

01:01 - 05:14

Lucas McCurdy

Welcome to Bridge the Gap podcast, the Senior Living podcast with Josh and Lucas, a returning one of our favorite guests and good friend. And welcome Andrew Smith, Vice President of Operations and Innovation at HumanGood. Welcome to the show.

Andrew Smith

Thanks for having me. It's great to be back. It was, what, 2018? I think last time.

Lucas McCurdy

It's just yesterday we had you on. I had more hair, and I was a lot thinner. No gray.

Andrew Smith

A few things have transpired.

Lucas McCurdy

Things have changed a little bit. You know what? But it's a beautiful day out here in California. You're now home state. I mean, it's great to catch up. You know, Andrew and I have known each other for years. The industry knows and loves Andrew. I was so fortunate to be able to be on the Future Leaders Council at NIC with Andrew and got to know him, and, it just become a dear friend. You're just one of the most genuine human beings, and I'm so thankful that you are in senior housing and not some place else, you know, venture capital in Silicon Valley somewhere.

Andrew Smith

Yeah, we've had you as a great friend. I love what y'all are doing for the industry, telling the stories of the industry and trying to bridge the gap between what we do and the stories you tell, and trying to bring more insights and people into the industry. Well, it's a platform for voices like you.

And, so operations and innovation, human good. What a what a, amazing company and a great history. And, you know, you've been there and now you're in this great position, you know, tech has been transformative for so many different people, in senior housing, for sure. What? Where's the future going? What are some of the big questions that you all are trying to answer?

And problems you're trying to solve? I think one of the things that we're trying to wrestle with is, what does the new consumer want out of senior living? I think where there are a lot of conversations about how the industry is transforming, how our product is transforming to serve the new consumer, the boomer generation. And I think many of us are wrestling with that, and that includes how we use technology to serve that consumer.

But it also includes what do they want? You know, what is how does our product need to evolve in order to meet their needs? And and so that's, that's one of the big challenges that we are wrestling with. And one of the hypotheses that we have is that the older adults are going to want to see measurable improvements to their life, not just the old promise of come here and live

happier and healthier, but actually demonstrating through, through measurement, significant improvements in health and well-being.

So that's what that's one of the hypotheses we have about the so not just a social experiment. This is not just, hey, your mom will be have socialization here. You're talking about, like, longevity stuff. Yeah. Like, move in here and, leave healthier or be healthier, you know, be healthier after you move in than before. I think we have, a great history in the industry of having what used to be called the congregate care model.

It was an alternative to the medical model. It became the social model of care. And I think that now we're on kind of the next generation of our next iteration of that promise of, not just a social engagement location, place for social engagement, but actually a place that helps you significantly improve your health and well-being.

Lucas McCurdy

So is this like yoga and saunas, or is this something way more than that?

Andrew Smith

Well, I think actually the yoga and saunas and all that stuff, actually, there's a cultural movement toward better understanding your own health and improving your own health. And a lot of those products and services are marketed toward what's called the tech bro. So I guess, you know, the younger adult male typically, and I do think that there is a category of product and service that is similar in nature, but for the older adult, and all of us offer fitness classes, all of us offer great, you know, great services and amenities.

But I think taking the time to actually measure the impact of those is something that I think the next generation of consumer is going to want to see. So maybe not cold plunge. Not necessarily tech bro cold points, maybe. You know. Yeah. Sounds like the options on the table. Yeah okay. All right, I can see that in our future, I will bridge the gap in the cold plunge episode.

05:14 - 08:40

Lucas McCurdy

So are we talking like maybe like genetic testing and like really looking at, like, what medications are actually functional. This is not just an experiment to see what works.

Andrew Smith

Yeah. So I think anything from the very clinical like genetic testing, like blood work, you know what, how can you demonstrate improvements or can you use that clinical information to, to, guide recommendations on how to improve your health to the very non-clinical, you know, something as simple and an old, frankly, as something called a timed up and go test.

You know, it's been used by the physical therapy industry for decades and scientific literature for decades as a measurement of function, balance, mobility, gait, all of these things to help it help demonstrate your likelihood to fall, you know, your likelihood to remain mobile over time. So we

can use very clinical measures and very non-clinical measures, both scientifically validated to, to measure the impact of the programs and services that we offer.

