



CALCRA News

California
Continuing Care
Residents Association

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FROM THE PRESIDENT

For almost two years now we have been working on passage of our bill, SB 489. It would establish mandatory conditions for humane treatment of CCRC residents who are displaced from their accommodations permanently or temporarily, as occurs with facility renovation. With the help of the bill's author, Senator Steinberg, we have been able to work with provider representatives and the Department of Social Services to eliminate opposition to the bill. It has been passed by the Senate and Assembly and is now on its way to the governor, so we are optimistic it will be signed. It would be an important step in reducing the trauma residents experience from forced transfers .



Walter P. Rozett

While we all recognize that there are some irreconcilable differences when resident and provider interests are in conflict, there is also a great community of interest.

We reviewed the missions of the two organizations. Basically, Aging Services' mission is to advance housing and services for older adults and to support its members through advocacy, education, research and services. CALCRA's mission is to enhance the quality of life and financial security of CCRC residents through legislation and communication with emphasis on provider transparency and accountability.

CALCRA continues to oppose AB 1022 that would enable CCRC providers to service the elderly in their homes using residents funds to enter the business and exposing them to financial risk. It would also impact residents quality of life by making CCRC facilities and services available to care at home clients. We urge all residents to write to Governor Arnold Schwarzenegger, State Capitol Building, Sacramento, CA 95814 asking him to veto the bill.

Late last month Bill Allewelt and I met for several hours with Anne Burns Johnson, President, and Eric Dowdy of Aging Services, the provider organization, discussing how our organizations might work together effectively in the future.

We had good discussions, not always in agreement, but it was a positive communication. To further this we agreed to a meeting of four representatives of each organization in November with the probability of future meetings quarterly. Bill and I are encouraged that we appear to be on track for an effective approach for residents and providers to deal with industry issues.

One of these pressing issues is discussed in the article on page two of this newsletter. It is a must read for CALCRA members and we do hope you will give us your thoughts on this matter of provider transparency and accountability. Your views are important to assist us both in discussions with the providers and in shaping future legislation.

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AN INVITATION TO OUR ANNUAL MEETING

All members are cordially invited to attend CALCRA's annual meeting on Thursday, October 16, 2008 at 10:00 AM at Spring Lake Village, 5555 Montgomery Drive, Santa Rosa, CA 95409



WHY TRANSPARENCY AND ACCOUNTABILITY?

Residents sometimes ask what CALCRA means by "transparency and accountability" and why it is important for non-profit CCRC providers to comply? They are both fair questions.

"Transparency" refers, in this context, to financial and operating communications that are sufficiently clear and complete to make the current performance and condition of the entity readily understandable. "Accountability" means acting responsibly. Those standards require timely, complete and accurate disclosure, consistent with management's moral and legal obligations to residents who are the intended beneficiaries of their operation.

Transparency and accountability are vital to the successful long term performance of any entity. Surely, competent management that operates with integrity has nothing to fear from financial and operating communications that are timely, factual and complete.

Non-profits are thinly regulated in contrast to the public sector, where investors get some comfort from the regulatory oversight provided by the Securities Exchange Commission and numerous other agencies and have the opportunity to dispose of their shares if they wish. For non-profits the only federal attention is the limited scrutiny provided by the Internal Revenue Service. Overwhelmed as the IRS is by its top priorities, to collect taxes and prosecute tax-related fraud, it has few remaining resources to see that non-profits are acting appropriately.

As a consequence, there have been a number of serious problems with non-profit organizations. To illustrate, the once highly respected national organization of United Way was brought down not long ago by revelations that huge sums of money had been squandered on self-indulgent management, with some resultant jail sentences. Efforts to revive that organization's good purposes at local levels have been stunted by several occurrences of malfeasance such as was perpetrated by the local United Way executive who embezzled millions to support her horse breeding. None of these could have occurred except for the lack of transparency and accountability, presumably compounded by complicit or lax governance.

In California, the Continuing Care Contracts Branch of the Department of Social Services (DSS) is the regulatory body with respect to CCRCs. As with the IRS, the Branch has sparse resources to attend to its responsibilities that are growing relative to our state's aging population. It is not practical for a branch of six people plus an attorney to provide in depth oversight of the seventy eight CCRCs in California and adequate protection for the financial security for the 20,000 or so residents. The Branch recognizes its limitations and prefers that CCRCs be as self-regulating as possible. Transparency and accountability are the essence of effective self-regulation.

