

CONNECTICUT CONTINUING CARE ADVISORY COMMITTEE
Masonicare at Ashlar Village, Wallingford, Connecticut
Minutes of the Meeting
Friday, July 19, 2013

Attendance

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

Also present was Rich Wysocki, Principal Cost Analyst of the Department of Social Services. The meeting was open to the public.

Not attending: Keith Robertson and Rodney Rolett

Agenda

Ms. Morelli reported that there was a request from a committee member to add further discussion of the Financial Accounting Standards Board (FASB) Update 2012-01 to the meeting agenda and requested permission to add it. There was agreement and the item was added to the agenda.

Minutes

The minutes of the April 19, 2013 meeting were approved as submitted.

Consumer Guide

The committee discussed the suggestion that the Department of Social Services (DSS) post the ConnCCRA developed CCRC Consumer Guide on the DSS website. Mr. Wysocki raised the concern that the state is very cautious about posting documents to their official website and suggested posting a link to the guide hosted on another site. He will research whether this is viable alternative and will report back to the committee. The suggestion raised interest in the concept of LeadingAge Connecticut developing a web page on their website dedicated to CCRC information and Ms. Morelli will report back to the committee on this idea.

Screening Protocol for Annual Review of CCRC Filings

The committee discussed developing a screening protocol for the Department of Social Services to use when reviewing the annual CCRC filings. This concept was suggested at the previous meeting of the committee and it was further suggested that the screening protocol be based on the white paper presented by BlumShapiro at that meeting.

Mr. Wysocki explained that the Department's review and actions are already guided by statute which defines financial distress as when the facility needs to use reserves to fund operations. When it is determined that a CCRC is in financial distress, DSS is allowed to act and place the CCRC into receivership. He then referenced previous DSS actions involving CCRCs in financial distress.

Mr. Thompson asked if there are things that a CCRC could do to make the review process easier for the state, such as reporting specific ratios in a standard format so as to develop a uniform dashboard of information that would assist the state in their review. After discussion, the committee determined that this type of reporting could be more useful to the consumer than to the state. The idea of posting the disclosure statements electronically on the DSS website and then allowing the consumer oriented CCRC web page to link to those disclosure statements to assist consumers was raised. The committee agreed that this was a good idea and it will be discussed further at a future meeting.

Generally Accepted Accounting Principles (GAAP)

A motion was made and seconded to recommend that the Commissioner of DSS consider proposing legislation to require that the audited financial statements filed with DSS conform to the Generally Accepted Accounting Principles (GAAP). The motion passed with two members dissenting.

Mr. Wysocki was not in favor of this motion, but it was not known whether he is and official voting member of the committee. Ms. Morelli will inquire with the Commissioner of DSS to determine if Mr. Wysocki is serving as an appointed member of the committee.

During discussion on the motion, Jennifer Rannestad commented that there are other items that must be included or addressed in the disclosure statement that may not be necessary. She suggested that the committee also consider, in connection with the issue of whether to require financial statements conforming to GAAP, whether there are current requirements for the disclosure statement that should be eliminated.

Ms. Morelli will also inquire with all of the CCRCs to determine if they are currently utilizing GAAP and if not, whether such a requirement would be a hardship.

Massachusetts's New Legislation

Ms. Alban previously circulated to the committee members copies of Massachusetts's Senate Bill 2139, a newly enacted law dealing with the rights of Massachusetts's CCRC residents. Ms. Weaver presented a legal overview of this law in the context of the entire Massachusetts's CCRC statutes and in comparison to the Connecticut CCRC statutes. Her report illustrated an embedded set of consumer and resident rights as well as required transparency within the Connecticut statutes. In addition, the comment was made that since CCRCs must register as managed residential communities (MRCs) for assisted living services, they are required to comply with statutory bill of rights requirements, and the disclosure statements of many CCRCs already include this bill of rights.

The committee agreed that it would be helpful for LeadingAge Connecticut to work with ConnCCRA to develop a consumer friendly guide as to what the consumer and resident's rights are in the current Connecticut law. Ms. Morelli stated that she and Ms. Weaver would follow up with ConnCCRA.

Financial Accounting Standards Board (FASB) Update 2012-01

William Thompson reported that he has heard additional concerns from the field regarding the upcoming FASB changes for refundable entrance fees and the effect that it will have on the upcoming financial statements of CCRCs that utilize refundable entrance fees. He suggested that a representative group meet with FASB officials at their headquarters in Norwalk to discuss the unintended consequences of this rule change and the possibility of postponing the implementation. Ms. Alban volunteered to attempt to schedule this meeting and Mr. Thompson will report back to the committee.

Audience Comments

Ms. Morelli asked for comments or questions from the members of the public in attendance. Joseph Walton, CCRC resident and officer of the National Continuing Care Residents Association spoke in favor of posting additional consumer information on the internet as discussed by the committee. Robert Neagle, CCRC resident, asked the committee to be mindful of the fact that eight of the CCRCs in Connecticut are privately owned.

Next Meeting

The next meeting of the Committee will take place at Masonicare at Ashlar Village in Wallingford, Connecticut on October 18, 2013.

Adjournment

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