

President's Message



FLiCRA is off to a fine start for the New Year going into our 29th year as the Voice of residents in Florida's continuing care retirement communities (CCRCs). Legislative success for the 2018 CCRC reform

bill will hopefully be close to the finish line in House and Senate debate by the time you receive this issue of the *Resident Connection*.

When FLiCRA was formed in 1989 most residents were likely to be from the Greatest Generation (born 1914-1924). Now, most are probably from the Silent Generation (born 1925-1942) that followed. Studies have shown that both generations shared characteristics among which was deemed to be their highest value: "Security and Stability." FLiCRA was far from Silent throughout the years as that strong Voice for generations of CCRC residents. Through membership in FLiCRA for nearly three decades, residents have supported the FLiCRA mission, goals, and purpose in protecting quality of life through successful advocacy for ongoing updates of Chapter 651, Florida Statutes.

CCRCs were cited in a recent online *Kiplinger Personal Finance Report* on paying for continuing care, and these points were made:

1. Think about purchasing a home
2. Think about purchasing an insurance contract
3. Think about making one of the biggest financial and lifestyle decisions in your life.

The decision to go into a continuing care retirement community is all three of these decisions bundled into one.

As residents of CCRCs we made this decision and wish to ensure that this life choice offers security and stability. The 2018 CCRC reform bills, Senate Bill 438 and House Bill 783 provide CCRC residents and prospective residents with more assurance that strengthened protection under Florida law can be more fully relied upon.

This came about through the intensive work of our coalition of representatives of the stakeholders that included FLiCRA, LeadingAge, and the Office of Insurance Regulation, along with input from the Governor's Continuing Care Advisory Council, to remedy weaknesses in Chapter 651. The work has continued daily for months even after the bills were filed to get the necessary hearings in legislative committees. Then negotiations continued to ensue with "reasoned disagreement among reasonable people" in making consequential decisions for finalizing language.

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*"A Resident-Led
 Association to
 Ensure Quality of
 Life in
 Retirement
 Communities"*

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Bear in mind that up to ten lobbyists were present throughout the session to represent the positions of provider owners and the industry association along with our own FLiCRA government affairs team.

All of this has taken place within a backdrop laid out in a January article published in *The Orlando Sentinel* from an interview with UCF Professor Aubrey Jensett, an expert in Florida politics, American government and local politics. He was asked if he could remember another Florida legislative session that included the current level of political intrigue and turmoil. His answer: “No, not in the last 30 years.” He attributed some of this to key membership losses due to sexual harassment or impropriety combined with political ambitions of a number of key players vying for high profile races “making for a Session that proceeds on through uncharted territory.

It makes it challenging to get meaningful legislation passed.”

FLiCRA had the political will and the leadership to meet the challenge that resulted in “meaningful legislation” embodied in the CCRC reform bills which improved regulatory efficiencies to promote financial stability and prohibit hazardous transactions; amendments shown in definitions leaves no room for ambiguity.

FLiCRA led an effective march for more transparency and communication with CCRC residents, because: OUR MEMBERS MATTER.

Pat Arends, FLiCRA President

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Region 6 Director

Vacant

The Region 1 & 6 Director positions are open. Interested resident members may contact Bennett Napier, CAE at bennett@executiveoffice.org for more information.

2018 Florida Legislative Update

Regular Legislative Session Adjourns March 9, 2018

Continuing Care Retirement Community Legislation

Senate Bill 438 by Senator Tom Lee and House Bill 783 by Representative James Grant address regulatory reform on continuing care retirement communities.

Senate Bill 438 will have passed three committees by the time you receive this newsletter.

House Bill 783 will have passed several committees by the time you receive this newsletter.

You can view the most up-to-date committee staff analyses on each bill with the links provided:

<http://www.flsenate.gov/Session/Bill/2018/783/Analyses/h0783b.HHS.PDF>

<http://www.flsenate.gov/Session/Bill/2018/438/Analyses/2018s00438.agg.PDF>

If you would like to view one of the actual committee debates on House Bill 783 you can view that video coverage online at:

<http://www.myfloridahouse.gov/Sections/Committees/committeesdetail.aspx?CommitteeId=2915>

Select February 15, 2018 video and fast forward the video to about the two hour, eight minute mark, which starts the coverage of House Bill 783.

