On A Mission

“Improving Lives by Delivering Solutions for Quality Care”

In 1961, President John F. Kennedy announced before a special joint session of Congress that the United States would put a man on the moon before the end of the decade. That same year, while visiting NASA headquarters, President Kennedy came across a janitor and asked him what he did at NASA. The janitor replied, “I’m helping put a man on the moon.”

At the American Health Care Association and the National Center for Assisted Living, our mission may be different, but our collective focus is not. Our mission is to improve lives by delivering solutions for quality care. That isn’t just my job. It’s the mission of everyone who works at AHCA/NCAL. It is a new statement the Board adopted in 2012, but its sentiment is nothing new for those working within our Association walls or within the walls of a skilled nursing center or assisted living community.

This new mission statement comes at an important time. The nature of the profession itself is shifting. More people are seeking long term care in assisted living and home and community-based settings, while more patients go to a skilled nursing center for post-acute care or rehabilitation. Meanwhile, there is growing pressure from the government and the public to deliver high quality care at a lower cost. The entire health care system is in the midst of vast restructuring as millions more aging Americans require our services with each passing day.

We have two choices: we can either wait to see what hand our profession is dealt, or we can take charge of our fate. AHCA/NCAL understands that to thrive in this new paradigm we must take charge. And that means offering solutions that will help answer the challenging questions of the day. While addressing these issues may seem daunting, we look at this time as an opportunity to demonstrate the importance and value of skilled nursing and assisted living care.

President Kennedy was looking for an American project that would capture the public’s imagination and elevate the United States as the undeniable world leader over the Soviet Union. We want to ensure that our grandparents, parents and future generations are provided the utmost care that instills dignity and respect.

AHCA/NCAL is honored to be the collective voice in Washington for this profession. We know that the mission inspires action, that progress never ceases, that change is inevitable, and that the ability to better the lives of others is beyond rewarding.

Mark Parkinson
AHCA/NCAL President & CEO
A Broad-Based Membership

AHCA/NCAL is the largest association representing long term and post-acute care facilities in the country.

Membership on the Rise

<table>
<thead>
<tr>
<th>Month</th>
<th>Member Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 11</td>
<td>11,318</td>
</tr>
<tr>
<td>Dec 11</td>
<td>11,354</td>
</tr>
<tr>
<td>Jan 12</td>
<td>11,400</td>
</tr>
<tr>
<td>Feb 12</td>
<td>11,383</td>
</tr>
<tr>
<td>Mar 12</td>
<td>11,397</td>
</tr>
<tr>
<td>Apr 12</td>
<td>11,385</td>
</tr>
<tr>
<td>May 12</td>
<td>11,384</td>
</tr>
<tr>
<td>Jun 12</td>
<td>11,399</td>
</tr>
<tr>
<td>Jul 12</td>
<td>11,403</td>
</tr>
<tr>
<td>Aug 12</td>
<td>11,448</td>
</tr>
<tr>
<td>Sep 12</td>
<td>11,539</td>
</tr>
<tr>
<td>Oct 12</td>
<td>11,567</td>
</tr>
<tr>
<td>Nov 12</td>
<td>11,622</td>
</tr>
</tbody>
</table>

AHCA/NCAL is the largest association representing long term and post-acute care facilities in the country.

Membership Makeup*

<table>
<thead>
<tr>
<th>Ownership Type</th>
<th>No. of Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Owned</td>
<td>5,754</td>
</tr>
<tr>
<td>Independently-Owned</td>
<td>5,906</td>
</tr>
<tr>
<td>State-Owned</td>
<td>229</td>
</tr>
</tbody>
</table>

49 state affiliates
48 states + D.C.

