

Health Benefits, Worker's Comp Report Published

A new report on employee health benefits and workers' compensation rates reveals that seniors housing operators are aggressively pursuing costs-saving options.

In the battle against rising employee health insurance premiums, 38 percent of the seniors housing operators surveyed reported passing higher costs on to employees through either premium increases or higher cost-sharing policies. Nearly 44 percent of the respondents increased the co-pay for doctor's visits, and another 40 percent increased employee premium contributions, according to the 2005 "Seniors Housing Benefits & Worker's Compensation Report," produced by the American Seniors Housing Association (ASHA) and Thilman Filippini, a Chicago-based research firm. The study is based on collection and analysis of data from 39 AHSA member companies nationwide, representing nearly 115,000 units.

"Expanding the focus of our research to include health insurance and workers' compensation was a natural progression, and we believe this report offers the first data of its kind specific to seniors housing providers," said ASHA President David Schless.

Findings revealed that the most common cost-saving method used to reduce rising premium costs (seven out of eight) involved passing on higher costs to plan participants. In addition, companies reported changing their carriers an average of nearly three times in the past five years, according to the report.

The report's authors however, warn that these cost-savings tactics do not strike at the cause of rising insurance premiums.

"While it's true that changing carriers and cost-shifting can have a positive short-term impact on health premiums, national trends indicate that this tactic doesn't address fundamental factors determining increases your firm will experience in the

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National Commission On Nursing Workforce Delivers Final Report

Policy makers and stakeholders alike promised to use findings in the National Commission on Nursing Workforce for Long Term Care's report on how to solve the caregiving workforce shortage.

Emily Stover DeRocco, U.S. Department of Labor assistant secretary of Employment and Training, said the 35 page report, "Act Now For Your Tomorrow," would guide her department's High Growth Job Training Initiative, which is designed to develop workers for growing sectors of the economy, such as health care.

At a news conference announcing the report's results, Rep. Lois Capps (D-Calif.) asked participants not to let the report "sit on a shelf." Texas Rep. Michael Burgess (R) said he was working on introducing legislation that would encourage older individuals to return to the care giving profession to serve as mentors to new caregivers.

Assisted living and nursing facilities are currently attempting to fill about 100,000 vacant caregiving positions, but the situation is compounded by a 50 percent turnover rate, according to a 2003 American Health Care Association/National Center for Assisted Living (AHCA/NCAL) report. Experts estimated the national costs of turnover in nursing facilities are more than \$4 billion per year, or an average of \$250,000 individually for each facility.

Recognizing the need to recruit and retain caregivers, AHCA/NCAL contracted with George Washington University's Wertlieb Institute of Long-Term Care, Washington, D.C., to organize and manage the commission's work. The commission was comprised of representatives of AHCA/NCAL, long term care stakeholders, educa-

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Sunrise Senior Living Acquires Assisted Living University

McLean, Va.-based Sunrise Senior Living announced it had acquired Assisted Living University and intends to create an operating subsidiary that will rename the organization Senior Living University (SLU).

Acquisition of SLU enables Sunrise to accelerate its plans to roll out an expanded training and education program for its communities and will help provide a tracking system. In addition, SLU will continue to develop and market professional development training materials for other senior living providers.

"Integrating SLU into Sunrise will not only enhance and accelerate our internal training initiatives, but also, by continuing to make professional training materials available to other providers through SLU, underscore our commitment to further advancing the level of professionalism in the senior living field," said Steve Anastasio,

Sunrise's senior vice president of leadership and organizational development.

David Peete, founder and president of the former Assisted Living University, has been hired by Sunrise to be SLU's president. Peete will also assume the position of vice president of knowledge management and education for Sunrise. Peete had worked for Sunrise from 1989 to 1996 in various positions, including community executive director as well as positions in Sunrise's headquarters involving marketing, education development, and implementation.

