While the nationwide turnover rates for certified nurse assistants (CNAs) and resident assistants in assisted living residences hover above 40 percent, hourly wages for those positions saw incremental increases, according to a survey of 966 assisted living facilities.

The national turnover rate is 42 percent for CNAs and 47 percent for resident assistants, according to the third annual “2000-2001 Assisted Living Salary and Benefits Report,” published by Hospital & Healthcare Compensation Service (HCS), Oakland, N.J. HCS’ 1999-2000 report, showed turnover rates of 38 percent for CNAs and 31 percent for resident assistants.

The hourly wage for CNAs ranged from a low of $6.01 per hour in Indiana to a high of $12.44 in Connecticut. The national median hourly salary is $8.51 per hour for CNAs, 41 cents higher than last year’s average.

Overall, Texas facilities earned the distinction of paying the lowest hourly wage in the nation, $5.25, to resident assistants and personal care assistants. The top earners, in Michigan, received $11.75 per hour. Nationally, the median hourly salary for resident assistants is $7.75 per hour, an increase of 38 cents from last year’s median.

The report covers 24 nonmanagement and 17 management positions. Data is split into for-profit and not-for-profit status, revenue size, unit size, geographic region, and state. Also covered are 21 fringe benefits, turnover rates by department, and projected salary increases for 2001. Data was collected for the period starting October 1999 and ending September 2000.

During this collection period, respondents reported management salaries increased by 3.89 percent. The national median salary of an assisted living administrator is $43,000, close to $1,000 more than the last year’s salary of $42,016. Within long term care, the national median salary for a director of assisted living at a nursing facility is $40,200, a $800 decrease from last year’s survey. Assisted living directors at continuing care retirement communities earned a median annual salary of $40,113, a decrease of $1,137 since last year’s survey.

The 2000-2001 report was compiled from compensation data of more than 32,500 employees. The average facility size was 62.8 units with 858 of the facilities surveyed being for-profit companies. The report is available by calling HCS at (201) 405-0075.
States’ Legislatures Expected To Add Assisted Living Laws

Twenty-three states reported assisted living is a high priority for 2001 in a survey conducted by the National Conference of State Legislatures (NCSL). The report identifies the top health issues for the legislative sessions by surveying state legislators, legislative staff, and executive agencies during a four-week period after the November elections.

NCSL’s Health Policy Tracking Service researchers found several common assisted living issues that would be discussed during the 2001 legislative sessions: oversight and regulation of services and facilities, use of Medicaid funds to underwrite services for low- to moderate-income people, and quality of care.

**Alabama**
The Alabama Department of Public Health (ADPH), Gov. Don Siegelman’s (D) office, and industry representatives are working on legislation that would impose criminal penalties or seek court injunctions against assisted living facilities operating without a license, according to Rick Harris, ADPH’s director of the Bureau of Health Provider Standards. The bill will also create civil monetary penalties for facilities that falsify records.

In Alabama, assisted living facilities need licenses if they house residents with dementia. After several resident deaths, the state quickly enacted regulations that created two types of assisted living—regular and specialty care. Specialty care applies to facilities housing residents with dementia. ADPH is aware of approximately 100 to 200 unlicensed facilities operating in the state.

Bruce Thevenot, with the Alabama Nursing Home Association, says, “The legislation being drafted by the Department of Public Health is pretty basic, and I do not see any reason why we would have a problem supporting it.”

**Florida**
Florida legislators will likely address assisted living based on the Task Force on Availability and Affordability of Long Term Care’s work, says Jennifer Salmon, project coordinator for the Task Force, and acting assistant director of the Florida Policy Exchange Center on Aging. In addition, the legislature will discuss Gov. Jeb Bush’s (R) $52.4 million budget proposal aimed at guiding seniors into assisted living or providing home health care.

Salmon says insurers are forcing many assisted living facilities to give up their extended congregate care or limited nursing services licenses—licenses that allow facilities to provide a higher level of care—in order to obtain liability insurance.