11,660 member facilities

8,634 skilled nursing care centers
(includes Developmental Disabilities + DD waiver)

2,410 assisted living communities

616 skilled nursing and assisted living facilities

* facility ownership may overlap
Leading the Way

AHCA Board of Governors

▶ Neil Pruitt, Jr., Chair
▶ Leonard Russ, Vice Chair
▶ Lane Bowen, Secretary Treasurer
▶ Robert Van Dyk, Immediate Past Chair
▶ Robin Hillier, Executive Committee Liaison
▶ Orlando Bisbano, Jr., At-Large Member
▶ Paul Liistro, At-Large Member
▶ Frank Romano, At-Large Member
▶ Michael Wylie, At-Large Member
▶ Tom Coble, Independent Owner Member
▶ Tim Lukenda, Multifacility Member
▶ Gary Kelso, Not-For-Profit Member
▶ Glenn Van Ekeren, Regional Multifacility Member
▶ Mike Shepard, NCAL Member
▶ John Poirier, ASHCAE Member
▶ Shawn Scott, Associate Business Member
▶ Mark Parkinson, President & CEO

NCAL Board of Directors

▶ Mike Shepard, NCAL Chair
▶ Patricia Giorgio, NCAL Vice Chair
▶ Christian Mason, NCAL Secretary/Treasurer
▶ Nicolette Merino, Immediate Past Chair
▶ Ashley Blankenship, At-Large Member
▶ Helen Crunk, At-Large Member
▶ Gerald Hamilton, At-Large Member
▶ Marcia Hamilton-Dooner, At-Large Member
▶ Steven Heaney, At-Large Member
▶ Jeanne Jaeckels, At-Large Member
▶ Deborah Lowe Meade, At-Large Member
▶ Joseph Perkin, At-Large Member
▶ Laurie Shepard, At-Large Member
▶ Dee Thieme, At-Large Member
▶ Gary Troth, At-Large Member
▶ Brett Waters, At-Large Member
▶ Kristin Kemper West, At-Large Member
▶ Roderick Wolfe, At-Large Member
▶ Richard Herrick, ASHCAE Vice President
▶ Cindy Luxem, ASHCAE Representative
▶ Rich Miller, ASHCAE Representative
▶ Angie Szumlinski, ABM Representative
▶ Neil Pruitt, Jr., AHCA Chair
▶ Leonard Russ, AHCA Vice Chair

Board Members Deliver Strength in Diversity and Experience

* Among the most prestigious privately held and publicly traded companies

* From small, independent facilities to multifacility corporations, both non- and for-profit

* Innovators in improving quality care

* Experts in Alzheimer’s and dementia care

* Members range from facility administrators to company owners

* Average Board member has 24 years of experience in the profession

* Diverse portfolio of long term and post-acute care facilities

* Facilities in 41 states
The AHCA Quality & Regulatory Affairs Department interacts with the Centers for Medicare and Medicaid Services daily on the development and design of policies affecting the long term and post-acute care profession. By strengthening AHCA’s relationship with regulators, the department ensures the Association efficiently and effectively responds to issues as they arise. The department also assists members by continually identifying and developing practical resources for facilities to use in their quality improvement efforts.

The AHCA/NCAL Quality Initiative

In February 2012, among 400 providers and caregivers at AHCA/NCAL’s Quality Symposium, the Association paved a new path in what it means to improve quality care by announcing the AHCA/NCAL Quality Initiative. This effort that builds upon the existing work of the long term and post-acute care profession by setting specific, measurable targets to further improve quality of care in America’s skilled nursing centers and assisted living communities. AHCA/NCAL members are being challenged to reach defined, concrete goals over the next three years in four core areas:

<table>
<thead>
<tr>
<th>Quality Care</th>
<th>AHCA Goal</th>
<th>NCAL Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safely Reduce Hospital Readmissions</td>
<td>By March 2015, safely reduce the number of hospital readmissions within 30 days during a SNF stay by 15%.</td>
<td>By March 2015, safely reduce hospital readmissions by 15%. Communities that have less than 5% of residents with hospital readmissions maintain rates below 5%.</td>
</tr>
<tr>
<td>Increase Staff Stability</td>
<td>By March 2015, reduce turnover among nursing staff (RN, LPN/LVN, CNA) by 15%.</td>
<td>Each year, until March 2015, keep nursing staff turnover rates below 30%.</td>
</tr>
<tr>
<td>Increase Customer Satisfaction</td>
<td>By March 2015, increase the number of customers who would recommend the facility to others up to 90%.</td>
<td>By March 2015, maintain the number of customers who would recommend the community to others at or above 90%.</td>
</tr>
<tr>
<td>Safely Reduce the Off-Label Use of Antipsychotics</td>
<td>By December 2012, reduce the off-label use of antipsychotic drugs by 15%.</td>
<td>By December 2013, safely reduce the off-label use of antipsychotic drugs by 15%.</td>
</tr>
</tbody>
</table>

