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Alzheimer's Study On Wanderers Helps Identify Patterns

People with Alzheimer's have a 60 percent chance of wandering off alone, regardless of their care setting, and if not found within 24 hours, this same group of people has a 46 percent chance of dying, say researchers of a new study on wandering characteristics.

The most likely places where these individuals can be found are in a residential yard (26 percent), on the street (22.3 percent), at businesses (11.8 percent), and in health care facilities (9.2 percent), the study says.

Researcher Meredeth Rowe from the University of Florida at Gainesville, along with fellow researcher Judith Glover of Lourdes Primary Care Associates, Binghamton, N.Y., examined data collected by the Alzheimer's Association's Safe Return program. The program was designed to facilitate the safe return of people with cognitive impairments who become lost after wandering off alone.

"While the study results are specific to the Safe Return Program, this is the first time any data has become available on which to base policies related to cognitively impaired wandering individuals," Rowe said.

"[E]ven though caregivers or institutions had enacted significant prevention strategies, the incidents of unattended wandering were always unpredictable," she wrote in the study.

The study examined 676 wandering cases that occurred between 1997 and 1998. The researchers hope to use the study to develop prevention and location strategies.

Among the location strategies the report recommends are that searches should begin immediately and be concentrated within a five-mile radius of the missing person's care setting.

"This kind of information will help professional and nonprofessional caregivers develop strategies to prevent wandering and help law enforcement find those who wander," said Brain Hance, head of the Safe Return Program.

For more information on the Safe Return Program visit: www.alz.org, call (888) 572-8566, or contact the local Alzheimer's Association chapter.

Inside Focus

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Senior Technologies, Inc.

NCAL Gets New Chair And Formal Bylaws

Jan Thayer, a long-time member of the National Center for Assisted Living's (NCAL) governing board, was elected to the American Health Care Association's (AHCA) new Assisted Living/Residential Care vice chair and the new NCAL Chair position by AHCA's House of Delegates at its annual meeting in Boston on Oct. 18.

Grand Island, Neb.-based Thayer has been involved in long term care for more than 20 years and is currently president of Excel Development Corp., which oversees 10 properties in three states. She is a licensed nursing home administrator, a registered dietician, and an active leader in numerous professional organizations.

Thayer is the first NCAL chair to serve under NCAL's new bylaws. Thayer says, "I look forward to this new opportunity and the challenges it brings as NCAL continues to increase its visibility and enjoys elevated stature with its new governance structure."

The House approved new bylaws for NCAL formally recognizing NCAL as an established part of AHCA. Robert Lohr, immediate past chair of NCAL, directed the first elections as prescribed in NCAL's new bylaws.

The bylaws created an NCAL Executive Committee and Board of Directors (formerly known as the NCAL Governing Board). In addition, each AHCA/NCAL state affiliate that represents assisted living members will be responsible for electing or appointing an individual to serve as the state's NCAL state leader.

A copy of the bylaws is available on NCAL's "Members Only" Web site.

HHS Office Of Inspector General Seeks More IGT Restrictions

Health and Human Services' Office of Inspector General (OIG) has concluded that states are manipulating the federal Medicaid matching fund procedure to receive inflated payments. OIG has recommended that the Centers for Medicare & Medicaid Services (CMS) conduct a further crackdown on the use of the upper payment limit (UPL) to enhance payments financed through the intergovernmental transfer (IGT) process.

The OIG audit report is the latest chapter in an 18-month-long debate over the way states are allegedly abusing the UPL conceived by Congress in 1991 to bolster Medicaid payments from the federal government. The audit focused on six states, Alabama, Illinois, Nebraska, North Carolina, Pennsylvania and Washington.

States use the UPL as an accounting procedure for determining the maximum amount of federal Medicaid dollars they can receive. The UPL is set at what Medicare would pay for the same services delivered to Medicaid beneficiaries. CMS has termed the UPL a "loophole," which OIG says will cost the federal government billions of dollars in the coming years.

About 30 states now use the UPL to help pay for long term care, assisted living, and other health care programs for the poor. Using IGTs, states transfer Medicaid monies to certain types of facilities, and the facilities then return the monies to the state. Under the UPL provision, states count those dollars toward federal matching funds.