FLiCRA supports this legislation. This is priority legislation.

Nursing Home and Assisted Living Generators

Senate Bill 1592 would provide tax exemptions of up to \$30,000.00 for nursing homes and assisted living facilities to purchase generators.

A committee staff analysis is located at:

<http://www.flsenate.gov/Session/Bill/2018/1592/Analyses/2018s01592.ag.PDF>

Senate Bill 1874 has passed two committees.

The bill requires, by June 1, 2018, each facility to have an operational emergency power source and fuel to sustain an air temperature set in rule for at least 96 hours.

The bill also requires that each facility have a plan to monitor residents to ensure that they do not suffer from complications from heat exposure and a plan to safely transport residents to an appropriate facility if the facility's management knows it will be unable to sustain safe temperatures.

A committee staff analysis for Senate Bill 1874 is located at:

<http://www.flsenate.gov/Session/Bill/2018/1874/Analyses/2018s01874.ahs.PDF>

How to Track Legislation

All residents, if they would like to do so, can sign up for free bill tracking with the Florida Legislature to track these and other bills that may be of interest.

You can sign up here for free at:

<https://www.flsenate.gov/Tracker/Signup>

5 Senior Living Trends for 2018

What does the new year hold for senior living? I recently spoke with Lisa McCracken, senior vice president of senior living research and development for specialty bank Ziegler, to get her perspective, especially as someone who is in frequent communication with chief financial officers and other leaders at not-for-profit senior living communities.

1. Staffing and workforce issues

Recruitment and retention remain a challenge across all types of for-profit and not-for-profit aging services providers — residential housing, home healthcare, hospice, etc. — McCracken said.

“Thinking of collaborative approaches to tackling that problem is going to continue to be a focus for providers in 2018,” she said, adding that operators, even competing ones, are considering creating pools of staff members from which they can draw as needed or offering housing for staff. “Those are things that we never have heard in recent history,” McCracken added.

Especially in skilled nursing and post-acute settings, she said, providers face a “perfect storm” of an increasing minimum wage, numerous retirements, evolving staffing requirements due to changes in the resident/patient mix, healthcare reform and other issues.

Operators would do well to address the basics, McCracken said. “In addition to compensating people well, you’ve got to know how to engage with your staff and provide a meaningful workplace,” she said. “Really think of your staff as customers just as much as your residents and your patients.”

2. Changing business models

Facing length-of-stay decreases, patient/resident volume changes and reimbursement that might be decreasing due to managed Medicare, for-profit and not-for-profit skilled nursing/post-acute providers that do a high volume of care of patients discharged from the hospital are considering changes to their business models, McCracken said.

“The dollars and cents may be more lean and challenging than in years past,” she said. “Many providers are saying, ‘What is our role in this space moving forward? If I were to do this 10 years ago, this is how many skilled nursing beds I would plan. Is that number going to be the same today?’ ”

Operators are considering converting semi-private rooms to private rooms, reinvesting to make units more homelike rather than institutional or getting out of the skilled nursing business altogether and beefing up offerings in personal care or assisted living, among other options, she said.

The latter option may be more appealing in settings with a relatively smaller skilled component, such as some continuing care retirement communities, also known as a life plan communities, McCracken said. “If you have a 200-bed skilled nursing unit, it’s a little harder to shut that one down than if you only have a 25-bed unit,” she added.

“I think we’re going to see providers continue to figure out what their place is in the post-acute world,” McCracken continued, noting that a provider’s approach to the future will vary based on its experience and the regulatory environment in which it operates.

“Some CCRCs and life plan communities, particularly those with type A contracts, do not do much as it relates to hospital discharges and are not very heavily reliant on on any type of post-acute care for revenue,” she said. “So they are feeling that they have a skilled nursing exposure and threat a little less than some of the others.”

3. Continued consolidation

The challenges faced by senior living and other organizations along the healthcare spectrum are continuing to drive consolidation, McCracken said.

“Every day, we see different health systems that continue to come together,” she said. “Even ones that we think were consolidated are consolidating.”