Additional information and resources: qualityinitiative.ahcancal.org

---

2 At the time this report went to print data were not yet available to determine if AHCA met its antipsychotic goal.
The AHCA/NCAL Quality Award Program

The Quality Award Program is a progressive, three-step program based on the criteria of the Baldrige Performance Excellence Program. It sets members on a prestigious path to improve their quality outcomes. The program is the largest program in the country with increasing participation, receiving nearly 1,000 applications each year.

Facilities may apply for recognition and awards at three levels: Bronze, Silver and Gold. Those who receive the Silver and Gold awards are more likely than other facilities to have fewer survey deficiencies and higher satisfaction scores.

Percent of Nursing Facilities with High (4 or 5) Five Star Overall Rating

<table>
<thead>
<tr>
<th>Quality Award: Gold &amp; Silver</th>
<th>71%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Others</td>
<td>43%</td>
</tr>
</tbody>
</table>

AHCA Analysis of CMS Five Star Nursing Home
Compare data (March 2012)

5,260 organizations use LTC Trend Tracker
as of December 2012

LTC Trend Tracker℠

LTC Trend Tracker is a free, online tool available to all AHCA members. Facilities can access performance reports to help track, organize, identify, benchmark, examine and compare clinical, quality and financial operations data over time.

Features:

▶ NEW An updated Quality Measure report that allows facilities to track and compare performance on the new CMS quality measures, including both long-stay prevalence and short stay incidence in the off-label use of antipsychotics.

▶ NEW A Five Star Quality Measure rating report that allows users to simulate what it would take to improve their rating by improving performance on particular QMs.

▶ LTC TT also has a similar report that shows users what it would take in terms of increasing RN or direct care staff staffing to improve a facility’s Five Star staffing rating.

▶ Other features:
  • The ability to preselect and have LTCTT reports emailed directly to your computer on a schedule the user determines.
  • The ability to create customized peer groups for benchmarking purposes.
  • The ability to select and display key items that appear on your LTCTT dashboard when you log in.

22% of AHCA/NCAL members have received a National Quality Award

2,380 Bronze
223 Silver
13 Gold

qa.ahcancal.org

www.ltctrendtracker.com
Research

The AHCA Research Department provides comprehensive data to analyze professional trends and support AHCA’s advocacy efforts. AHCA also contracts with outside research groups to produce credible, anticipatory research. Through this information, AHCA is able to calculate potential effects of proposed policies and inform members about critical issues, such as forthcoming payment models and the development of quality outcome measures.

Eljay: The Medicaid Shortfall Report

The annual report, performed by Eljay, LLC., works with state affiliates to compile information on the shortfall between Medicaid reimbursement and allowable Medicaid costs. This year’s report also assesses the Medicare program, as well as annual cost increases based on the market basket, to provide a complete outlook on facilities’ operating margins.

2012 AHCA Quality Report

The 2012 AHCA Quality Report is the most comprehensive collection of data available on the standard of care in America’s skilled nursing and rehabilitation centers. By gathering CMS data, current literature and other prevalent research on the profession, AHCA was able to provide a balanced analysis of the current quality trends. The report found improvements in a majority of quality measures, declines in citations, increases in staffing levels and improvements in customer satisfaction rates.
The AHCA Reimbursement Department provides expert analysis of Medicare and Medicaid policy and its implications on the profession. By building deep relationships with key federal partners, including CMS, MedPAC and MACPAC, the department is able to proactively shape reimbursement policy before it’s finalized. Additionally, the Reimbursement team collaborates with other health care sectors to strategically advocate for the long term and post-acute care profession.