It seems very transformative to me as far as that approach or that outlook or even attempting to do that. So from an organizational standpoint, team composition, how have you all sort of geared up to do that? Yeah, I mean, it sounds like it would be simple, right? Just, start to measure the things that we do. And but it's really not it's really not.

You have to identify what the measures are, build the technology to document them and report back. And then it's not just measurement for measurement sake, but it's also measurement to then recommend what you can do to improve your health or measurement to recommend to us as the operator what we need to provide in order to help others improve their health.

So you can think about it from the individual level or from, say, a population health level. And I think it is really transformative. It's another way of looking at what we do. And it has to change all aspects of your operation, how you talk to residents about the value proposition, the types of programs and services that you offer, the cadence at which you offer them.

I'll just give you one example of something we've learned through this process is, you know, we've always had, like most in the industry, long standing fitness classes, you know, you come, you sign up, you come and enjoy it and hope it's a great, engaging experience. Well, we started building what I call cohort models of fitness classes. So a group of ten people signs up for a 12 week class, and we all come every time.

And we have a pre-measurement and post-measurement using these scientifically validated measures. And we can show that participating in that class significantly improved your balance or gait or strength. And so that's a reorientation I think, of an old model toward measurable health improvement.

Josh Crisp

Do you all believe that this is going to be the new normal, that all senior living and all categories of acuity care, this will be the standard? Or is this something that's slow emerging that the boomers are going to request and demand?

Andrew Smith

We're seeing our current residents requesting this type of thing. But I think we do believe that the future residents are going to demand it. And, you know, frankly, I think with the demographics the way they are, we're going to have lots of different successful models.

And, and, and you all know better than I do. You know, an active adult community is very different from a memory care community, and everything in between. And, so there's lots of different models and customer types to serve. But I think for a traditional independent living type of customer, I see this as a something that many are going to want in the future.

08:40 - 15:38

Lucas McCurdy

Does this tie in to value-based care at all?

Andrew Smith

So you can so that's what I think is interesting. So we're seeing the measurement of our impact influence our payment models. And that's a value-based care component. But I also think there's a similarly broad and effective move toward the kind of well, wellness and preventive care, and taking ownership of your own, your own health and well-being.

That's on the very non-clinical side of things. You know, waking up in the morning, and get sun on your face, and taking a walk is a kind of well-being, measuring your sleep. You know, the old-fashioned, good, old-fashioned technology. Yeah. And the new, new-fangled technologies to do things like measure your sleep. So I think there are ways to correct that.

Not in different paths. And there's a lot of talk around value-based care. I think at the end of the day, what we really need is just measurement, better measurement of what we do, how it impacts your health and well-being. And then we can generate value from that measurement from either improve resident health and well-being or potentially engagement and value-based care.

Lucas McCurdy

Let's talk about the measurement aspect of that. And I think that's been a barrier in the past. Now technology can help aggregate and analyze these measurements for us, I presume. Is that something in your head.

Andrew Smith

The big driver of the value of technology in our space is the ability to take all this disparate data and now generate insights from that data. And that is something that we're very excited about. And it has applications in all aspects of our business, whether it's health and well-being data, you know, your everything that can possibly be known about you, from your medical record to your sleep data to what you ate in the dining room, all coming together to generate a recommendation for how you can live a better life today, like literally today.

And the meal choice that you're making in an hour, to the data insights that we can generate from all of our operating systems, and what we can, the data insights, and how we can retain our team members and prevent burnout. So I see the really, you know, earlier you were asking me about AI and the potential of AI.

You know, it's I think the first beachhead of the impact of AI in our business is operational intelligence. It's the ability to understand and improve our day-to-day operations. And you can do a lot of that without any impact on residents, just taking the existing data we already have, which we don't do a great job of putting into one place and generating insights from it.

So I think operational intelligence is the first place, one that probably, levels the playing field a lot between, your small operators to, I mean, used to you had to have a huge sophisticated team and analysts and so forth and processes in place to be able to even begin to aggregate all that data and much less, you know, do something with the data.

So, I think that has an opportunity to improve quality across the board. Which is exciting. So tech as far as what you guys are looking at on the horizon, there's so much talk at all of these events that we get to, and there's so many tech providers. How do you go about, you know, matching tech with your strategy?

Josh Crisp

What does that look like in your organization?