While OIG commends CMS for issuing a new UPL regulation in January 2001, which could save the federal government $55 billion in Medicaid funding over the next 10 years, the audit report makes clear that the new rule does not eliminate "the amount of financial manipulation of the Medicaid program the states can perform."

The report concludes that this "widespread manipulation" threatens to undermine the financial stability of the entire Medicaid program. The report further suggests that CMS require states to target those federal funds toward the provision of medical services at the intended facilities—facilities that were used by the state when asking for federal funds.

This past January, CMS cut $600 million in funding by implementing a shorter time period for some states' use of the UPL rule. Inherent in that rule was a congressional mandate to grant states transition periods of various lengths based on when a state submitted a federal matching funds request.

OIG's final report concludes that the transition periods should be shortened, and it recommends that CMS "seek authority to eliminate or reduce the transition periods included in the new upper payment limit."

If CMS implements a shorter phase-out or eliminates the transition periods altogether, state Medicaid programs could suffer greatly, according to Cynthia Morton, director of congressional affairs for the American Health Care Association.

"This report comes at a crucial time," Morton says, "as state governments are scrambling to fund their Medicaid programs while state revenues decrease."

The political atmosphere surrounding UPLs doesn't look good for providers. Recent comments by CMS Administrator Thomas Scully, as reported in the National Journal's Congress Daily, indicate that the Bush administration would like to shut down the UPL loophole for good. Scully called the loophole a "giant scam" and a "Medicaid virus that's been going around for the past couple of years."

Assisted Living Construction Starts Reach Two-Year Low

During the second quarter of 2001, the number of new construction starts for assisted living properties reached their lowest point in two years, according to the National Investment Center for the Seniors Housing & Care Industries (NIC), Annapolis, Md.

"The key financial indicator data showed that the assisted living category posted only 29 new construction starts for the second quarter of 2001," said Robert Kramer, NIC executive director. "In the two years that we've been tracking these numbers, it's the lowest number of starts reported for this sector. The highest number of construction starts was for 178, which occurred in the third quarter of 1999," Kramer said.

The NIC Key Financial Indicators include details on construction starts, loan volume and performance, move-in rates, occupancy rates, and capitalization rates as reported by the leading lenders, owners/operators, and appraisal professionals in the seniors housing and care industry.

Project financing by national lenders in the second quarter of 2001 totaled $528 million, a slight increase from this year's first quarter. More than $422 million of that total, however, was in permanent debt—not construction loans.

"The good news is that demand is increasing," said Harvey Singer, NIC research director. "With little increase in new supply, demand will once again catch up with the existing supply."

He noted that major lenders also reported little or no construction financing for skilled nursing facilities.

Nursing homes and assisted living facilities also showed slight declines in occupancy rates. Move-in rates for assisted living offered slightly better news. Net average monthly move-in rates, after falling for several quarters, showed a slight increase to 2.6 in the second quarter of 2001.

In terms of second quarter loan performance, the rates for delinquency remained stable, while foreclosures declined slightly.

But restructuring of loans showed a sizable increase of 4.61 percent for all properties, compared to 1.4 percent last quarter.

For more information, visit www.NIC.org or call (410) 267-0504.

Another Potential Fire Sprinkler Recall Looms

The U.S. Consumer Product Safety Commission (CPSC) has begun administrative proceedings against Sunbeam Corp. and its subsidiary Chemetron, Boca Raton, Fla.; Sprinkler Corp. of Milwaukee; and Grucon Corp., Oak Creek, Wis.

According to the CPSC complaint, an estimated 700,000 Star ME-1 sprinklers manufactured between 1977 and 1995 could potentially fail to operate during a fire.

CPSC filed after discussions with Sunbeam, Chemetron Corp., and Chemetron Investments; Sprinkler Corp. of Milwaukee; and Grucon Corp. failed to agree to a voluntary recall and replacement plan.

The Star ME-1 was the subject of two prior recalls. In 1999, Philadelphia-based Mealane Corp. recalled 1 million Star ME-1 models that were manufactured from 1975 through 1976. In 2001, the Central Sprinkler Co. an affiliate of Tyco Fire Products, a Landsdale, Pa., voluntarily recalled nearly 35 million Star ME-1's manufactured from 1996 to 1998.