Focuses & Efforts

<table>
<thead>
<tr>
<th>Medicare</th>
<th>Medicaid</th>
<th>Legal Advocacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Long-standing Medicare policy (Part A &amp; B)</td>
<td>▶ Current Medicaid policies</td>
<td>▶ Legal Committee supporting AHCA/NCAL legal action and positions</td>
</tr>
<tr>
<td>▶ Medicare innovations (Accountable Care Organizations, Bundling)</td>
<td>▶ Future reform strategies</td>
<td>▶ Compliance expertise</td>
</tr>
<tr>
<td></td>
<td>▶ In-house Medicaid research</td>
<td>▶ Affordable Care Act implementation guidance</td>
</tr>
</tbody>
</table>
As the largest association representing long term and post-acute care facilities, AHCA/NCAL considers it a privilege to carry the profession’s message to our nation’s leaders. With an internal and external government affairs team, the Association leverages its decades of experience on the Hill to interact with Members of Congress and their staff daily. AHCA/NCAL also utilizes its own membership to connect with Congress through personal relationships, private meetings and facility tours, so policymakers can hear firsthand how their decisions directly affect providers.

**Legislative Efforts**

- **1,710** individual contacts with Members of Congress

**Grassroots Campaign**

- **118,120** activists nationwide
- **64,000** letters generated
- Through AHCA’s CapWiz system, members can contact their representative in Congress in an instant after receiving an alert on an issue.

**Political Action Committee**

- **$1,000,117** hard money raised in 2012
- **$1,136,440** soft money raised in 2012
- **205** facility tours
- **135** “Advocacy-in-a-Box” toolkits
  - Educates residents, family members, and staff about important legislative issues
  - Recruits new advocates for quality care
  - Communicates with Members of Congress when it matters most
  - Tailor made for each facility

**Targeting Key Members of Congress**

- In leadership positions
- On the 3 committees of jurisdiction on the profession
  - House of Energy and Commerce
  - House Ways and Means
  - Senate Finance
- **205** facility tours
- **135** “Advocacy-in-a-Box” toolkits
  - Educates residents, family members, and staff about important legislative issues
  - Recruits new advocates for quality care
  - Communicates with Members of Congress when it matters most
  - Tailor made for each facility

- **$1,000,117** hard money raised in 2012
- **$1,136,440** soft money raised in 2012
- **171** political events
  - **124** in congressional districts
  - **47** in D.C.
  
  **Highlights include:** Speaker Boehner with 19 other Members at AHCA, Sen. Reid at AHCA twice, Rep. Pelosi with 7 other Members at AHCA, Sen. McConnell in D.C.
- **2**nd largest PAC in the hospital/nursing home sector
- **7**th largest among trade group PACs

**www.ahcancal.org/advocacy**
As the voice of the Association, the Public Affairs department engages with the media and assists states in enhancing the profession’s message to lawmakers and the public. The important issues facing the long term and post-acute care profession in 2012 demanded unprecedented communications outreach.

**Media Outreach**

**Major Media Buys**
in 11 national media markets
WA, NV, AZ, NM, TX, MI, DC, VA, FL, MA, MO

**Radio Tour**
in 7 states
AZ, FL, MI, NV, TX, NE, VA

**Assisted States**
with media issues in 2011 and 2012
NE, AZ, MA, OH, MI, CT

*Sponsored New Hampshire GOP Presidential Primary Debate*
AHCA launched a new and improved website in June 2012 with a modern look and simpler navigation. The new site reflects the association's position as a leading professional organization. New features on the website include more visible links to important downloads, popular links and multimedia resources.

As a part of AHCA's ongoing work to educate the public about the profession and reshape its public image, the AHCA Board of Governors approved a new mission statement: **improving lives by delivering solutions for quality care**. AHCA/NCAL also launched a new brand mark to accompany that statement. Together, the mission statement and updated logo signal a new direction for our profession.

Making An Impression

- AHCA ads Inside the Beltway achieved **1.4 million** media impressions
- CEO Governor Mark Parkinson made live appearances on CNBC and Fox Business News

A New Look

AHCA launched a new and improved website in June 2012 with a modern look and simpler navigation. The new site reflects the association's position as a leading professional organization. New features on the website include more visible links to important downloads, popular links and multimedia resources.