Andrew Smith

The first thing that I think is most important is not to talk about tech, but to talk about what it is you want to accomplish. And I attended the Consumer Electronics Show this year in January, and I came back joking that it was every kind of object. Plus I, you know, it was a shoe, plus I, it was a bird feeder, plus I, it was a and so I think that there's this tendency to just say this latest technology trend like AI or robotics, and we should just be talking about that and you can really get into some dangerous water and distraction and distracted and never really accomplish anything if you go at it that way. So we always really start with what is the key thing that we're trying to impact, and then let's go figure out how we might do it. And that could be anything that's important to your organization. You know, for us, labor efficiency is a critical one. I think that's a critical topic for the industry right now with the demographics going the direction they are, we've got more and more older people to care for fewer. It's harder and harder to build more buildings, and there are fewer and fewer workers to work in those buildings. So how do we get more from the people we have? And continue to have that human-to-human connection, but use technology to make it more efficient.

So I always say, let's start with what problem we're trying to solve. And then layer in the technology. Yeah. So speaking of robotics, we're here at an event. I think as soon as I walked in, I saw a machine or a robot, and, actually, at the last event I was at, I had a gentleman sit at my table that was wanting to do a demonstration at one of our communities. The robot caregiver. What are your thoughts, and what's the strategy around that? And human good. Yeah, yeah. So long term, long term, I'm bullish on all things robotics. Short term, I think that our strategy is to start with the simple stuff, where the things that are repeatable, easy to measure, and low risk. So something like floor care, you know, you go to a large conference center, and you see a floor care robot running around cleaning those large carpets.

You know, that's the type of thing that I think is the easiest place to start. You can build a clear business case. It can become integrated into the community culture. You know, you start to name the robot, and it becomes, you know, part of the community team. But even doing that, you have to change your processes. You know, it's not just, okay, replace that housekeeper with a floor care robot. It's actually you have to now train people how to maintain the robot, how to

change the bag, when, when do they do it? And so even something as seemingly simple as floor care is actually quite complex to change operations around. But that's that's where we want to start.

You know, the other place that you see a lot of people starting, and especially I think in home care is with socialization. I think there's a great application of robotics and artificial intelligence in helping older adults with socialization. That's not something we're experimenting with, but I think that's another path to experimenting with robotics.

Josh Crisp

So, Lucas, I think my age, other than my looks are changing, but, but my age is starting to show because some of the things that I hear, even outside of our industry, but just implications of AI and how fast things are changing, it can be a little scary to me. Honestly, I'm like, what does that mean? Like what's really going to happen? So for you, Andrew, I mean, do you see are there fears that you're like, man, I wonder if we're going to move too fast and senior living with adoption of tech, or is there anything emerging that you're like, hey, we got to be cautious with that.

15:38 - 19:35

Andrew Smith

I'm not afraid we're going to move too fast. Okay? I'm very confident we're going to experience maybe slow, cautious. Yeah. Cautiously. Okay. Which, for me, is too slow. It is my job to try to push the envelope and, and experiment and, and experiment with these new technologies. But I think if anything, the thing that we are afraid of and I can say probably abroad, we in the industry is the risk that some of these new technologies bring, you know, there's, about a long conversation at lunch about passive monitoring, which is a big umbrella term for anything that's watching you without you having to do anything.

So there are cameras probably in this room, in the hallway. I have like seven Amazon Echos in my home, you know, one of which is in the bathroom. And, this question of what we think is going to be the future of cameras and passive monitoring in our space? And that's another area I'm quite bullish on. You know, I think that over the last ten years, I don't know if you would have asked me ten years ago if I would have a listening device that's always listening in my bathroom.

But now I've traded that privacy for convenience for really mundane convenience, you know, listening to the music podcast and. Yeah. Yeah, listen, that's less mundane. Yeah. Learning more from the Bridge to Get podcast. So I long term, I think we'll get over some of those privacy concerns, so long as we can demonstrate the value to the organization as well as the value to the individual for collecting that data.

But yes, about fears. So the fear associated with that and with any of these technologies is that the more we know, the more data we collect, the more we're responsible for taking action on that data. And so that is a really tough chicken and egg problem to solve, because in some

ways we want to collect more information so that then we can learn from it and improve what we do. But if we have it and then we fail to take action, we're really opening ourselves up. And for a lot of legal risk.

Josh Crisp

Wow. That's a great answer. So, I don't want to totally shift the conversation here, but, you know, I feel like there are so many barriers for implementation of things that we want to do or initiatives that an organization has. It could be, you know, from, as you said, processes to, to people implementing, you know, and getting the team to buy in. But we also have things like the regulatory environment that I think of. Do you see, you know, the regulatory side of our business across the country, impeding our ability to do some really innovative things? You think it's going to catch up?