The alleged problem lies in the "O-ring," a rubber or plastic part that is designed to dissolve from the heat of a fire and release water through the sprinkler system. Government and independent safety officials found that the Star ME-1 "O-rings" did not dissolve because chemicals and minerals in the water contained in the sprinkler system damaged them.

CPSC claims that 67 percent of those sprinklers removed during the first recall failed to activate when tested. CPSC states that three sprinklers failed to operate during a 1998-bedroom fire in a Missouri skilled nursing center. No one was injured.

Sunbeam disputes CPSC's latest action saying the company purchased stocks and other investments of Chemetron Investments and Chemetron Corp. in 1990 after Chemetron had stopped making the ME-1 sprinkler.

"Sunbeam is only a party to this matter because the CPSC mistakenly believes that a complex chain of corporate transactions leaves Sunbeam with some responsibility for sprinklers made by others many years ago," according to a company issued statement. "Sunbeam is not even aware of any incidents of Star Sprinklers made during the period when the CPSC alleges Sunbeam's responsibility."

But CPSC contends in its complaint that all the companies that owned the manufacturing company of the Star ME-1 sprinkler are responsible. The Sprinkler Corp. of Milwaukee manufactured the Star ME-1 between 1983 and early 1996. According to CPSC, Sprinkler Corp. and Grucon did not properly maintain corporate identities.

Ultimately, if CPSC wins its claim against the manufacturers, the companies would have to conduct a recall drive, making it the third recall of fire sprinklers.

A fire safety consultant for the American Health Care Association and the National Center for Assisted Living urges providers to determine the manufacturer and model of their buildings' fire sprinklers. Tom Jaeger, of Gage-Babcock & Assoc., Chantilly, Va., recommends the following steps for providers:

1. Contact CPSC or the related companies through toll-free telephone numbers or Web sites to obtain information.

2. Contact the sprinkler contractor that installed the system in the facility and ask if the contractor installed any of the recalled sprinkler heads. If contacting the sprinkler contractor that installed the system is not possible, then call a sprinkler contractor and have the contractor inspect the sprinkler heads to determine the type of sprinkler that was installed.

For More Information

Voluntary recalls and replacement programs are already under way for the Star ME-1 models manufactured between 1975 and 1976 and from 1996 through 1998.

- Consumer Product Safety Commission's toll-free hotline: (800) 638-2772 or Web site: www.cpsc.gov.

- Central Sprinkler Notice Packet Request Line: (800)871-3492 or Web site: www.SprinklerReplacement.com

- Star Sprinkler Recall Hotline: (800) 866-7807 or Web site: www.starrecall.com

Applicants Sought For Quality Award

Does your assisted living facility practice continuous quality improvement? Does it embrace the tenets set forth by the Malcolm Baldrige national quality program? Is it a member of the National Center for Assisted Living?

If the responses to these questions are "Yes," then the facility is eligible for the American Health Care Association's 2002 Quality Award program—an award that can help distinguish a facility in a competitive marketplace.

"AHCA's Quality Award is one of the highest recognitions a facility can receive for demonstrating a commitment to quality," says David Kyllo, NCAL vice president.

Created in 1996, the AHCA Quality Award was established in response to an increasing demand from consumers for quality indicators for long term care facilities. It is based on the national Malcolm Baldrige Award criteria and has a series of developmental levels.

The awards program was expanded this year to include assisted living. Assisted living facilities are now eligible to apply for a Step One award.

The Step One application requires facilities to provide an overview of the facility, addressing what is most important to the facility and the key factors that influence how it operates.

The deadline for applications is Feb. 28, 2002. All applications are considered confidential, and there is no limit to the number of facilities that can receive the award.

Application material for the 2002 AHCA Quality Award are now available. Applications can be downloaded from AHCA's Web site: www.ahca.org/members/quality/initiate/qi-index.htm or mailed by calling Adrienne Riaz-Khan at 202/898-6332.

Antioxidants Reduce Risk Of Diminishing Sight

People taking high levels of antioxidants and zinc can significantly reduce the risk of diminished sight caused by age-related macular degeneration (AMD), according to a nationwide clinical study.

