

CONNECTICUT CONTINUING CARE ADVISORY COMMITTEE
Masonicare at Ashlar Village, Wallingford, Connecticut
Minutes of the Meeting
Friday, January 17, 2014

Attendance

Mag Morelli presided and the following members were present: Billie Alban, Jennifer Rannestad, Daniel Robinson, Rodney Rolett, Marjorie Sullivan, William Thompson, Jon-Paul Venoit, and Maureen Weaver

Also present was Rich Wysocki, Principal Cost Analyst of the Department of Social Services and Jonathan Fink of BlumShapiro who was representing Darrell Pataska. The meeting was open to the public.

Not attending: Darrell Pataska and Keith Robertson

The meeting was called to order at 10:00 a.m.

Minutes

The minutes of the October 18, 2013 meeting were approved as amended.

Ms. Morelli informed the Committee that Edmund Lawlor had contacted her to say that would no longer be able to attend the advisory committee meetings due to other commitments. Mr. Lawlor had volunteered to take the minutes of the previous committee meetings and his service was recognized by the Committee. Ms. Morelli was asked to send Mr. Lawlor a letter of appreciation.

Commissioner's Comments

Ms. Morelli noted that the Commissioner sent a letter to her responding to the Committee's concern about ensuring that the visually impaired have access to readable materials. In the letter, the Commissioner indicated that he was forwarding Ms. Morelli's letter outlining the concern to Department of Public Health Commissioner Jewell Mullin.

Mr. Wysocki reported that the Department of Social Services (DSS) is in the process of reviewing grant proposals for the Nursing Home Rebalancing program, which is designed to provide funding for nursing homes to develop alternative business models. He also reported that DSS is considering updating the Certificate of Need (CON) statutes and as a result of that update, the CCRC CON exemption language would be moved to the CCRC section of the statutes. He mentioned that if this legislation is proposed that it might raise some longstanding political objection to the exemption language from nursing homes that are in the geographic vicinity of a CCRC.

Ms. Alban and Mr. Robinson asked for clarification of Mr. Wysocki's role as the Commissioner's designee on the Committee and the degree to which the Commissioner is kept informed of the Committee's discussions. Ms. Morelli pointed out that the Commissioner receives the minutes of all meetings and, when the Committee has

specific requests on particular issues (such as the issue raised about readable materials for the visually impaired), Ms. Morelli sends a formal letter to the Commissioner on the Committee's behalf.

Update from Previous Meetings

An update was given on two items carried over from the previous meeting. First, Mr. Wysocki reported that there was no immediate proposal to move the oversight of CCRCs to another department. Second, Ms. Morelli reported that her inquiry to other states revealed no state best practices in providing resident rights in the routine sale off a CCRC.

ConnCCRA Issues Brought to the Attention of the Committee

Georgia Erickson, President of the Connecticut Continuing Care Residents Association (ConnCCRA) submitted a formal letter outlining three areas of concern for the Committee's consideration. The three areas of concern are 1) that debt be incurred for the sole benefit of the CCRC in question, 2) that residents participate meaningfully in budget processes involving the monthly service fee, and that all monies from the monthly service fee be used exclusively for the CCRC in question, and 3) that owners inform residents well in advance of any contemplated increase in debt, change in lending bank(s), or increase in the monthly service fee; and that owners ensure that time and opportunity are available for meaningful discussion with residents prior to changes taking effect. The committee members were previously notified of these issues and were asked to consult their constituencies regarding them. The Committee discussed each issue separately.

On the request that ***debt be incurred for the sole benefit of the CCRC in question***, Mr. Rolett commented that it is the duty of the CCRC board to ensure the institution thrives into the future. This includes the need to remain competitive which may require expansion or investment in other campuses for future growth and expansion. Ms. Alban raised concern over the validity of marketing studies utilized to plan these expansions and expenditures. ConnCCRA then raised the residents' concern that it is the current resident that is required to pay the debt service for these future needs. Ms. Rannestad stated that strong disclosure requirements and marketplace competition should work to bring fairness to fee structures and increases. Mr. Rolett stated that he has worked with CCRCs in New York for 20 years. He pointed out that New York regulations place controls over the proprietary investment practices of CCRCs and that these regulations have thwarted the growth of the CCRC industry in New York. He agreed that a focus on disclosure would be most helpful: informing residents of circumstances in which capital might be pulled out of the entity and for what purpose so that the residents can then make informed decisions.

On the request that ***residents participate meaningfully in budget processes involving the monthly service fee, and that all monies from the monthly service fee be used exclusively for the CCRC in question*** the discussion focused on what would constitute "meaningful" and whether there are best practices in existence that the Committee can review. The practice of resident participation in the budget process

was raised as a possible area to focus on in the future discussions. In some cases, resident finance committees participate in discussions with owners about budgets/proposed monthly fee increases. It was clarified to the Committee that a resident member of a non-profit CCRC Board of Directors holds a fiduciary responsibility to the CCRC.

On the request that ***owners inform residents well in advance of any contemplated increase in debt, change in lending bank(s), or increase in the monthly service fee; and that owners ensure that time and opportunity are available for meaningful discussion with residents prior to changes taking effect***, the focus of the conversation was on transparency and disclosure requirements.

It was decided that the Committee would form a task force to review the issues in the context of the Committee discussion. The task force is to review current practices and the Consumer Guide. They will be asked to synthesize the committee's discussion and outline best practices of ways that the issues can be dealt with and then report those back to the Committee. Mr. Pataska, Ms. Rannestad, Ms. Morelli, and Ms. Alban were appointed to the task force.

Audience Comments

Members of the public in attendance were given the opportunity to comment.

Next Meeting

The next meeting of the Committee is scheduled to take place at Masonicare at Ashlar Village in Wallingford, Connecticut on April 11, 2014. It was mentioned that the ConnCCRA national meeting will be held in Connecticut on that date and therefore there may be a desire to reschedule the Committee meeting.

Adjournment

Ms. Morelli extended her thanks to Masonicare at Ashlar Village for hosting, and the meeting was adjourned at 12:00 p.m.