

RISK in Focus



Health + Human Services
LONG TERM CARE + RESIDENTIAL CARE FACILITIES

RISK in Focus

Long Term Care and Residential Care Facilities

Background

The U.S. nursing home and residential care facility sectors are a combined \$210+ billion industry that suffered financially during the 2020 pandemic. The two sectors are expected to rebound, though, with 4.6% and 3.6% annual growth, respectively, through 2026.^{1,2}

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Climate Change

A close-up photograph of a female healthcare professional with curly brown hair, wearing a light blue surgical mask and light blue scrubs. She is smiling warmly at the camera. A stethoscope hangs around her neck. In the foreground, a dark blue semi-transparent overlay contains the word "Staffing" in large, white, sans-serif capital letters.

Staffing

RISK in Focus **Staffing**

Background

A June 2021 survey from the American Health Care Association and National Center of Assisted Living (AHCA/NCAL) found that 94% of nursing homes were experiencing a staffing shortage and nearly three-fourths of these respondents stated their situation in 2021 was worse than in the prior year. More than 80% of the assisted living facilities in the survey indicated that a staffing shortage in the prior month had caused them to require staff members to work overtime or an extra shift.³

The challenge is exacerbated by the three factors:

1. Most jobs in this field cannot be performed remotely. Recruiters don't have the luxury of looking for out-of-state workers since this would involve relocations in the midst of a very challenging job and housing market.
2. Employees in the healthcare field who were furloughed in 2020 are now finding work in other, possibly less demanding, fields.
3. Healthcare workers are increasingly subject to vaccine mandates that some are not willing to accept.

Hazards that Contribute to this Risk

Hazard 1: Failure to Fully Utilize Employee Financial Incentives

The labor shortage has increased the competition for all workers at all levels of care facilities. Due to the high stakes associated with resident care and the tremendous additional levels of stress for employees working in this industry since early 2020, facility leaders will need to be aggressive with their compensation packages.

Cash bonuses for longevity, referrals, new hires, and even random, "just-because" moments will help them remain an employer of choice.

Additionally, the most talented and experienced employees are in a prime position to explore options that would increase their compensation

and other benefits. Owners or managers who don't take an aggressive "Total Rewards" approach to employee compensation are at a greater risk of losing out in the competition for these professionals.

Total Rewards includes an informed and thoughtful balance of:

- + Base wages
- + Incentives
- + Benefits
- + Work-Life Balance
- + Training and Career Growth

Hazard 2: Missing Opportunities to Alleviate Chronic Conditions of Overtime and Overwork

In today's health and senior care workplaces, there's a very real risk of a spiraling cycle of employee overwork that leads to resignations that in turn lead to even more overwork for the remaining employees. Organizations that don't find a way to short circuit this cycle will be victims of it.

Facility managers should authorize prioritization of responsibilities, so an employee won't feel overwhelmed. They might also explore ways to safely and prudently reallocate work at each level down to UAPs, volunteers, and lesser skilled employees. At administrative levels they can explore options to outsource tasks or accomplish as much as possible with volunteers or remote employees.

These leaders should also thoroughly explore technology solutions, including sensor technology, smart devices, and tablets, that can promote independence for some residents of long-term care facilities.⁴

Hazard 3: Failing to Offer Unique Benefits and Uplifting Experiences

Money isn't everything. If long term care facilities don't explore the less tangible reasons for staff turnover, they won't be in a position to address them. This could include solving an employee's personal challenges related to childcare, transportation, flexible hours, or even parking costs. Employer support and solutions that ameliorate the impact of these kinds of life necessities can transform them from reasons to leave to reasons to stay.

Recognition and camaraderie are important workplace features, as well. Site managers should make time for "we're in this together" moments that can promote bonding and a few minutes of relief. Counselors should be available on site, and managers should encourage counseling visits for each employee taken outside of their scheduled breaks.