AMD is the leading cause of visual impairment and blindness in Americans aged 65 years and older according to the National Eye Institute (NEI). By taking a high-dose combination of vitamin C, vitamin E, beta-carotene, and zinc, the people at high risk for developing AMD were able to reduce their risk by about 25 percent. In the same high-risk group—which included people with intermediate AMD or advanced AMD in one eye—the supplements reduced the risk of advanced AMD vision by about 19 percent, the clinical trial found.

The trial called the “Age-Related Eye Disease Study”—was sponsored by the NEI, a division of the National Institutes of Health, Bethesda, Md. The study involved 4,757 participants, 55 to 80 years of age in 11 clinical centers located throughout the nation during a seven-year period.

AMD is caused by the presence of drusen, which are yellow deposits under the retina. Often found in people over the age of 60, drusen can be seen by an eye-care professional during an eye exam in which the pupils are dilated. Drusen by themselves do not usually cause vision loss, but an increase in their size and number can increase a person’s risk of developing advanced AMD, which leads to serious vision loss.

Scientists are unsure about how or why an increase in the size and number of drusen can sometimes lead to advanced AMD, which affects the sharp, central vision required for the straight-ahead activities in daily routines, such as reading, driving, and recognizing faces of friends.

The supplements evaluated in this study contained 500 milligrams of vitamin C; 400 international units of vitamin E; 15 milligrams of beta-carotene; 80 milligrams of zinc as zinc oxide; and two milligrams of copper as cupric oxide.

“Previous studies have suggested that people who have diets rich in green, leafy vegetables have a lower risk of developing AMD,” said Frederick Ferris, M.D., director of NEI’s clinical research and chair of the study. “However the levels of nutrients that were evaluated ... are very difficult to achieve from diet alone.

“Even with a daily multivitamin, people at high risk for developing advanced AMD can lower the risk of vision loss by adding a formulation with the same high levels of antioxidants and zinc used in this study.”

For more information, visit: www.nei.nih.gov/news/pressreleases/101201.htm.

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Assisted Living Focus

Trial Lawyer Lectures On Litigation

Jules Olsman, a plaintiff's attorney in Farmington Hills, Mich., says assisted living providers need to hire more and better train frontline staffers.

"The number one complaint is always staffing," Olsman says. "Every case I have could have been avoided if there had been more and better-trained staff."

Olsman is an attorney who represented, among others, a resident who lived at the Alterra Health Care facility in Lansing, Mich.

According to copies of the complaint, an aide awakened Virginia Albro at 5 a.m. to go to the bathroom. When Albro became agitated, the aide left Albro leaning against a wall. Without assistance, Albro fell and sustained a head injury. Subsequently she was unable to walk and had to be moved to a skilled nursing facility.

Alterra and Olsman's clients reached an out-of-court settlement. The settlement amount cannot be disclosed, he says.

Olsman used this complaint as a teaching tool for fellow plaintiff's attorneys in lectures on how to litigate claims against assisted living facilities. This past October, Olsman was the speaker at the Association of Trial Lawyers of America (ATLA) weekend seminar in Phoenix on how to litigate cases against long term care facilities.

Olsman's presentation also included the 1999 General Accounting Office report, "Assisted Living: Quality of Care and Consumer Protection Issues in Four States." The Minnesota attorney general case against Alterra Healthcare is also included in Olsman's information package.

Olsman, an ATLA member who used to head the association's nursing litigation group, says he's getting more calls and has seen a rise in plaintiff's attorney interest in assisted living during the past five years.

He estimated that 100 lawyers attended the Phoenix seminar. This past April, Olsman spoke on the same topic in Houston, a talk that was attended by about 200 attorneys.

"Lawyers are trying to educate themselves about what assisted living is," he says. With the growth of assisted living facilities, he says it was a natural evolution that lawsuits would occur.

Olsman's presentation explains eight problems with assisted living: understaffing, inability to meet the needs of residents, inadequately trained staff, inappropriate use of medication, failure to follow admission and discharge policies, lack of appropriate monitoring of residents, lack of communication with family members regarding changes in the resident's condition, and lack of appropriate medical supervision.

"Assisted living is dealing with a very vulnerable population, a population whose physical condition can change in a moment," he says.