Residents in non-profit CCRCs have much more at risk than shareholders in public companies because providers have significant influence over both their quality of life and financial security. Further, since residents are the intended beneficiaries of the charitable, tax-exempt status of non-profit CCRCs and, in most cases the source of all funds, providers should be held to the higher standards of trusteeship. As trustees they need to be fully transparent and accountable to residents for the use of their funds.

So what it comes down to is that mandatory provider compliance with acceptable standards for transparency and accountability is essential to safeguard the interests of CCRC residents. By no means is this said to blemish the industry as a whole; it is accepted that most CCRCs are managed fairly and honorably. There is, however, some opportunity for improvement.

Such clarity of reporting has taken on even more importance with today's economic uncertainties and the financial impact of reduced occupancy rates that directly impact residents. With all of this CALCRA sees as its highest purpose to require complete and open provider reporting that will minimize the financial risk to CCRC residents and stimulate improved provider performance. So long as there is a serious deficiency in the transparency and accountability of any of California's CCRCs the entire industry is in jeopardy!

To assist CALCRA in fulfilling that fundamental objective, it is in the

interest of CCRC residents to determine the extent of their providers' commitments to transparency and accountability. Here are questions that will help you reach an appropriate conclusion:

- Does your provider present monthly and audited annual financial statements on a timely basis to your resident council or its finance committee and to any resident requesting this information?
- Do the monthly statements include important operating information such as occupancy rates and written explanations of significant budget variances?
- Does your provider present copies of all public information submitted to the Department of Social Services to your resident council or its finance committee and to any resident requesting it?
- Does your provider respond in a forthright and complete manner to resident questions concerning financial and budgetary matters?
- Does your provider present information concerning all reserves including their purpose, the amount to be accumulated and the method of accumulation?
- By law, nonprofit organizations must file annually a Form 990 Federal Tax Return that is intended to be available to the public ; does your provider file this form in a timely manner and make it readily available to residents?
- Is the Form 990 posted in a timely manner on the website www.guidestar.org to ensure availability of that information to current and prospective residents?
- Does your provider use funds generated from residents solely for the operation of its CCRCs?

If the answer to any of these questions is "no" it would appear that your provider is less than transparent and accountable. A good starting point for corrective action would be to send a copy of this article to your provider and ask for a response. Please convey any responses to the statewide CALCRA organization to assist it in developing appropriate future action.

MEETING WITH BERKELEY LAW SCHOOL by Pat Herron, Spring Lake Village

On Monday, June 23rd, Barbara Krings, Walt Rozett and Joe Linker, a resident of Spring Lake Village, and I met with two representatives of The Berkeley Center on Health, Economics and Family Security (Law School) and a member of the University of California Medical Faculty to discuss the potential study of retirement communities and nursing homes in California and countrywide.

The study center is called Berkeley CHEFS and intends to include in its program: "Ensuring that seniors can be secure in their retirement years." It is our hope that the study will encompass retirement communities and nursing homes. The objective of the study will be to provide for the development of public policy and the design of legislation, if this is shown to be needed. As they indicated in our meeting they do not lobby legislatures or government, but, rather, educate

them and the public concerning the required legislation.

Their other studies on Health Care in America, the Financial Impact of Health Care, and the Current Local and State Innovation in Providing Health Care will also impact the world of retirement communities and nursing homes.

The meeting lasted from 9 am to approximately 3 pm. It is our hope that we were able to impart to them what we believe is an increasing need for understanding in a burgeoning world of care of seniors, whether by CCRCs or other entities. The need is obvious, but its direction, its controls, its oversights and its viability present areas of uncertainty, misuse, and abuse.

The Center is directed by an executive director and three faculty co-chairs. They have already begun to include other schools and departments at Berkeley in their studies. They have

indicated that in the formative stage they are now in they are developing their core faculty, grant coverage for some of the work they will be doing and will use a multi diversity approach to their work. They will be looking for the leading figures in studies of retirement communities and nursing homes, assessing the state of research, accumulating material so they can develop plans for the in depth studies of our areas.

I think I can say that the four of us felt they were very receptive to our request that they include the Retirement Community-Nursing Home needs for development as part of their projects.