Hazard 4: Improper Job Descriptions and Automated Resume Screening

There's a tendency to take a "kitchen sink" approach to crafting job descriptions that doesn't distinguish between the skills or experience that are necessary for the job and those that are "nice to have." A detailed, wide-ranging job description that identifies an idealized candidate, perfect in every way, can preclude someone who is well-qualified from even looking into the opportunity.

The impacts of this kind of job description overreach are exacerbated when it becomes the input for automated hiring and screening software services. In these cases, if the candidate's resume doesn't reference enough of the "nice to have" skills, it will be rejected out of hand, even before a human being can even get a better picture of the person's possible overall suitability.⁵

RISK in Focus



Cybersecurity

Background

Few industries make better targets for cybercriminals than long-term care residences. These organizations are responsible for maintaining personal health and financial, some of the most sensitive information available and, therefore, some of the most valuable information targeted by ransom attacks. Resident files also contain marketable personal identity information, including dates of birth, email addresses, credit card and other financial information, Medicare account information, and social security numbers.

The business impact of these cyber incursions is significant and the fallout from a cyber breach for a personal care organization can be severe. The loss of trust, reputational damage, financial cost, and resident suits can be catastrophic. The most damaging aspect of cyber breaches for these organizations is how IT system downtime impacts operational downtime and resident care.

Unfortunately, the risk of cyberattacks is increasing. Each year, long-term care facilities collect, store (often in the cloud), and share an increasing volume of information, thanks to additional software solutions, mobile apps, and devices connected to the Internet of Things. It all adds up to more data and more points of entry into the data-related systems of these service providers.⁶

Hazards Contributing to the Risk

Hazard 1: Failure to Follow Best Practices for Reviewing Vendor Supply Chains

Through the first half of 2021, 60% of reported overall healthcare IT breaches were triggered by vendors whose products contained exploitable flaws.⁷ No matter how secure the organization's own policies for cybersecurity are, faulty vendor software products or devices can become the critical point of entry to the organization's system.

If healthcare providers don't follow established best practices for vendor management and product/service IT due diligence, such as those published by the National Institute of Standards and Technology,⁸ they may be next.



Hazard 2: Inadequate Staff Training

In nearly every industry, including resident care, employee error proves to be a critical weak link that allows for cyber infiltration. When employees click links or open documents within a phishing email, they can grant cybercriminals access to the user's account and ultimately to the organization's entire system.

Once they've infiltrated the system, cybercriminals can also begin a new round of internal and external phishing by taking over a user's account and sending seemingly legitimate emails asking for additional confidential information.

Cyber criminals are experts at social engineering,⁹ the art of subtly leading an employee to divulge sensitive information or take other dangerous steps they would never make if they stopped to think twice about that action. These kinds of attempts and attacks will continue, and this valuable personal identification information will be vulnerable as long as organizations fail to continually train employees about cyber risks and what to look out for with both kinds of phishing emails. Some organizations go so far as to periodically send test "phishing" emails to their staff to evaluate vulnerability and provide training moments.

Hazard 3: Not Keeping Cybersecurity Top of Mind

There are many imperatives when managing a successful long-term care facility. Obviously resident care should be job #1. But not far behind, the organization must make cybersecurity an ongoing employee focus with daily reminders about risk scenarios and stories of cyber intrusion in other locations – the errors that were made there and the consequences.

Some organizations use an automated caution reminder on emails that come from outside the organization. These can increase vigilance about embedded links, for example, but employees quickly get accustomed to seeing these reminders and their impact fades.

Instead, resident care facility employees should be made acutely aware that cybersecurity is a critical new norm, to the point that they are also in the business of patient data protection. To have the most impact, these messages must come from the very top, not delegated to the assigned IT security staffer. And these leaders must thoroughly understand the issues and speak the language of cybersecurity so they can credibly communicate that message.