The task force’s draft report includes a recommendation that allows assisted living owners to operate without insurance coverage.

Liability insurance has become either prohibitively expensive or unobtainable for assisted living operators. Insurers are unwilling to cover facilities in a state where lawsuits against long term care facilities are filed at a rate almost 2-1/2 times the national average. Providers believe tort reform is needed, and Bush’s budget proposal asks legislators to consider drafting tort reform provisions.

**New York**
State lawmakers are expected to discuss expanding access to assisted living through Medicaid waivers, refining licensing rules to determine the appropriateness of assisted living versus skilled nursing care, and recruitment and retention of direct care workers for assisted living. To address the shortage of caregivers, legislators will discuss a wage hike for state-subsidized assisted living providers that includes a mandatory cost-of-living adjustment.

In addition, legislators may discuss a reformulated proposal from the governor. The Department of Health is reviewing Gov. George Pataki’s (R) 1999 proposal to determine if it will be reintroduced, according to Laurie Pferr in Sen. George Maziarz’s (R) office. Maziarz is the chair of the Senate Aging Committee.

Pataki’s bill included provisions that define assisted living facilities’ scope and set licensure and registration standards based on the level of care and services provided. It also sought to establish a resident’s bill of rights, medication management regulations, and quality improvement initiatives.

Robert Murphy, director of legislative affairs with the New York State Health Facilities Association, says an association proposal calls for the review and potential amendment of the state’s current definition of assisted living to ensure that all assisted living providers are regulated in the same manner. The association believes assisted living facilities should be regulated with the state. If facilities offer care beyond the current scope, then the state should create licensure and regulation for those facilities, according to the proposal.

**Rhode Island**
State legislators will continue efforts to expand access to assisted living to low- to middle-income persons by using Medicaid funds, according to Maureen Maigret of Lieutenant Gov. Charles Fogarty’s (D) office, which also heads the state’s Long Term Care Coordinating Council. Lawmakers might expand this by developing a demonstration project for individuals with Alzheimer’s disease.

**States Indicating Assisted Living As A High Priority**

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Michigan Lets Higher-Acuity Residents Remain At Facility

Michigan's assisted living residents have the right to remain in assisted living centers despite their higher-acuity conditions as long as the resident, the resident's physician, and the facility's operator agree to providing the higher level of care.

Kalamazoo state Sen. Dale Shugars introduced the right-to-remain provision, and on Jan. 9, 2001, the same day Gov. John Engler (R) signed the bill into law, it became effective. In Michigan, licensed assisted living facilities are called “homes for the aged.” These are facilities with 20 or more residents, 65 years old and older.

“We strongly feel that this law allows residents to have a choice in the [type of] care that they are paying privately for,” says Linda Lawther, executive director of the Michigan Center for Assisted Living.

The law was spurred on by a lawsuit filed by residents of an Alterra-assisted living facility in Kalamazoo, Mich. In summer 2000, state officials sought to remove 10 of the 33 residents with Alzheimer’s disease from the Alterra facility because the center was not licensed to provide care for people with Alzheimer’s. After the incident, several residents obtained lawyers and filed suit against the state, seeking the right to remain in the facility despite the state’s view that they needed a facility providing a higher level of care.

Oregon May Lower Assisted Living Reimbursement

Although Oregon state legislators responding to the National Conference of State Legislatures’ survey did not indicate assisted living as a top priority, lawmakers will discuss a proposal to decrease Medicaid reimbursement rates for assisted living facilities, according to Dan Kaplan, deputy administrator with Oregon's senior and disabled services division.

Assisted living currently receives higher reimbursement rates than other community-based long term care facilities.

The governor’s budget proposal would reduce reimbursement to the level of residential care facilities and adult foster homes. The proposal lowers rates from approximately $1,600 a month to $900 a month during a four-year period.

Margaret Murphy Carley, deputy director and legal counsel with the Oregon Health Care Association, believes the plan is seriously flawed.