The true measure of a country's culture can be judged by its treatment and care for its children and its elderly. This study has the potential of shedding important light on the treatment of the elderly and providing a foundation for a cultural change.

MEMBERSHIP NOTICE

CALCRA's current membership year begins October 1, 2008. Please check the address label on this newsletter for the number following your name. If it is anything earlier than 2009 you have not yet renewed your membership for the coming year. Please fill out the form and return it along with your check as indicated below. Many thanks from the CALCRA Board.

If you are at one of the following CCRCs please fill out the Membership/Renewal form and place it along with your check in the mailbox indicated:

- Air Force Village West - Ed Washburn, 17050 Arnold Dr. Apt. F115
- Carlsbad by the Sea - Jack Cumming #N116
- The Covington - Boyd Steele #325
- Channing House - Carl Otto #735
- Eskaton, Carmichael - Jack Seibert #362
- Lake Park - Wulf Kunkel #602/04
- La Jolla Village - Norm Eichberg #1412
- Paradise Valley Estates, Fairfield - Tom Martin #5902

- Piedmont Gardens, Oakland - Ed Linsley #2302
(Please add chapter dues of \$6 per person)
- San Francisco Towers - Marian Rubin #732
- The Sequoias, San Francisco - Ly Leong #2101
- Spring Lake Village - Marlys Kehm #D101
- University Retirement Community, Davis - John Celesia #3109
- Valle Verde, Santa Barbara - Bill Spangler, 1111 Senda Verde

**If you are at any other location please fill out the form and return it with your check to:
C.E. Washburn, 17050 Arnold Drive Apt. F115 Riverside, CA 92518**

CALCRA MEMBERSHIP / RENEWAL FORM

NAME: _____ **FIRST NAME OF SPOUSE:** _____

DATE: _____ **NAME OF FACILITY:** _____

STREET: _____ **APT #:** _____

CITY: _____ **ZIP:** _____ **PHONE:** _____

EMAIL ADDRESS: _____

WOULD YOU LIKE TO RECEIVE YOUR NEWSLETTER VIA EMAIL? YES NO

Members: \$18 for Singles, \$30 for Couples. Please make your check payable to CALCRA.

EVERY CCRC RESIDENT SHOULD KNOW ABOUT HOSPICE by Walt Rozett

Hospice is a specialized form of health care licensed under the California Health and Safety Code and certified by Medicare. It is dedicated to alleviating the physical, emotional, social and spiritual discomforts of an individual who is experiencing the last phases of life due to a terminal condition, and to also provide supportive care and assistance for the hospice patient's family. To be eligible for medical coverage by Medicare and private insurers Hospice patients must have been diagnosed by their physician with a life expectancy of six months or less. Hospice care is mainly by registered nurses, supported by volunteers attending to their emotional, social and spiritual needs and also assisting families.

California Health and Safety Code regulations relate to how to ensure resident safety but also provide flexibility to allow CCRC residents to remain in a preferred environment. This means that CCRC residents

under Hospice care are exempt from regulations that require transfer to skilled nursing because of physical disabilities such as being unable to transfer independently from the bed to a wheelchair.

My personal experience with Hospice before my wife's death three years ago was outstanding. Kay had spent eight months in skilled nursing after having two strokes. Her situation was complicated by polio, contracted in 1956, which resulted in the loss of the use of 100% of her left leg and 70% of her right leg. She was a remarkable person who dealt with her disability in a most positive manner over the years. After the strokes the CCRC administration wanted to transfer her permanently to skilled nursing but we both much preferred that she stay in our assisted living apartment where she was receiving loving care from CNAs who had gotten to know her so well. She was unable to transfer from the bed to her wheelchair independently

but we were permitted to keep her in the apartment when she was placed under Hospice care.

The Hospice nurse, in conjunction with Kay's doctor, did an excellent job managing her medication and minimizing her pain. The spiritual and family counseling were also exceptional. No doubt that extraordinary care contributed much to her actually surviving a year and a half after she was first admitted to Hospice care. That extended period enabled me to develop a close relationship with the nurse and volunteers and I simply cannot say enough about the care and attention we received.

To find the Hospice organization in your area look in the Yellow Pages under Hospice or you can check with your doctor, hospital or with the administration of your CCRC. It is a magnificent resource to preserve personal rights and preferences and the quality of the final days in one's life.

WWW.CALCRA.ORG
We're on the Web!!!

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