary; we need to be cautious, but we also want as much of a level of normalcy that we can within life as well.

AM: We're going to be living with this for the foreseeable future.

EB: Correct. Someone commented to me yesterday at Souderton, "It's a coronavirus. It's going to be here probably forever." I think technically the common cold is based on a coronavirus – obviously a different type – but they kind of joked, "Well we didn't ever solve the common cold now, did we?" So yeah, I think that's going to be the reality of life. Hopefully over time the regulating bodies will allow us to change our responses to that we don't have to go in such a lockdown mode, but that is not here yet.

AM: I was reminded this weekend in my hometown – somebody that graduated a couple years after me, and his mother, both died of Covid within the same week.

EB: He and his mother?

AM: He and his mother both died of Covid in the same week. They had been living in the same household, and everyone in their household got Covid.

EB: That was just recently?

AM: That was this weekend they had the funeral.

EB: Do you know anything about their vaccine status or anything like that?

AM: I do not.

EB: Wow. It just shows that it's still here and it's still serious.

AM: Yep – no question. Well from resident questions this week, I got an interesting one. Someone messaged me and said, "Just out of curious for this pandemic, how much is this costing us?" Which I thought was a very interesting question, because certainly there is an expense for everything we have to do.

EB: Yeah, and we do not exact cost like "It costs us X" because a lot of those costs are hidden. But I can say that has cost us a huge amount of money, and frankly if we would not have had some of the monies coming in from the federal and state governments, to this industry in general – not just Living Branches – we would be in a much worse place. With that said though, our position is pretty strong compared to many organizations. But again, without many of those resources coming in, it didn't make up the gap, but it certainly was helpful. There were so many different things that cost us money, and some of them are hidden costs. Like what's the cost of

me or you are doing Covid-related things, and not paying attention – well I shouldn't say "not paying attention," but not paying as much time – to plan for the future, and I know our building projects were delayed. Fortunately we have some organizations like Eventus, etc. that can work with us to keep some of these processes moving, but there's all sorts of hidden costs we wouldn't even necessarily count. I know when we were doing PCR tests, we probably had \$300,000 - \$400,000 that we were paying to an outside company. We have a testing team that we test people on a weekly, and sometimes twice weekly, basis: that's a cost. The challenge of keeping and attracting new employees has caused us – I just talked with the CFO this morning – and we probably had at least \$900,000 of increased cost in this past year for wages we needed to give this past year when we pushed the majority of people, not everyone – school students, etc. – are in the category, but others who are full-time employees are at \$15 an hour. We needed to push up CNA rates and people in dining services, and we pushed up school students as well earlier last year. None of those things were incorporated into any mid-year rate increase to residents or anything like that. So as with most facilities, we are envisioning and anticipating fairly high percentage of increase this year. I know I've read anything from 6% to even as high as 12% that some facilities are going up. I think our residents understand that – our residents and families – we see it all around us, and we can't ignore that. I think ignoring that is done at our own long-term peril, because if we don't stay where we need to be, eventually it will catch up with us. Certainly the oil companies or Walmart, or Amazon, Target, or all these different places where these inflationary pressures are happening, they're not saying, "Oh we want to be the nice person," and give you a rate increase. We need to be doing things appropriately, so it's going to be a lot different this year, but we're going to try to do the best we can to keep it in a range that is appropriate, but it will be much more significant.

AM: It's interesting that you mention that because I was thinking about pandemic cost, but yeah. I mean costs in general – this is such an inflationary period. I think it's interesting that our residents have lived through this before, but a lot of our younger employees are just reeling at how much prices are going up and what it means to them on a day to day basis.

EB: Yeah, and it's really interesting, too, because when you get to be old like me, you get to remember the gas crises of the '70s – you remember all these things. You know somebody was, people are complaining right now about gas prices, and I don't want to minimize that, but on the other hand: when adjusted for inflation, gas prices I read were higher under George W. Bush when he was president. This is not a political thing, obviously, but I think the media tends to make it political at times. At the end of the day, you have to adjust for inflation. I remember years ago, gas prices at least as high as they are now, but when you adjust for inflation, you need to look at that. But you're absolutely right, for people who haven't experienced this before, it's like the world is coming to an end. We need to keep that in mind and we will get through it, but we also need to make sure we don't *not* increase our rates to where they need to be, and then jeopardize the long term. Some of these costs – as related to the pandemic – we're just never going to make them up.