“They have failed to take into account the differences among the community-based care facilities,” she says. “The single-rate system only accounts for client characteristics, not for other categories of operating costs, like labor, administrative, and property costs.”

State officials also are considering how to slow the explosive growth of assisted living centers. Officials are concerned that the rapid construction of facilities in recent years either already has or will cause an overbuilt industry. Officials are not likely to propose a certificate of need for assisted living, says Kaplan, but are evaluating other approaches.

One proposal requires facility operators and owners to conduct market studies before more assisted living facilities can be built. Providers are not opposed to this requirement. More than a year ago, providers asked the state to consider requiring market studies to be conducted as part of a relicensing process, Carley says. “The state cannot look at assisted living facility capacity in isolation; it must take a broader look at long term care planning across the continuum of care,” Carley says.

Phase-Out Of Medicaid Monies On Hold

President George W. Bush’s administration has imposed a 60-day review on all regulations issued during the closing days of the Clinton administration.

Among the affected rules are the planned three-tiered phase-out of intergovernmental transfers and new health information privacy standards.

The order stops the implementation of a Medicaid rule that would phase-out intergovernmental transfers (IGTs). President Bill Clinton signed the rule in December and 60 days after publication in the Federal Register on Jan. 12, the rule would have become effective. IGTs allow states to calculate higher levels of federal Medicaid matching funds. In Iowa, Nebraska, and North Dakota, a portion of the IGT funds were used to convert unused skilled nursing beds into assisted living units in rural areas for people with low incomes.

States began using IGTs in 1991 after the Health Care Financing Administration (HCFA) agreed to expand the children’s health insurance program. Almost 10 years later, HCFA threatened to shut down the regulation after seeing a sharp increase in Medicaid funds to states. During the rule’s tenure, HCFA approved and renewed more than 20 states’ requests for funds.

States that used the higher reimbursement practice before Oct. 1, 1992, will have eight years to come into compliance with the regulations stipulated in the Benefits Improvement and Protection Act of 2000. States that began utilizing the higher matching funds after Oct. 1, 1992 and before Oct. 1, 1999 will have five years to comply. For states that earned ‘lapsed’ approval after Oct. 1, 1999 would have a two-year phase-out IGT monies. HCFA allowed some states to earn approval by allowing the state application to be approved without the agency’s explicit approval.

The federal standard requiring health care providers to adopt a set of standards for transmitting health care information is also on hold. The electronic data interchange (EDI) standards, the result of the Health Insurance Portability and Accountability Act of 1996, require the Department of Health and Human Services to develop standards regarding the exchange of health care information between health care plans, clearingshouses, and health care providers.

None of Clinton’s last-minute regulations will go into effect until Bush’s new department and agency heads have a chance to review and approve them.
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health care employers who want to make a difference for their customers recognize one core principle. Potential and current employees should be considered the company’s primary customers. In order to be a customer-centered organization, Kathy Brockmann, chief executive officer of the employee recruiting company Nu Directions Healthcare Consultants/Recruiters, based in Downers Grove, Ill., says most employers lack the basic hiring etiquette needed to attract and maintain a large potential employee base.

With the current shortage of caregivers, assisted living facilities cannot afford to discourage any interested employees. Brockmann says companies could benefit from using a system that lets potential employees know the status of their application in a timely manner. Brockmann suggests providers use her five-step process called, REACT.

**Review each resume you receive for either current or potential job placements.**

**Expedite and acknowledge the correspondence or e-mail received within a designated time frame—Brockmann advises a maximum of three days. After receiving the resume, they could benefit from knowing if the position is filled.**

**Maintain a large potential employee base.**

**Advise the interview process by utilizing the following steps:**

- Provide accurate information to the applicant about the location, the day, the time, and who will conduct the interview. Also let the applicant know if any additional information is needed for the interview.
- Be on time. Remember their time is as valuable as yours.
- Make applicants feel comfortable during the interview; treat them as if they were guests.
- Spend enough time with applicants to allow both of you to see if this is a good match for employer and employee—typically at least one hour.
- At the conclusion of the interview, thank the applicant for taking the time to interview with your company.
- Let the applicant know your decision time-frame for hiring.