"The industry has to get better at determining who stays and leaves and improve the medical attention provided."

Caregiver Jobs Clearinghouse Web Site Created

The National Center for Assisted Living and the American Health Care Association are developing a Caregiver Jobs Clearinghouse Web site in cooperation with the U.S. Department of Labor (DOL) to help long term care providers' address their staffing vacancies and help workers who recently lost their jobs.

The Web site will serve as a one-stop shopping center for long-term care jobs, enabling nursing facilities, assisted living residences, and homes for persons with mental retardation or developmental disabilities to post their latest openings, giving job seekers the opportunity to find employment. The site is expected to be activated by year's end.

For more information contact Laura Fisher in the Issues Action Center at (202) 898-9356 or e-mail: lfisher@ahca.

North Carolina Agency Affirms Abuse Claim Against AL Administrator

North Carolina's Health and Human Services' Health Care Personnel Registry found that an assisted living facility's night supervisor committed abuse when she allowed a television reporter into the facility to videotape four residents with Alzheimer's.

According to the agency, the fact that the residents were videotaped without their consent violated their right to privacy and constituted abuse. The ruling places the state's findings about Melissa Foster, former night supervisor of Pleasant Cove Assisted Living, Candler, N.C., on the state's health worker personnel registry. North Carolina health facilities are required to check this list before hiring an employee. According to the personnel registry, health care employers determine if the report should prevent them from hiring an individual on the list.

Pleasant Cove's parent company Havon, Inc. filed the complaint. Foster resigned on May 3, the day after allowing WLOS TV reporter Amy Davis into the facility. Foster admitted to agency investigators that she didn't stop Davis from filming because she thought it would improve the care given to the residents. Davis was videotaping scenes for a report on abuse in health care facilities.

Havon attempted to stop the videotaped report from airing on the local news. But a district court judge ruled blocking the broadcast would violate the reporter's and the station's constitutional right to free speech. The judge also criticized Davis and the station for not notifying authorities about possible patient neglect.

General Electric Capital Purchases Heller Financial

General Electric Capital Corp., Stamford, Conn., purchased Heller Financial for $5.3 billion, or $53.75 per share.

Heller offers commercial financing to small- to middle-market companies operating in skilled nursing, assisted living, hospitals, physician practice management, and mental health.

Balanced Care's Earnings

Balanced Care Corp., Mechanicsburg, Pa., reported that its first-quarter revenue totaled $13.8 million, a decrease of $200,000 when compared with first quarter 2000. The reported loss for first quarter fiscal year 2002 is $5.9 million, an improvement when compared with the $7.2 million lost during the prior year's same period. Balanced Care's first quarter ended on Sept. 30, 2001.

The reduced net loss is the result of the company's ability to lower operating and lease expenses.

Capital Senior Living Earnings

Capital Senior Living Corp., Dallas, announced its third-quarter 2001 earnings were about five cents per share on revenue of $17 million, a 6 percent increase for the same period of the prior year.

During the first nine months of 2001, the company produced cash earnings of $7.3 million, or $0.37 per share, on revenue of $53.4 million. During the first nine months of 2000, the company produced a net income of $3.9 million, or $0.20 per share, on revenue of $40.9 million.

Greenbriar Corp. Settles Dispute

Greenbriar Corp., Dallas, ended a legal dispute with preferred investors with a $4 million settlement package that also included ownership of 11 assisted living facilities.

The settlement ended litigation regarding the conversion of a series of preferred stocks into common shares. Greenbriar repurchased the investor's more than 1 million common stock shares. The company sold an assisted living property in California to pay for the cash settlement.

Alterra Communities Purchased

Somerford Corp., a private assisted living company specializing in Alzheimer's care, purchased three Alterra Healthcare communities in Maryland and Delaware for more than $21 million.

The Gaithersburg, Md.-based company acquired communities in Newark, Del., and Hagerstown and Frederick, Md. The acquisition expands the company's operations to a total of more than 700 licensed beds, operating in 10 Alzheimer's care facilities called Somerford Place and three Somerford House facilities targeted for the general assisted living population, says Don Feltman, senior vice president.