"As the seniors housing industry continues to grow, so too does the need for quality training and educational materials," said Peete in the company's announcement. "I'm pleased to have the opportunity to continue meeting those needs through SLU as an operating subsidiary of Sunrise Senior Living."

Correction

An article in the May/June *NCAL Focus* on the Validation method and Country Meadows Retirement Communities misstated the location of the company's facilities. Country Meadows has locations in Pennsylvania and Maryland, not in New Jersey. In addition, the statement regarding the Validation certification of dementia care staff should have stated that 70 percent of the facilities, rather than staff members, were certified. Clarifying a quote, Country Meadows President and Chief Executive Officer Michael Leader is responsible for introducing Validation to Country Meadows.

NCAL Involved In Building Guidelines

NCAL Vice President David Kylo participated in an American Institute of Architects meeting, which is drafting architectural guidelines for assisted living. Kylo discussed several NCAL amendments to the draft guidelines that had the support of the Assisted Living Federation of America and the American Association of Homes and Services for the Aging. Kylo also provided 30 NCAL amendments to the draft guidelines and nearly all were approved. The final guidelines will be available in April 2006.

Officials Attend Arkansas Facility Groundbreaking

Warren and Gladys Bathke looked on as local, state, federal, and national dignitaries attended a commemorative groundbreaking that also marked the fulfillment of their 25-year-old dream to build an assisted living facility.

Standing on the 10-acre site in Bentonville, Ark., the Bathkes and their family members watched as the mayor, former congressmen, current Arkansas GOP gubernatorial candidate Asa Hutchinson and the American Health Care Association/National Center for Assisted Living's President and Chief Executive Officer Hal Daub participated in the ceremony.

The Bathkes are building a \$10.5 million, 66-unit assisted living and independent living facility called The Meadows Assisted and Independent Living. The three-story building will take a year to build but, once completed, residents will be able to choose among studios and one- and two-bedroom units. The Meadows will also have the capacity to serve people who need Alzheimer's care.

The Bathkes chose Ray Brown & Associates, Broken Bow, Neb., to manage and develop the facility. The Bathkes are originally from Nebraska. The Meadows is the realization of Warren Bathke's dream, a dream that he began planning 25 years ago in anticipation of his retirement. Arkansas has 50 assisted living facilities operating in the state.



2005 National Assisted Living Week® Guide Mailed To NCAL Members

The National Center for Assisted Living has mailed copies of its 11th annual National Assisted Living Week (NALW) planning guide to all NCAL members. This year's NALW theme of 'A Fair To Remember,' with multicolored flags flying at a county fair, will be celebrated Sept. 11-17, 2005.

This year's theme recalls the local fairs of yesteryear, with blue ribbon bake-offs, petting zoos, and parades. Under this theme, staff will be able to create a fair-like atmosphere within the facility and engage the community with exciting events. The planning guide contains a variety of activities and products to help assisted living communities celebrate the event.

For the second consecutive year,

NCAL is celebrating NALW in collaboration with the American Association of Homes and Services for the Aging (AAHSA) and the Assisted Living Federation of America (ALFA).

NCAL, AAHSA, and ALFA welcome CNL Retirement Corp. as a corporate sponsor of NALW. A real estate investment trust, CNL is one of the nation's leading investors in the seniors housing market, specializing in the acquisition of premium independent and assisted living communities.

Any NCAL members who need additional copies of the 2005 planning guide should contact Martece Yates at myates@ncal.org, call (202) 898-2855, or visit www.nalw.org.

Social Worker Resource Sheet Available

NCAL and the National Association of Social Workers have produced a resource sheet on the social worker's role in assisted living. Titled, "Partners in Care: How Social Work Can Complement Assisted Living," includes information about types of services that social workers can provide and mechanisms for payment, including potential Medicare coverage.

To find out more about Medicare reimbursement for psychotherapeutic or psychosocial services, contact the regional Medicare office or call 1-800-Medicare.

The resource sheet can be found on NCAL's Members' Only Web site at www.ahca.org/members/assisted/pic_factsheet.pdf.



