

LEGISLATIVE UPDATE

By Walter P. Rozett, President

Progress on Protection for Residents Who Are Temporarily Dislocated - AB 1433

When a provider institutes renovations that necessitate the relocation of residents, those residents need some basic protections. Assembly Bill 1433, when enacted, will offer protection.

In our last newsletter we discussed our efforts to establish a working relationship with Aging Services, the CCRC (California Continuing Care Retirement Community) provider organization. Specifically, a series of meetings was conducted in an attempt to come to an agreement on AB 1433 dealing with temporary relocation of residents. Front Porch, a provider member of Aging Services, objected to one sentence in the bill.

We are pleased to be able to report that progress has been made toward resolution of the problem. AB 1433 has been modified in a manner that now has CALCRA's support and, we believe, will lead to its enactment. With the active assistance of Pat McGinnis, Executive Director of CANHR (California Advocates for Nursing Home Reform), and a modified position by Aging Services, both the form and wording of the bill have been changed. The sentence in question has been eliminated but wording has been added to accomplish the same objective.

Assembly Bill AB 1044: Transfer financial oversight of CCRCs to the Department of Insurance

The other legislation of interest to CALCRA this year, Assembly Bill 1044, transfers financial oversight of CCRCs (continuing care retirement communities) from the Department of Social Services to the Insurance Department. In its current form AB 1044 is much too complicated and probably will either be withdrawn or moved forward in a simplified format.

The Dept of Insurance would provide improved financial oversight-- and why that's needed

The work of the Insurance Department is financially-oriented, and it is, therefore, able to attract and hold qualified financial personnel. It is reasonably clear that the transfer would provide improved CCRC financial oversight. The distressed current economic conditions indicate that now would be a good time to improve financial oversight of the industry.

The Quality Assurance Fee (bed tax)

Aging Services and providers have had some communication with residents related to a trailer bill (an add on to the budget bill) that might eliminate the CCRC exemption from the Quality Assurance Fee or bed tax that is applied to nursing homes. This tax enables the State to obtain matching grants from Medicaid. These funds provide a subsidy to nursing homes accommodating Medicaid patients. It is important to note that the trailer bill, as currently written, applies only to MLRCs (Multi-Level Retirement Communities). This type of facility provides assisted living and skilled nursing but does not provide independent living. The bill does not now apply to CCRCs and logically so since most CCRCs do not accept Medicaid patients. Many MLRCs, however, do accept Medicaid patients and do benefit from the related Federal subsidy. It is reasonable to speculate that every avenue for raising additional taxes may be considered by the Governor and the Legislature; eliminating the CCRC bed tax exemption may well become one of them. When and if that is attempted CALCRA will implement a significant effort to fight it since CCRCs do not benefit from the subsidy to which the tax is related.

The severe budget problem in California will require most of the attention of California's legislators this year. We can only hope that they find time to deal with the issues that are important to CCRC residents.

Visit CALCRA's website: www.calcra.org

CALCRA is the only organization working solely for the interests of residents of California CCRCs

"DOC-IN-THE-BOX"

by Stefan Moses

You may already be familiar with a relatively new model of providing medical services. Known generally as "Doc-in-the-box," these operations are walk-in medical clinics usually located within larger retail outlets (e.g., a drugstore or shopping center), and they are staffed with licensed medical personnel to treat non-life-threatening illness or injuries. About one year ago a new service was inaugurated at The Village Retirement Community in Hemet: an independent medical office that offers urgent care as well as routine medical visits for our residents. Called Health Care 2 U, this "Doc-in-the-box" type service operates as an independent contractor under the general consultative direction of a physician who is also on call at similar offices in other retirement residences in the area. Included on staff at our Health Care 2 U office are a physician's assistant, a nurse practitioner and office support staff. Residents can assign their Medicare and other medical insurance over to Health Care 2 U, which then

serves as their primary physician; those who do so no longer need to leave our campus for visits to their regular physician. Health Care 2 U staff can also prescribe medications and arrange for their delivery, can order necessary equipment for pulmonary therapy, give EKG's, order physical therapy or

occupational therapy, arrange for lab work, do bone density testing for osteoporosis, and refer patients to specialists.

Residents in the independent living section of The Village have always had the services of the our Wellness Center available. The Wellness Center is open 7 days a week (Health Care 2 U is open 4 days). Staffed by LVN's, it provides routine health care services such as blood pressure checks, visits to residents who may be ill, changing dressings, administering medications and maintaining an overview of the general health of every resident. The Wellness Center nurses can arrange to have a resident transported to the hospital, and subsequently facilitate the admissions of residents to our Healthcare Center, which offers both a Skilled Nursing section and an Assisted Living section. While the Health Care 2 U staff can serve as a resident's primary care physician, the Village Wellness Center staff serve as liaison between the residents and their physician. Wellness Center staff are Village employees.

The services of Health Care 2 U are being used by more of our residents as they become increasingly aware of the advantages of having a "Doc-in-the-box" facility within our community. Certainly one of the chief attractions is not having to go outside The Village for routine medical care, and this becomes even more convenient since medical insurance is accepted for these services. Our "Doc-in-the-box" is another illustration of the continuing effort by our provider to improve services available to residents of The Village.

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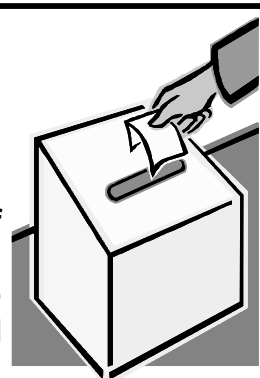
Boyd Steele

Bernard Werth
Members - At - Large

NOMINATIONS TO CALCRA BOARD OF DIRECTORS

Members are notified that nominations will be accepted for "at large" members of the Board of Directors from July 1 until August 15, 2010. If you know of a CALCRA member in good standing who would like to become a member of the board please follow the instructions in our bylaws:

1. Obtain the qualification, experience and consent statement of the nominee.
2. Send the information to CALCRA secretary, Karen Robison, Eskaton Village, 3939 Walnut Avenue #237, Carmichael, CA 95608.