Hazard 4: Failure to Have an Adequately Funded, Ongoing Cybersecurity Program in Place

Defeating cybercriminals means staying one step ahead of them with technology and safe practices. The state of the art is continually advancing, and companies need to move right along with it. Facility IT teams should be encouraged and empowered to explore best practices through industry organizations and other business groups.

Another element of this ideal cybersecurity program is “active threat hunting,” in which the organization retains a trusted cyber professional to act as a hacker. This expert explores the organization’s IT structure and attempts to uncover security gaps and vulnerabilities.

Still another important aspect of this program is maintaining contingency plans for how to address a cyber intrusion and isolate/limit its impact. These protocols may help limit the damage if they’re promptly adhered to.

In short, if the resident care organization is reactive, or treats cybersecurity as a “one-and-done” fix every few years, it will quickly be the low-hanging, vulnerable fruit for cybercriminals.

Hazard 5: Neglecting to Set and Enforce File Sharing Policies

For reasons suggested above, certain information should never be shared in external and even internal emails and email attachments. If facilities don’t establish resident and family communication portals and insist on their use, the information will continue to be vulnerable. It’s important to explain to residents and their families why the organization is using these processes and to emphasize the potential harm and exposure each party could face from cybercriminals if they don’t follow these security policies.

Similarly, internal policies should prohibit colleagues from sharing certain resident information in electronic communication whenever possible. With those policies in place, employees will ideally think twice when they’re asked to respond to a seemingly legitimate inquiry from a co-worker – an inquiry that was spoofed or otherwise socially engineered.



Slips, Trips + Falls



RISK in Focus

Slips, Trips + Falls

Background

Clean floors, attractive entryways, open lobbies – these are all enticing images for a welcoming long-term care or residential property. But within each one of those images lies a hidden threat. Facility teams should see each one in terms of a resident or staff member slipping on that newly buffed floor or a guest's family member tripping over an entryway mat.

Slips, trips, and falls are all too common in these settings. Preoccupied residents don't notice the water drops a visitor shook off their umbrella just a minute before – before housekeeping or the front desk staff had a chance to mop it up. A resident in a walker may have dislodged a rug that another resident trips over.

Paying extremely close attention to wet floors and similar hazards is critical in a care facility. The health consequences of a slip, trip, and fall accident for a staff member or resident can be severe. And it's estimated that the average medical cost of a slip, trip, and fall incident is \$20,000, while the average cost to defend a related claim is \$50,000.¹⁰

Hazards Contributing to the Risk

Hazard 1: Inadequate Housekeeping Attention to Floors

While ideally everyone who works in the facility should make housekeeping a priority, managers must specifically direct the housekeeping team to pay continual attention to floors in common areas – lobbies, dining areas, lounges, and similar spots – as well as walkways outside the door. Dedicating one person to making continual rounds to these locations is an established best practice.

Management should bear in mind, though, that while shiny, well-buffed lobby floors are attractive and create a good impression, these can be the most dangerous locations for slips and falls since residents and visitors will track in snow and mud from shoes and drip water from their umbrellas. Consider replacing entryway tiling with attractive non-skid floors.



Hazard 2: Failure to Make Spill Management a Top Shared Priority

Food service staff members, nursing aides, and front desk staff should take a nearly “drop-everything” approach to cleaning spills when they happen. Cleaning supplies, including rags and mops, should be staged in multiple spots so they are out of view but always within reach.

Staff should be reminded, too, that water isn’t the only floor hazard. Dust and leaves on the floor can also cause a resident or staff member to slip.

Hazard 3: Failure of Management Staff to Perform Walk-Throughs

Management teams should routinely walk the floors of the facility to look for potential hazards that could cause slips, trips, and falls. They should be mindful of any condensation or leaks (e.g., from an ice machine or pipes), rugs with turned up edges, rugs that don’t grip the floor, and objects out of place that may be in the path of a resident.