Health Benefits, Worker's Comp Report Published For Seniors Housing Providers

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future," the report said. "To seriously deal with long-term medical costs, employers must address the root cause of the problem—which means modifying risk factors affecting their employees.

This is why wellness programs and disease management programs can be so cost-effective."

In the workers' compensation area,

some of the survey's respondents said they used alternative rating systems to underwrite workers' compensation plans. Plans that use alternative systems such as retrospective-ratings and large deductible programs are ultimately basing the cost or risk on an operator's actual claims and not their experience, which is proving to be beneficial to operators.

"In summary, whether it's in the con-

text of health benefits or workers' comp, utilization of services unquestionably is the key factor in the cost equation," wrote John Atkinson, managing partner of Thilman Filippini.

"And it's a fact that considerable cost savings—through aggressive and comprehensive programs of managed risk—are available to those employers willing to look beyond today's headlines and take necessary steps."

National Commission On Nursing Workforce Delivers Final Report; Officials Call For Active Implementation

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tors, nurses, and workforce investment board members.

"This commission was critical in demonstrating that the nursing shortage is a threat to seniors living in long term care and not just a problem for acute care hospitals," said Dave Kyllo, executive director of NCAL, who also participated in the commission.

The report focuses its solution on two areas: the recruitment of additional nursing and the retention of nursing aides already in long term care.

"Commissioners found that the recruitment of additional nurses will require partnerships with educators, nursing and public workforce leaders, and their organizations," said Terry Kuzman, chair of AHCA/NCAL's Workforce Committee and administrator of Parkway Pavillion Health Care Center in Enfield, Conn.

David Shulke, executive vice president of the American Health Quality Association, the organization represent-

ing Quality Improvement Organizations (QIOs) nationwide, announced a three-year contract with the Centers for Medicare & Medicaid Services to reduce staff turnover. The contract promises to cut nurse assistant turnover rates by at least 15 percent in more than 2,000 nursing facilities by late 2007.

Also speaking at the news conference was Irene Fleshner, senior vice president of clinical practices for Genesis HealthCare. Genesis is participating with

QIOs on a national retention program that is founded on patient-centered care.

"While we are still implementing this joint program, we are already witnessing positive outcomes. It is leading to a culture change that has clear impact on the retention of dedicated and caregiving nurses in long term care," Fleshner said.

The report is available on NCAL's Web site at www.ncal.org under the "Caring for Our Caregivers" section.

Emeritus Sells Half Of Alterra Interest

Seattle-based Emeritus Corp., which holds interest in 182 assisted living communities in 34 states, has announced the sale of half of its 25 percent interest in Alterra Healthcare, Milwaukee, for \$25 million in cash. The buyer, an affiliate of Fortress Investment Group, already owned 50 percent of Alterra.

Emeritus initially acquired the 25 percent interest in Alterra in December 2003 for \$7.7 million. The company said it would maintain its 12.5 percent interest.

Emeritus Chief Executive Officer Dan Baty and Ray Brandstrom, another Emeritus executive, have resigned their positions on Alterra's board of directors, effective with the transaction.

"This transaction not only provides a current cash infusion to Emeritus, but it also allows us to have a continuing interest in the current and future value of Alterra," Baty said in a statement.





Mid-Year Review Of State Legislatures' Activities On Assisted Living Regulations

A mid-year review of assisted living legislation reveals a few themes. As the costs of eldercare continue to rise, many states have worked to increase affordability while preserving high standards. Several states have sought to reduce costs by expanding elder care into what legislatures believe will be less expensive care options. The expansion of care options and concern for quality have manifested in several primary types of state legislation during the 2005 session. The forms of legislation are:

- Licensure and regulatory standards
- Quality and safety standards

Licensure And Regulatory

Virginia's legislature has been one of the most active in passing assisted living legislation, with five bills in 2005. Much of the legislation was born from recommendations made by the 2004 Assisted Living Collaborative. The collaborative, which included the Virginia Center for Assisted Living (VCAL) as well as other stakeholders, made numerous recommendations to the legislature in late 2004.