Andrew Smith

Not very quickly. Yeah. Yeah, I definitely see regulation as a big challenge, to experimenting with new technologies and, especially, and then on the other side of that, highly litigious cultures, you know, we operate a lot in the state of California, which is a very litigious culture.

And, it makes us very cautious about what we do. And in some ways, it's having the intended effect. So we make sure all of our eyes are dotted, entities are crossed. Part of the reason why innovation is slow in our space is it's not an app that if you screw it up, you can just revert back to the other version of it.

Like, we're literally dealing with people's lives. Not in the same way necessarily that a hospital does. So it's a little less risky. But, we are working with people. It's a people serving people business. And so I think that that is reasonable to be cautious and slow about how we innovate.

Well, you have a, as Lucas was mentioning earlier, you have a really big title that covers a lot of things. So what's most exciting and energizing? Because, I mean, we're going to these events and hearing everybody seems to be really excited about where senior living is right now and where it's going for you with all that's on your plate. What's most exciting about this time in our space.

Andrew Smith

So, for me personally, is that I really see our communities as laboratories for healthy aging.

19:35 - 23:10

Andrew Smith

You know, I think that there's an opportunity for us to start to show, demonstrate, and measure the impact of the service we've always provided. You know, we have always had the very basic building blocks of the meat and potatoes, things that your grandma always told you are going to help you live a healthy life. We have a safe living and sleeping environment.

We have great nutritional programs, we have great exercise programs, and we have great socialization. You know, to people living together, those are the things that actually scientists, scientifically, validated studies have shown help you live a longer, healthier life and a happier life. And so I'm really excited to see the industry and human good and hopefully leading the way in some ways, really, measuring the impact of that and taking credit for the great services that we provide and how they help people live a healthier, happier life.

Josh Crisp

That's super exciting. Lucas, question for you: why did we wait so long to have him back on our show?

Lucas McCurdy

Well, he's hard to get. He's using high demand. Yeah, we had to get on the waiting list, right? Yeah. I mean, I mean, he has handlers. There are people. There's a whole protocol to get answers. So, Okay, so rounding out the conversation here, occupancy is going up. Are you seeing this across your product, across the industry? Up. Okay. All right, so, NIC MAP data shows, you know, 20, 27, essentially all beds full. You know, how are you all approaching that topic in conversation?

Andrew Smith

Well, you know, one of the things is we're not sitting on our laurels. You know, I think it's easy to say, hey, great. We're we're full, and now we can stop, like, everything's great. So we want to continue to focus on the day-to-day business and do the best we can. Because that may not always be the case. I also think that part of the reason that the industry is full is not just the demographics, but also the Nic data shows that the construction starts are the lowest they've been in a really long time.

There's a lot of, macroeconomic reasons for that. But one of the things that we believe is that that's not going to last forever when you get as big of a demographic trend, even though construction is expensive. That's going to I think construction is gonna come roaring back. And why that's important for us. Who is not we're not really a developer. We don't do a lot of development of seniors housing. It's important for us because we have buildings that are 150 years old. You know, we have an 80 year old communities and 150 year old communities, and we need to make sure that the not just maintaining the physical spaces, but building a new product or service that the future customer will choose over the brand new Penney building down the street.

We've got to make sure that we've got that differentiated product. And for us, being that laboratory of healthy aging is a key driver of that differentiation. So, it's nice right now while occupancy is high. But, and if you're, if your time horizon in the industry is five years, you know, you're going to look like a genius.

But I hope we're around a lot longer serving older adults a lot longer. And we've got to make sure we're prepping for when construction comes back.

Josh Crisp

A laboratory of healthy aging. I love that. I really like that one.

Lucas McCurdy

I love that it's good stuff. Andrew, thank you so much for spending time with us. Oh, this is so fun.

Andrew Smith

Any time you guys know, I love talking about this, I just really appreciate what you what you both do and what you've brought to the industry.

Lucas McCurdy

And we appreciate you. So to our listeners, if you like Andrew and his message, connect in the show notes there with Andrew and Human good, and go to [btgvoice.com](http://btgvoice.com) download this content, and so much more. Thanks for listening to another great episode of Bridge the Gap.