As a part of AHCA's ongoing work to educate the public about the profession and reshape its public image, the AHCA Board of Governors approved a new mission statement: **improving lives by delivering solutions for quality care**. AHCA/NCAL also launched a new brand mark to accompany that statement. Together, the mission statement and updated logo signal a new direction for our profession.

www.ahcancal.org
In early 2011, AHCA launched a nationwide Public Education and Communications Campaign (PECC) to change the public's negative perception of the long term care profession and educate audiences on the types of care provided to more than 3.7 million Americans.

### Phase 1: October 2011 – March 2012
- Extensive research on America’s Baby Boomer population
- Television, print, internet and radio advertisements
- Development of a consumer-focused website: www.CareConversations.org

**The Results**
- Awareness of the profession increased by 55%
- Overall perceptions of the profession increased by 4%
- Visits to facilities increased by 30%

### Phase 2: March 2012 – November 2012
- National online advertisements designed to allow states to adopt the endeavor in local markets

**The Results**
- Internet Display Ads generated traffic to CareConversations.org in every state
- 26,000 visits
- A 525% increase in web traffic, compared to when no online ads were running

### Phase 3: November 2012 – 2013
- Enhance the website and new material
- Launch a targeted TV effort in the Washington, D.C. Area
- Conduct additional research to benchmark the success of the campaign

FACT #7: STATE EXECS ENDORSE CARE CONVERSATIONS.
See what Heath Boddie, Steve Ackerson, Kathleen Collins Pagels, Joseph Donchess, and David DaLumia all had to say.

[Click to visit CareConversations.org and view our TV commercials “In Their Own Words.”]
Provider Magazine

Winner of an EXCEL award from the Association of Media & Publishing

2012 first place Gold award in the category of Web Publishing Redesign

www.providernation.wordpress.com

Get the latest news on the profession at the new Provider magazine blog: Provider Nation

http://providernation.wordpress.com/
Member Services

To assist the more than 11,000 AHCA/NCAL member facilities, the Association provides the tools and resources long term care professionals need, along with the training, education and networking opportunities they want.

Gero Nurse Prep

Created to expand the knowledge, skills, competencies, personal and professional growth of registered nurses in long term care facilities, Gero Nurse Prep prepares RNs as they attain national certification as Gerontological Nurses. AHCA/NCAL is proud to sponsor this online training program in partnership with the University of Nebraska Medical Center, as another helpful tool for members to continue on their quality improvement journey. Since its inception, 600 RNs have enrolled.

www.geronurseprep.org

Preferred Provider Programs

AHCA/NCAL members can take advantage of exclusive discounts designed to help members save on everyday products ranging from insurance to shipping services. Our Preferred Providers that offer discounts include:

- APPI Energy
- CommPartners
- Employee Relations, Inc.
- Everbridge
- FTD
- Health Cap
- PartnerShip
- TSYS Merchant Solutions

Associate Business Members

AHCA/NCAL’s Associate Business Member program is designed for companies that share a genuine interest in furthering the quality of long term and post-acute care and are dedicated to the success of the profession. Our ABMs help support important AHCA/NCAL programs and services as well as our advocacy and policy efforts. Currently, 164 companies are ABMs who work in fields ranging from transportation to legal services. ABMs benefit from special discounts and value-adding services, key networking and member access opportunities, critical information on the profession, and involvement in advocacy and grassroots programs.

Webinars

- 31 webinars
- 4,318 registrants
- 3,702 accessed archived webinars
- Most popular webinar: An Innovative Approach to Identifying and Communicating Change of Condition: Introduction to INTERACT 2

webinars.ahcancal.org
HCA/NCAL has a unique opportunity to gather the ideas, creativity, and innovations of thousands of long term and post-acute care professionals across the nation. Whether at one of the regional conferences or its national Convention & Expo, the Association strives to create great networking and learning opportunities throughout the year.

