

News Currents

In Brief

Sunrise Completes Marriott Senior Living Deal

Marriott International, Washington, D.C., announced that the sale of its senior living services division to McLean, Va.-based Sunrise Assisted Living for \$150 million in cash has been completed.

The sale establishes Sunrise as the nation's largest seniors care provider. Sunrise acquired 126 facilities with a capacity of more than 23,000 residents. In addition, through a series of long-term management contracts, the company will manage an additional nine facilities owned by Sunrise's co-bidder in the deal, CNL Retirement Properties, Orlando, Fla.

CNL, a real estate investment trust, purchased nine facilities for \$166 million. Previously in a separate transaction, which closed in December 2002, CNL had purchased 12 of Marriott's senior living properties for \$89 million. Sunrise's acquisition also adds an estimated 30,000 employees to the company payroll.

As previously announced, J.W. Marriott Jr., chairman and chief executive officer (CEO) of Marriott International, has become a member of Sunrise Senior Living's board of directors.

"As the nation's largest provider of senior living services, Sunrise will offer the full range of lifestyle, service, and care options that have been the hallmark of both Sunrise and Marriott Senior Living for many years," said Paul Klaassen, Sunrise's chairman and CEO.

ALFs Find It Harder To Fill Vacancies

Marketing Personnel Have Highest Turnover Rate, Survey Finds

Assisted living administrators had their hands full in 2002 attempting to re-staff almost 60 percent of their marketing departments and about 40 percent of their registered nurses (RNs) and licensed practical nurses (LPNs), according to a national survey.

While frontline caregiving positions have traditionally been the hardest to maintain and recruit for in assisted living facilities (ALFs), the most significant turnover during the past two years has been in marketing departments, according to the fifth annual "Assisted Living Salary and Benefits Report," published by the Hospital & Healthcare Compensation Service (HCS).

Statistics revealed that ALF marketing staff turnover was more than 56

percent during 2002, or an average of 15 percentage points higher than for RNs, LPNs, and certified nurse assistants. By comparison, marketing department turnover in ALFs was only about 25 percent in 2001, the study found.



month and temporary LPNs for an average of 105 hours. This compares with an average of only 15 hours per month for RNs and eight for LPNs in 2001, according to the survey.

Assisted living administrators increasingly turned to temporary agencies to provide RNs and LPNs to fill chronically vacant positions, the HCS survey found. In 2002, ALFs employed temporary RNs for an average of 71 hours per

The HCS report covers 14 management and 23 nonmanagement positions and breaks out data according to for-profit and not-for-profit status, revenue size, unit size, geographic region, and state. Also covered in the report are 22 fringe benefits, turnover rates by department, and projected salary increases for 2003. Salary survey questionnaires were sent out to 9,100 ALFs in the United States, with 513 responses, or a 5.6 percent rate.

Directors of assisted living in ALFs receive the highest compensation when compared with assisted living directors working in skilled nursing facility (SNF) settings or continuing care retirement communities (CCRCs), the survey revealed. In 2002, the median annual salary for assisted living directors in ALFs was \$51,501. The median annual income for assisted living directors in SNF-based facilities was \$45,635, while assisted living directors in CCRCs earned a median income of \$46,865, HCS reported.

—Lisa Gelhaus