These mergers, not just of larger and smaller organizations but also of equal-sized ones, are “changing the game” for providers, McCracken said.

“It’s really largely today, compared to five years ago, more strategically driven,” she said. Leaders, she added, are asking, “Can we do this alone? We might be able to still be here eight to 10 years from now, but can we be in a much stronger position eight to 10 years from now if we partner up with someone?”

The necessity for and success of such transactions, she said, will depend on the market. Operators in more competitive markets “may be more inclined to have those conversations sooner rather than later,” McCracken added.

4. New approaches to financing projects

The new tax law preserves the use of tax-exempt private activity bonds to finance acquisitions, new construction and renovations by not-for-profit organizations, but it eliminates the ability of not-for-profit organizations and others to undertake a one-time advance refunding of a bond, lowering their overall borrowing costs.

The change may affect not-for-profit provider decisions to start new projects or campuses in the short term, McCracken said.

“Generally, what has allowed not-for-profit providers to venture into those types of projects is knowing, ‘OK, this many years down the road, once we fill up, we stabilize, we prove that this is successful and we’re good, we can refinance that debt and bring the cost of capital down,” she said. “If their hands are tied with that, that’s going to cause people to sit back and say, ‘OK, how does this impact our growth plan?’ ”

Longer term, McCracken said, initial financing deals may be structured differently to account for the change.

But the tax bill contains more not-so-good news for operators, she said.

“With the corporate tax rate going down, those with bank debt will likely be seeing some higher costs of capital as the rates fluctuate,” McCracken said.

5. Technology

Senior living operators will continue to adopt technology to address the challenges they face, McCracken said.

“We’re hopeful that reimbursement and regulation can continue to follow,” she said. “Telehealth and telemedicine present a number of solutions as relates to some of these challenges, but [providers] have to think, ‘How do we get paid for this? Can this get reimbursed, or is this just something that we pay for ourselves knowing that it’s going to solve “x, y, z” type of challenges we’re having?’ ”

Lois A. Bowers is senior editor of McKnight’s Senior Living. Follow her on Twitter at @Lois_Bowers.

Source: <https://www.mcknightsseniorliving.com/editors-columns/5-senior-living-trends-for-2018/article/733791/>



MARK YOUR CALENDAR

2018 Annual Conference & Chapter Delegates Meeting

November 8th, 2018
Fleet Landing
Atlantic Beach, FL

Florida's Constitution Revision Commission

The Constitution Revision Commission (CRC) convenes once every 20 years to examine the Florida Constitution and propose changes for voter consideration. Created by Article XI, Section 2 of the Florida Constitution, the CRC is composed of 37 Commissioners.

The CRC meets for approximately one year, traveling across the State of Florida, identifying issues, performing research and possibly recommending changes to the Constitution.

As part of this process, the CRC holds public hearings to learn about issues that matter most to Floridians and considers public input.

Any proposals that pass the CRC's final vote would be placed on Florida's General Election ballot (November 6, 2018) and must secure at least 60 percent voter approval to become law. Historically between four to six issues have gotten to the ballot based on the Commission's work.

One Commissioner proposal that has been proposed would create rights for residents of nursing homes and assisted living facilities and place those rights in the Constitution. Florida law already has rights for residents of nursing homes, assisted living facilities and continuing care retirement communities.

The elder population using the services in Florida's long-term care system is vast.

There are 683 licensed nursing homes in Florida, with approximately 83,587 beds. Nursing homes in Florida are at 85% capacity at any given time.

There are 3,089 licensed assisted living facilities in Florida, representing approximately 92,000 beds.

The median annual cost of care for a semi-private room in a Florida nursing center is \$87,600.

The median annual cost of care for a private room in a Florida nursing center is \$96,725. The median annual cost for care for a private room in a Florida assisted living facility is \$37,800. Nearly 40 percent of long-term care spending is paid for by private funds.

There are 71 licensed continuing care retirement communities with a resident population of 30,000 seniors.

Here is a link to the Commission's staff analysis of Proposal 88 which relates to the proposal for nursing home and assisted living resident rights going into the Constitution.