**Contact applicants within the time-frame you promised. As a general rule within five business days or at least as long your candidate search will continue.**

- Either wish them success on their continued job search or welcome them as your new employee.

“Unless companies have a systematic approach to handling job applications, these companies are losing thousands of dollars by allowing job applicants to slip out the door,” Brockmann says.

**Accreditation Audioconference Series**

The Rehabilitation Accreditation Commission (CARF) has begun offering an audioconference designed to help facilities prepare for accreditation in both the adult day services and assisted living categories.

The 12-week series begins in mid-March and concludes in mid-August. Every two weeks, the modules in the assisted living series will explore topics such as the philosophy of assisted living and protection of residents’ rights and responsibilities.

The conference also will examine the value of accreditation and explain how to prepare for the CARF survey, complete the survey applications, and use outcomes to improve services.

Subscribers will also receive handouts in print and on computer disk, manuals, technical assistance from CARF staff, audiocassettes containing highlights, plus the opportunity to participate on a listserv.

Each conference is limited to 20 telephone connections. The cost for the series is $1,320. Individual audioconferences can be purchased for $115 each.

Contact CARF by calling (520) 325-1044 and then pressing “2” on the main menu, or sending an e-mail to Sharon Martinez at smartinez@carf.org, or by visiting the Web site at www.carf.org/Events/AccredAssistedLiv.htm.

**Balanced Care**

under way, and management expects resolution in the next fiscal quarter,” said Brad Hollinger, Balanced Care’s chairman and chief executive officer, in the statement.

The facilities are located in Bristol, Johnson City, and Murfreesboro, Tenn.; Pensacola and Tallahassee, Fla.; Lakemont Farms and York, Pa.; Heritage Lakes, Ohio; Hagerstown, Md.; and Teay’s Valley, W.Va.

This is the second time in six months a landlord has declared Balanced Care in default. In November 2000, Meditrust Co. of Dallas informed Balanced Care it was in default on some of its loans from Meditrust, according to SEC documents.
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Greenbriar Corp., Dallas, and a group of investors are involved in litigation regarding the conversion of preferred stocks into common shares.

The investors claim Greenbriar issued employee stock options that caused the investors' stock holdings to drop to $0.69 per share, from $17.50 per share. Since the investors were due to convert their preferred shares into common stock, the investors claim this conversion now translates into more than 27.5 million shares of common stock at the 69-cents-per-share rate, according to documents filed with the Securities and Exchange Commission.

Greenbriar's position is that the employee options were rescinded. If the company converted the investors' shares, it would constitute a change in the control of the company because the investors would own almost 80 percent of the company's common shares, says Gene Bertcher, Greenbriar's executive vice president. Greenbriar refused to convert the shares because it needed stockholder approval to issue the more than 25.5 million shares. Greenbriar also faced being delisted from the American Stock Exchange.

On Jan. 13, 2001, Greenbriar abided by the conversion and agreed to pay stockholders $27,166,714 as funds become available, but Bertcher says the investors want the shares instead. The current litigation should settle the matter, says Bertcher.

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**Investors Fight Greenbriar Over Stock Conversion**


ARV Assisted Living, Costa Mesa, Calif., has been named president. Khoury, 51, has been with the company since May 1997.

Khoury was the company's senior vice president and chief financial officer, a position he held since March 1999, when he was promoted from being vice president of treasury and asset strategy.

Diversified Senior Services, Winston-Salem, N.C., held a special meeting of shareholders to vote on a 1-4 reverse stock split of the company's common stock.

The company is examining alternatives to avoid the company's stock delisting from the Nasdaq small cap market.

The company said the reverse stock split would not necessarily achieve the desired results discussed in the proxy material.