**Featured Speakers**

From industry-specific to political, from inspirational and motivational, to business-savvy and leadership orientated, AHCA/NCAL brought event attendees exciting keynote speakers in 2012. Highlights include:

▶ New York Times Best Selling Author – Jim Collins
▶ New York Times Best Selling Author, US Navy Captain and Astronaut – Captain Mark Kelly
▶ Fox News Correspondent – Nina Easton
▶ Best Selling Author and Huffington Post Correspondent – Howard Fineman
▶ General Rebecca Halstead (US Army Retired)
▶ Generational Expert – Cam Marston
▶ Cofounder and Founding Editor of Fast Company Magazine – Bill Taylor
▶ Culture Change Expert – Dr. Bill Thomas

**Annual Events**

▶ **ANNUAL CONVENTION & EXPO** The must-attend event for long term and post-acute care professionals to learn, network and celebrate the work we do.

▶ **CONGRESSIONAL BRIEFING** The Washington gathering allows hundreds of providers to meet their Members of Congress in person and discuss legislative issues facing residents, families and communities.

▶ **QUALITY SYMPOSIUM** Practical, real-world ideas and solutions are provided to attendees who strive to achieve excellence across the operational and care spectrums.

▶ **INDEPENDENT OWNERS CONFERENCE** Designed exclusively for independently-owned facilities, this conference examines the unique challenges these providers are tackling.

▶ **CEO SPRING & FALL CONFERENCES** An enriching experience for senior level long term and post-acute care executives to share experiences and learn innovative strategies.

▶ **NCAL SPRING CONFERENCE** This new conference focuses on improving, enhancing and celebrating assisted living facilities, with this past year’s focus on risk management.

---

As a first time attendee, I found the 2012 AHCA Convention to be amazing! The keynote speakers were motivational and the educational opportunities were on right on target with our ever-changing profession.”

Lori A. Shyrock
Administrator, Medicalodges Douglass
National Center for Assisted Living

NCAL is an undeniable force for the Association, increasing its influence for an assisted living profession that is increasingly important within the health care spectrum. With a relatively small, but dedicated team, NCAL is able to maximize its reach through coordination with its state affiliates and in partnership with AHCA.

On the Hill

- Led the charge against a proposed definition of home and community-based settings under Medicaid by rallying membership to submit comments to CMS
- Met with key leaders of the Senate Special Committee on Aging to advocate for state autonomy in assisted living oversight and deter prospective legislation that would federally regulate the profession
- Worked closely with the Centers for Disease Control and Prevention’s Center for Health Statistics on its new national survey of assisted living

Assisting Members

- Delivered presentations at more than 30 state affiliate conventions and other national meetings
- Published the NCAL 2012 Assisted Living State Regulatory Review which details the continuously evolving state regulatory environment
- NCAL’s first Spring Conference received high marks for its focus on risk management in assisted living
- Received the 2012 Mature Media bronze award for NCAL’s 2011 National Assisted Living Week program guide

Growing Membership

Member Beds

<table>
<thead>
<tr>
<th>Year</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>104,240</td>
</tr>
<tr>
<td>2007</td>
<td>113,189</td>
</tr>
<tr>
<td>2008</td>
<td>115,061</td>
</tr>
<tr>
<td>2009</td>
<td>121,167</td>
</tr>
<tr>
<td>2010</td>
<td>125,345</td>
</tr>
<tr>
<td>2011</td>
<td>135,778</td>
</tr>
<tr>
<td>2012</td>
<td>144,077</td>
</tr>
</tbody>
</table>

- Exceeded growth goals for 2012
- Assisted living programs launched this year in Nevada and New York

Improving Quality Care

- Launched NCAL’s side of the Quality Initiative with goals and tools specifically tailored for assisted living providers
- Published assisted living criteria for the Bronze level of the AHCA/NCAL National Quality Award Program
- Actively participated in the development of the Facility Guidelines Institute’s new architectural standards for assisted living
- Conducted surveys and published findings of NCAL’s performance measures related to quality of life and employee vacancy, retention and turnover in assisted living communities
- Finalized clinical measures for assisted living

On the Hill

Assisting Members

Growing Membership

Improving Quality Care