<https://www.flcrc.gov/Proposals/Commissioner/2017/0088/Analyses/2017p0088.pre.dr.PDF>

FLiCRA's state board has not taken a formal position on this proposal but likely will at its next formal business meeting.

Members of the public can see the Commission's work in person. Below is a listing of the next two Upcoming Public Meetings of the CRC.

Monday, March 05, 2018
1:00-7:00 PM EST
The Westin
5951 Silver King Boulevard
Cape Coral, FL 33914

Tuesday, March 13, 2018
1:00-7:00 PM EST
University of South Florida - St. Petersburg
University Student Center
200 6th Ave S
St. Petersburg, FL 33701

Nursing Home Gold Seal Award

In the early 2000's, the Florida Legislature created the Gold Seal program.

The Gold Seal Program awards and recognizes nursing home facilities that demonstrate excellence in long-term care over a sustained period, promotes the stability of the industry and facilitates the physical, social, and emotional well-being of nursing home facility residents.

When the panel was created, as part of the legislation, FLiCRA secured a mandated seat for a resident member of our association to serve on the panel.

We want to extend our thanks and appreciation to Ms. Jane O'Donnell, of Oak Hammock in Gainesville, Florida for her dedicated service in that role over the last few years.

In February, the FLiCRA state board of directors appointed a new resident to serve in that role. She also happens to be from Oak Hammock. Mrs. Judith M. Plaut is FLiCRA's new appointee.

Below is a list of the individuals and organizations serving on the Gold Seal Panel.

Florida Statutes Link on Gold Seal Program

http://www.leg.state.fl.us/Statutes/index.cfm?mode=View%20Statutes&SubMenu=1&pp_mode=DisplayStatute&Search_String=400.235&URL=0400-0499/0400/Sections/0400.235.html

Dulce Cuetara	Governor Appointee
Vacant	Governor Appointee
Vacant	Governor Appointee
Robert Snyder, M.P.H.	Department of Health
Vacant	Department of Elder Affairs
Kathryn Hyer, PhD, MPP	Department of Elder Affairs
Vacant	Department of Elder Affairs
Michael Milliken	State Long-Term Care Ombudsman
Judith M. Plaut, M.S.W.	Florida Life Care Residents Association
Molly McKinstry	Agency for Health Care Administration
Shevaun Harris, Vice Chair	Agency for Health Care Administration
Elliott Palevsky	LeadingAge Florida
Bobby Rosenthal, Chair	Florida Health Care Association

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2018 Legislative Advocacy in Action

You may have heard of LeadingAge Florida—they are the association representing and advocating for the owners and providers of CCRCs, to which your Florida Life Care Residents Association (FLiCRA) works closely with, in developing legislation and other actions of joint interest.

During January 15-17, 2018, LeadingAge Florida conducted its Advocacy in Action meeting in Tallahassee. As the only CCRC resident member of LeadingAge Florida at the event, Jim Jandreau and his wife attended this Advocacy in Action with the resident perspective. There were guest speakers, like Representative Mike Miller (R-Orlando), Representative Jeanette Nunez (R-Miami), and Mr. Jimmy Patronis, Chief Financial Officer, State of Florida.

There were delegation visits by LeadingAge Florida, and Jim and Judy had meetings at the capital including one with Senator Tom Lee and Representative James Grant who are co-sponsoring SB438 and HB783 respectively, the Continuing Care

Retirement Community legislation you see noted in other articles in this issue of the *Resident Connection*.

This is expected to be the most comprehensive CCRC reform since the early 1990s. Jim and Judy expressed their sincere appreciation for their sponsorship and support of the CCRC residents in Florida. The delegation also visited Representative Clay Yarborough and Senator Aaron Bean, who are also our Cypress Village legislators. They recognized Judy and Jim as Cypress Village residents and in return thanked them for their visits to Cypress Village. Their support for the CCRC Legislation, SB438 and HB783, was solicited.

Judy and Jim Jandreau and most of the LeadingAge Florida delegation attended the 1st hearing of SB438, the CCRC Legislation, before the Senate Banking & Insurance Committee. There were some minor amendments to Senator Lee's bill and it was passed unanimously.

James Jandreau, FLiCRA State Board Treasurer