Two companion omnibus bills, S.B. 1183 and H.B. 2512, made the following changes to state law:

- Requires administrators of assisted living facilities to be licensed by a newly created Board of Long-Term Care Administrators.
- Requires the Board of Long-Term Care Administrators to adopt new regulations specifying criteria for licensure.
- Permits the commissioner of the Department of Social Services to suspend a facility's license in cases of immediate and substantial threat to the

health, safety, and welfare of residents or participants.

- Increases from \$500 to \$10,000 the maximum civil penalty for an assisted living facility out of compliance with licensure requirements.

- Requires medication aides in assisted living facilities to be registered by the Board of Nursing.

- Requires applicants for licensure as an assisted living facility to undergo a background check.

Beverly Soble, vice president of regulatory affairs for the Virginia Health Care Association and VCAL, confirmed that much of the legislation introduced in the state this year contained language similar to that found in the Assisted Living Collaborative, much of which was folded into the omnibus bills.

"They address many of the concepts proposed by the collaborative," Soble noted.

The remainder of 2005 will be occupied by regulatory activity, according to VCAL, since many of the omnibus bills' provisions must be implemented through regulation. "Emergency regulations for assisted living facilities are scheduled to be presented to the board of the Department of Social Services in August and if approved will likely be effective in December," Soble said.

"It is my understanding that the licensing division of the Department of Social Services also intends to propose a comprehensive revision of [assisted living facility] regulations that will be presented to their board in August."

Soble also said that the Board of Nursing is holding a meeting in mid-July to start the development of regula-

tions for medication aides.

Although Pennsylvania's legislature is in summer recess, the state's lawmakers may address assisted living licensure standards when the legislature returns in the fall.

"Issues such as assisted living facility licensure continue to receive attention," said Gwen Bower, director of government relations for the Pennsylvania Health Care Association/Center for Assisted Living Management (PHCA/CALM).

"It is anticipated that the licensure of [assisted living facilities] will be addressed by the full House of Representatives when they return to session this fall." Prior to recess, Bower said, the House passed the licensure of home care agencies, a Home and Community Based Accountability Act, and stiffened the penalties for neglect of care-dependent individuals. She believes the Senate will address these issues when the Pennsylvania Legislature resumes session later this year.

In Illinois, H.B. 1005 identifies the criteria by which seniors may opt for a "board and care home," simply defined as an assisted living facility in which fewer than 12 older persons reside and whose resident manager is not related to any of the residents. Board and care homes are required to register with the state Department of Public Health, while previous legislation placed facility registration under the jurisdiction of the Department of Aging.

Amendments to the registration laws forbid state employees from forcing seniors to relocate to unregistered facilities and forbid the addition of unregistered homes to the list of avail-



Mid-Year Review Continued

able elder-care services within the state. Board and care homes that do not register properly are subject to \$1,000 fines, and if these homes continue to operate without registering, their resident managers will be fined an additional \$1,000 per day beginning 90 days from the date on which they were initially found to be noncompliant. All fines and registration fees will be placed in the assisted living and shared housing regulatory fund and will be used to cover the costs of assisted living and board and care oversight within Illinois.

As reported earlier this year in *NCAL Focus*, Care Providers of Minnesota, which represents assisted living and other long term care services, had planned on introducing legislation in 2005 that would restrict use of the term "assisted living" to registered "housing with services" establishments that comply with specific standards. However, the legislature's efforts on the issue of state budget solvency preempted the assisted living proposal until next year.

Jonathan Lips, director of legal affairs for Care Providers said, "We decided to withhold our bill until next year, in an effort to address some open questions and develop greater consensus."

Despite the postponement, Care Providers continues to stay involved in assisted living issues by organizing an assisted living policy work group consisting of 19 assisted living stakeholder organizations. The work group will be meeting throughout the summer to address assisted living issues and will develop legislation for the 2006 legislature.