AM: Yeah.

EB: This is not those costs; this is about current inflationary pressures in food and utilities. I know originally our lawn care was going to go up 29%; I think they settled on 15% or something. Those are real increases that we're seeing, so we need to pay attention to that. I would hope

that this is not going to be something in the long term. We need to tend to it, but also be sure that we're not jeopardizing the long term of the organization. So it's a challenging time right now, a lot of different pressures: wage pressures, cost pressures. We'll get through it, and we'll need to do what we need to do, but we'll get through to the other side.

AM: Yep. This week at Dock Woods we get to turn our attention to something that's maybe a little more fun, at least in the long term. We have an all-community meeting to talk about some specific plans for the Dock Terrace renovation, which will be great to talk about.

EB: Exactly. When we're looking at that too, people sometimes say, "The new cost with your construction, that's going to make me pay more." Those are not – you know – our long-term capital cost and increases in depreciation, we look at those things differently than some of our other near-term costs. So while I understand the question or concern that is not really what is going to be causing the inflationary pressures right now. Even though we will need to borrow dollars, but this has been part of our long-term plan as well. It is very exciting to be at this place. Dock Woods comes earlier – looking at June/mid-June to start construction – so we're doing a lot of communication at that campus right now. Souderton will come later because we probably won't start construction until September; we're still working through approvals with the township. So later in a month or two or three – when appropriate – we'll do a deeper dive at Souderton to let people know what's going on. I would also say it's a more complicated project at Dock Woods because we have to move people around in a different way than we will at Souderton. At Souderton we're actually building some new appendages if you will – new wings to the building – so we'll be able to build them, move them in, and then renovate. I'm not going to call it an "easy" project because no renovation/construction is easy, but it will be a much different one. We're working on a lot of communications now, and certainly the surge of Covid in January put us on our heels a bit because we would've liked to start some of this earlier. We'll do what we can, and are very excited to roll this out. There's a lot of people meeting on logistics and working through this. It's a lot of work, and it will be a lot of work, but at the end we'll be in a wonderful place post-construction.

AM: I just saw the renderings coming from our architects that you'll be sharing in the presentation on Thursday – they look great! When you think about what these end products are going to be, I'm so excited for our residents.

EB: It's always interesting to look at these renderings and they have all these duvets and wonderful sheets and things; it may not be exactly how it looks, but it does give a great representation of the room itself. Certainly having a private room – not everyone; we're not 100% private – but the vast, vast majority will be. It will be a much better place. To be able to have bathing in the room itself, there's just going to be so many positive things.

AM: Yeah, I'm very excited! Any final thoughts for us today?

EB: Well today, the final thought is: last Friday, April 1 – I made a fool out of April Fool's Day earlier – last Friday (this is no joke) this book called "Employees First"...it's a compilation of stories and other things by Donna Cutting came out. You and I were featured in the book, as one of the places when she talked about keeping people updated and communicating, so she talked about our video updates and how we did it during the pandemic. But Donna is a person

that has worked with us for quite a number of years, particularly related to the Living Branches Experience, which is essentially the way we want to interact with our customers, so she worked with us to develop training videos, a training program, and orientation. Unfortunately some of those things didn't happen during the pandemic because a lot of the in-person things you couldn't do. She has a number of books, and this is her latest one – it just came out on Friday, April 1. I thought we'd want to put in a shameless plug for her book, but also that we were featured. It talks about a lot of different ways of recognizing employees. The subtitle is: inspire, engage, and focus on the heart of your organization. I'm looking forward to finding things out from other organizations on how we can do that too, but it was fun to have us featured in the book as well. So I think that is my final thought; everybody run out and get "Employees First." It's on Amazon, I'm sure it's a bestseller – oh I don't know, but anyway. I just wanted to reflect on that a little bit.

AM: Ha! That's neat. I did not realize that it was coming out so quickly, so that's exciting to see. Well thank you! Thank you to our viewers; again if you have any questions, please feel free to email them to me at coronavirusquestions@livingbranches.org. We'll see you in a later video. Thank you!