CALCRA BOARD MEETING

The April 15 board meeting was held at The Covington in Aliso Viejo. In addition to about 60 residents of The Covington there were about a dozen residents from other Southern California CCRCs present.

President Rozett opened the meeting at 10:00 AM and thanked Boyd Steele for making the meeting arrangements. Twelve of the fourteen board members were present; directors Pat Herron and Bernard Werth participated by telephone.

Guest Speaker

Bob Thompson, attorney for the Continuing Care Contracts Branch (CCCB) of the Department of Social Services, spoke about the current financial climate and its impact on the Department as well as the CCRC's over which it has oversight. He discussed alternative methods of financing resident entrance fees, including flexible payment options and move-in requirements and methods of expediting home sales. He noted that the CCCB has not been aggressive on requiring providers to file interim financial statements and that, with limited exceptions, California's CCRCs are financially solvent. He also commented on residents interest and involvement in providers distribution of capital and communication between residents and the provider governing board.. He commented that State jobs have been cut by 15% while the workload remains the same. Morale is down, priorities have shifted, and retirements are up with 17% of the workforce choosing retirement

Q and A - Bob Thompson

Q: Can the surplus held by the CCCB in the Provider Fee Fund be taken by the State General Fund? **A:** In the past some special funds have been swept into the General Fund but the Provider Fee Fund has not been tapped so far, and this is seen as unlikely: **Q:** How are occupancy rates in the 80 California CCRCs?: **A:** There was a decrease in occupancy throughout the state in 2009, low end of occupancy is 83-84%: **Q:** Can you give us guidance on what procedures to follow to change CCRC regulations?: **A:** All regulations relating to continuing care were eliminated and folded into the statutes, which gives them more credibility and power. It is more efficient to make changes to statutes.

President Rozett thanked Bob and then presented his **legislative report**:

- Assembly Bill 1433 deals with **temporary relocations of residents** due to facility

renovations. Last year Aging Services agreed to support a bill dealing only with permanent closures if we deferred dealing with temporary relocations to this year. Although an agreement on temporary relocations was reached with Aging Services, Front Porch (the largest provider in California and therefore the most influential member of Aging Services), took exception to one sentence that read: "This method of handling the transfer shall give serious consideration to each affected resident's condition." As of the time of this Board meeting Front Porch had not changed its position. Having made two significant concessions CALCRA was unwilling to proceed with the bill without that sentence.

- The other bill of interest to CALCRA in the current legislative session is AB 1044 dealing with the **transfer of financial oversight from the Department of Social Services to the Department of Insurance**. Unfortunately, the bill contains many unacceptable complications. We have attempted, so far without success, to get the bill simplified.
- Next year, in addition to working on the temporary closure bill, President Rozett indicated we **will be working on a bill related to governance**, specifically the responsibilities of the provider Boards of Directors in their oversight of CCRC management. The decision was made to defer efforts on this until next year due to a pending lawsuit against San Francisco Towers because they were using resident money for purposes other than the benefit of residents. IRS Ruling 72-124 requires providers to operate at the lowest feasible cost, so no funds should be available for other than the benefit of residents. We will pursue this objective and attempt to convert all non-profit CCRC Boards of Directors to Boards of Trustees with the residents as beneficiaries of the trust. There will be other provisions as well, including requiring an annual assessment by the Board of its performance.

President Rozett also reported on the **General Accountability Office study of CCRCs** that was initiated by the U.S. Senate Committee on Aging. Due to be completed by summer of 2010, this report may stimulate regulation at the Federal level which will impact CCRCs across the U.S.

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CALCRA BOARD MEETING con't...

Board Actions

At the subsequent executive session of the board John McGrew was appointed Assistant Treasurer. The proposal to move the term of membership from the current Fiscal Year ending September 30 to a calendar year was approved.

Norm Eichberg gave a report on membership. Obviously it would be beneficial to substantially increase CALCRA membership. Active participation by local members is a critical element. The CALCRA officers and members of the board are available to assist in local recruiting efforts - contact information is available on the CALCRA website: www.calcra.org.

Changes in the CALCRA bylaws were approved, including providing flexibility in the number of directors and the conversion to the calendar year for membership.

As you have probably already noticed, the board approved a **change in the newsletter format**. If you have any comments concerning the change please pass them along to Walt Rozett at the contact information on page 2.

A tentative date of Oct. 7, 2010 for the next Annual Meeting of the CALCRA Board was set with the location in Northern California still to be determined.

TREASURER, ED WASHBURN RETIRES

Ed Washburn who has been treasurer of CALCRA for many years recently moved from independent living to assisted living at Air Force Village West (AFVW). He decided it was also the appropriate time to retire as treasurer of CALCRA. Fortunately CALCRA board member, John McGrew, also of AFVW, agreed to take over as Acting Treasurer until we find a replacement.

Ed spent his years in WWII in the navy and stayed in the reserves after the war eventually retiring as a lieutenant commander. In his civilian life he was a ceramics engineer spending most of his career with C.F. Braun, a petroleum and chemical engineering company.

We are most grateful to Ed for his service in processing many, many thousands of dues payments, all of our expenses, preparing financial statements and working with Tom Streeter of Canterbury Woods in maintaining our membership roster. Ed is a great example of the spirit of CALCRA.

WWW.CALCRA.ORG

We're on the Web!!!

California Continuing Care
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