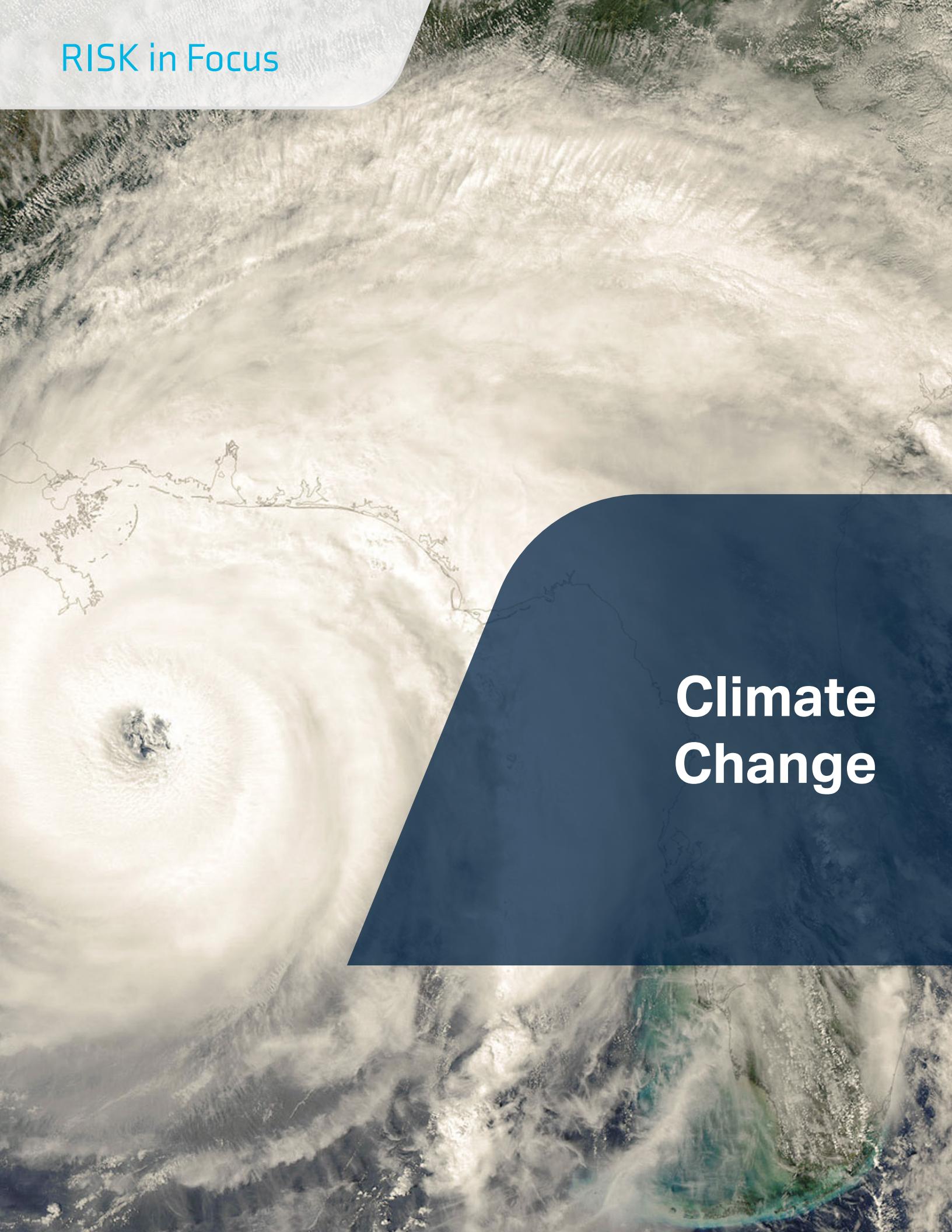
Hazard 4: Inadequate Response to Wet Weather

Rain and snow should put the entire team on alert to monitor outdoor walkways and interior floor slip and fall hazards. Management should assign specific staff to continually shovel snow and apply deicer. Weather mats should be put in place from the point of entry well into the lobby. The mats should be absorbent, have beveled edges to reduce the risk of tripping, and have sufficient adhesion to the floor so they don’t slip.¹¹

Floor signs warning of possibly slippery floors should be placed conspicuously throughout the lobby and all common areas near entryways during these times. And of course, mopping should be continual as well as verbal reminders to the residents from team members to “Watch your step, the floors could be slippery.”