Sunrise Sells Facilities For $86M

Sunrise, McLean, Va., announced it had completed a $17 million sale of its Oakland Hills, Calif., facility to Metropolitan Senior Housing.

The deal will sell off the building while maintaining 25 percent ownership interest and securing a long-term contract to manage the facility. The California facility is the 12th Sunrise property purchased by Metropolitan Senior Housing, an affiliate of AEW Capital Management, Boston.

Sunrise also announced it had an agreement to sell four additional properties—two in Altanta, one in California and one in Illinois—for a total of $69 million.

The Altanta and Illinois properties are being sold to entities of Prudential Real Estate Investors. The California property is being sold to a Walnut Creek, Calif.-based investment group headed by David Malcolm.

Sunrise expects to see an income of about $13 million during the fourth and subsequent quarters. Sunrise retained ownership interest in the Atlanta properties and gained long term management contracts for all five properties.

Alterra Names Holiday Exec Interim Head

Milwaukee-based Alterra Healthcare has announced that Patrick Kennedy, an executive with Holiday Retirement Corp., Salem, Ore., is the company's interim chief executive officer (CEO).

In addition to naming the interim CEO, Alterra entered into a consulting agreement with Holiday Retirement Consulting Services, a Holiday affiliate. Holiday's CEO, William Colson, sits on Alterra's board.

Steven Vick, Alterra's chief operating officer, told the Milwaukee Journal Sentinel that these developments do not mean that Holiday will be purchasing the financially strapped company. Vick has been supervising a financial restructuring that began seven months ago. Alterra had announced its plans to sell off 80 assisted living facilities and other properties to generate cash and prevent a bankruptcy filing.

Alterra currently operates 450 residences in 26 states. After restructuring, the firm plans to operate 350 to 360 residences that would serve 17,000 people. Chief Financial Officer Mark Ohlendorf said the company has $900 million in mortgage debt and $400 million in convertible debt and owes $700 million in lease financing. The company anticipates revenue of nearly $600 million. At press time, third quarter results had not yet been released.

Kennedy will serve as CEO until the company finishes its restructuring. Vick said no date has been set for the completion.

Earlier this year, Alterra sold 12 of its Wisconsin assisted living centers to Our House Assisted Living for $12.2 million. Meanwhile, the Washington Mutual Bank of Houston, Texas, filed a suit against Alterra for defaulting on an $80 million loan, according to the Milwaukee Journal Sentinel.

The suit asks that a court appoint a receiver to take possession of Alterra's cash collateral. Alterra listed 21 facilities as collateral for the loan.

Seattle-based Merrill Gardens has named **Kathryn Neste** vice president of national sales. Neste will oversee sales and marketing for all 59 Merrill Gardens communities. Neste has worked in the assisted living and retirement industry for the past seven years.

Peter Hunter has been named director of construction for Senior Resource Group, located in San Diego. Prior to joining Senior Resource, Hunt was a project manager for Roel Construction, also in San Diego.

Peachtree Estates Assisted Living in Dalton, Ga., has named **Sally Br ewer** as Alzheimer's special care director for The Village dementia unit. Prior to joining Peachtree Estates, Brewer was Alzheimer's program director for Cara Vita Corp., Roswell, Ga.

Crystal Grantham of Grand Island, Neb., was named the American Health Care Association/National Center for Assisted Living's Young Adult Volunteer of the Year. Grantham, 18, accumulated more than 1,280 volunteer hours visiting seniors in the nearby Grand Island Veterans Home, an assisted living and skilled nursing facility. She began volunteering at the age of 12 and recently won the Nebraska Assisted Living Association's Young Adult Volunteer of the Year Award. This past summer, Grantham began working at the facility as a nurse assistant.

Douglas Adkins , executive director of Dayspring Village, has been named to a Florida state legislative work group whose goal is to coordinate mental health programs between hospitals, law enforcement agencies, community-based providers, schools, and already-established mental health programs. He also served as chairman of the Florida Center for Assisted Living.

Aston Gardens at Sun City Center has named **Diane Vandiver** director of sales and marketing for the Tampa, Fla., independent and assisted living community. Prior to joining Aston Gardens, Vandiver had been the area director of Sales and Marketing for Marriott Senior Living Services.

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