Quality And Safety Standards

As quality and safety issues dominate the national health care facility debate, many states, including Pennsylvania and Iowa, are addressing ways to ensure quality of care and resident safety in assisted living facilities. Pennsylvania is addressing quality and safety issues, but not through legislation. For the past seven years, PHCA/CALM and other groups have been working on new regulations. Bower, PHCA's director of government relations, said, "Updated personal care home regulations were approved by our Independent Regulatory Review Commission and will be effective in October of this year."

According to the Department of Public Welfare, the final regulation includes many new and strengthened requirements such as administrator and staff training, administrator qualifications, approval of training courses and instructors, complaint procedures, emergency medical plans, emergency preparedness, fire safety protections, initial and annual assessments, medications, medication administration training, notification of termination, a pre-admission screening tool, quality management, refunds, resident-home contract, resident rights, reportable incidents and conditions, safe management techniques, secured dementia care and enforcement, smoking safety, a support plan, and unannounced inspections.

Earlier in the year, Cindy Baddeloo, Ph. D, deputy director of the Iowa Health Care Association (IHCA), said the organization would focus on three issues in 2005: universal assessment for individuals aged 65 and older, changing the assisted living definition to match

the Centers for Medicare & Medicaid Services (CMS) definition of assisted living, and streamlining provider payment with a three-tier reimbursement system. All three issues were addressed this year.

The Iowa legislature amended provisions of the universal assessment regulation, raising the level of acuity to make an individual eligible for Medicaid nursing facility care.

Residents needing assistance with three or more activities of daily living, that have a mental impairment, are dependent upon a nursing facility after residing therein for a year, or lack an alternative community-based type of service now qualify for admission to a nursing facility, said Lisa Uhlenkamp, director of assisted living and alternative services at IHCA and its sister organization the Iowa Center for Assisted Living.

Iowa lawmakers also enacted H.B. 585, which redefines "assisted living" to include 24-hour-a-day response staff to meet scheduled, unscheduled, or unpredictable needs in a manner that promotes maximum dignity and independence and provides supervision, safety, and security.

The law removes supervising of self-administered medications as a licensed nurse requirement.

The Iowa legislation also allows the state to define minimum standards for special dementia care. It further provides that the Department of Elder Affairs and the Department of Inspections and Appeals must conduct joint training sessions for personnel responsible for conducting the ongoing evaluations and complaint investigations of assisted living programs.

The Erickson School of Aging Studies at the University of Maryland, Baltimore County has named the members of its newly created Advisory Council. The council members are top executives in the aging services arena, who will support the school in identifying, developing, and providing resources for the advancement of educational, applied research, and policy activities.

Members of the council include **Jo Anne Barnhart**, commissioner, Social Security Administration; **Dan Baty**, chief executive officer (CEO), Emeritus Assisted Living; **William Colson**, CEO, Holiday Retirement Corp.; **John Erickson**, chairman and CEO, Erickson Retirement Communities; **John Hurson**, president, National Conference of State Legislatures, delegate, Maryland Legislature; **Thomas Hutchinson**, CEO, CNL Retirement Properties; **Paul Klaassen**, founder, chairman, and CEO, Sunrise Senior Living; and **Robert**

Kramer, president, National Investment Center for the Seniors Housing & Care Industries.

Lisa Cole has been hired as the new marketing director at Concordia Senior Living Community, a planned life care retirement community being built in Oklahoma City. The eight-year senior living industry veteran comes to Concordia from the American Heart Association in Tulsa, Okla., where she served as heart walk associate. The facility will contain 96 independent living units, 37 assisted living units, 30 skilled nursing units and 16 memory support units.

Presidential Oaks Assisted Living, Rehabilitation, and Nursing Facility, Concord, N.H., has promoted **Jane Archambault** from housekeeping supervisor to housekeeping and laundry manager. She has been employed at Presidential Oaks for 16 years.

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