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**Facility News**

Benchmark Assisted Living, Wellesley, Mass., opened three new facilities, two in New Hampshire and the third in Mystic, Conn. The openings bring the company's assisted living portfolio to a total of 13 communities.

Greystone Farm at Salem in Salem, N.H., is a 65-apartment community offering traditional assisted living and assisted living for people with memory impairments.

The Birches at Concord in Concord, N.H., is dedicated to residents with memory impairments. Forty-eight apartments are separated into three neighborhood settings. The Academy Point at Mystic in Mystic, Conn., is a 70-unit apartment building overlooking the historic seaportillage.

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**Health Care Property Investors** announced a $51.6 million sale of seven assisted living facilities. The Newport Beach, Calif.-based company is an equity real estate investment trust (REIT) specializing in health care properties. The facilities were sold to operators who leased the property from Health Care. The seven assisted living properties comprise 774 units.

Sunrise Assisted Living, McLean, Va., opened a 70-resident facility in Wall, N.J. Residents have their choice between a studio or two-bedroom apartment. Both types of units have kitchenettes. There is also a section called the Reminiscence area for residents with Alzheimer's disease or other forms of dementia.

Volunteers of America National Services, Alexandria, Va., announced the acquisition of Heritage Senior Homes, comprised of three assisted living facilities located in Grand Junction and Palisades, Colo. Two of the facilities provide specialized care for people with cognitive and memory impairment. In total, the facilities have 186 units.

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**Providers Urged To Continue Flu Vaccination**

While experts from the Food and Drug Administrations and the Centers for Disease Control and Prevention (CDC) met in Washington, D.C., to discuss which influenza strains will be included in the vaccine for the 2001-2002 flu season, CDC was urging providers to continue immunizing residents.

As of Jan. 20, influenza was reported as low to moderate in most regions of the United States but was increasing, according to the CDC report.

The flu season typically runs through April. During 10 of the past 18 years, the flu season peaked in February or later. The flu shot offers protection 10 to 14 days after vaccination. Providers can obtain flu updates or order a vaccine by visiting the CDC Web site at: www.cdc.gov.
NURSE SCHLORSHIP
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Marion Hunter has been named executive director of Hawthorn Court at Ahwatukee, a new 44-unit dementia care community developed and operated by Senior Resource Group. Hunter joined the Phoenix, Ariz., facilities after working as Marriott Senior Living Services’ regional sales and marketing coordinator.

The Legacy at Lowry announced that Cindy Frick has been named administrator and Maureen Smallwood, marketing director of the Denver facility. Prior to joining Legacy, Frick was the administrator for a Franciscan Ministries independent and assisted living facility also in Denver. Smallwood joins Legacy from Cape Albeon in St. Louis, Mo., where she was director of marketing.

Joanna Cormac Burt has been named senior vice president of operations for Epoch Senior Living, Waltham, Mass. Cormac Burt joined Epoch in 1999 as regional vice president of skilled nursing facilities in Massachusetts.

In her new position, she will oversee three of the company’s four regions of skilled nursing facilities and assisted living communities.

Stanley Eichenauer and Jane Dorval have been named 2001 chair and chair-elect, respectively, of the Rehabilitation Accreditation Commission (CARF) trustee board. CARF is a nonprofit accrediting organization founded in 1966 as the Commission on Accreditation of Rehabilitation Facilities.

Eichenauer recently retired after 25 years as the president and chief executive officer of Eastway Corp., Dayton, Ohio. The company is a community-based provider of behavioral health, rehabilitation, and housing services in west central Ohio.

Dorval is senior vice president of medical affairs and quality oversight with Good Shepherd Rehabilitation Hospital in Allentown, Pa.

ARV Assisted Living announced William Eason has been named senior vice president of sales and marketing. Michelle Alarcon has been promoted to senior vice president of human resources, and Christine Kasulka has been promoted to vice president of operations. Eason has been with ARV as its sales and marketing consultant since May 2000.