RISK in Focus



Climate Change

RISK in Focus Climate Change

Background

Climate change-induced weather has never been more apparent than in the last several years. The increased frequency of wildfires, floods, freezes, and hurricanes driven by droughts and other weather patterns has been noteworthy. NASA reports that nineteen of the warmest years on record have occurred since 2000. 1998 was the anomaly.¹²

The National Oceanic and Atmospheric Administration points out that the altered weather patterns have led to more extreme weather – intense rainstorms that cause flooding and droughts that exacerbate wildfires.¹³ Warmer ocean temperatures are triggering more destructive hurricanes.¹⁴

Hazards that Contribute to this Risk

Hazard 1: Failure to Properly Plan for Emergency Evacuations

Long-term resident care facilities can be subject to flooding, hurricanes, or wildfires with little notice. Those are not the times to figure out what systems and processes might be at risk or decide how to triage and safely transfer their residents and their care to other locations.

These organizations should be working well ahead of time with specialized consultants to develop detailed evacuation plans with contingencies. These plans are often in the form of flowcharts that address resident evacuation sequencing, varying levels of perceived danger, and decision points – for example, whether to wait and reassess the situation or begin evacuations.¹⁵

Hazard 2: Lack of Ongoing Training

While it's usually not possible to simulate a full-fledged evacuation, segments of the plans can be taught and rehearsed on a smaller scale. Training should take place at the most basic levels with scenario-driven walkthroughs.

Many care facilities also take advantage of tabletop exercises that can facilitate training and plan reviews at the higher, facility-wide level for scenarios that range from shelter-in-place situations to evacuations.

Hazard 3: Neglecting to Disaster-Proof Surrounding Property

Long-term resident care facility managers should take careful note of the environment around them. They can, for example, determine if their facility lies in a flood plain,¹⁶ and if so, identify water runoff routes that might affect the facility. They should identify large trees and fragile structures that could cause harm in a high wind situation.

Then, to the greatest extent possible, they should work with planners and others to minimize those risks, for example by creating alternative drainage channels, removing excess brush that can bring a fire to the doorstep, and removing aging trees and structures that could topple onto the facility.

Hazard 4: Failure to Consider the Reputational Risk of Poor Environmental Planning

As noted, when our increasingly volatile climate generates an extreme weather event such as flooding, storm surge, or a lack of power or utilities, less hardened care facilities may have to evacuate and re-locate residents who are already medically compromised. This is an opportunity to shine ... or to fail miserably. That means it's a reputational moment.

Nothing exemplifies an organization's compassion and professionalism than an orderly evacuation with caring staff ministering to the residents in their care. And nothing will irretrievably damage a facility's reputation than images, if not the reality, of a poorly managed evacuation.

For example, it was widely reported that seven patients of local nursing homes died at a combined evacuation facility in Louisiana during Hurricane Ida in September 2021. Without any nuance regarding normal fatality rates in nursing facilities during normal times, this story sounds horrific. No one would question, though, that the conditions seemed to reflect a poorly planned evacuation.¹⁷



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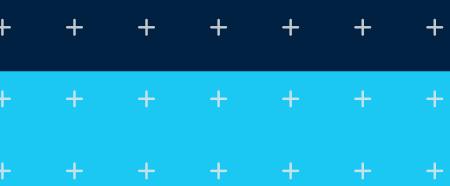
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More Than Just Insurance

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