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## Financial Advisory Panel (FAP) Update

Twice per year, CARF's FAP meets to discuss strategic financial topics that relate to CARF U.S. aging services financial standards, to receive updates on issues impacting the field, and to connect with each other regarding major developments related to policy and market conditions impacting U.S. aging services providers.

At this meeting, the FAP members and invited provider leaders engaged in strategic brainstorming to help inform CARF's financial standards and related accreditation processes. CARF is sharing this information with readers of our newsletter because the impressions of the FAP are important as you engage in your long-range planning efforts. The strategic issues raised in the FAP discussion underscore the many changes in our field due to healthcare reform, economic challenges in the U.S. and globally, and the demographic imperative that is increasingly impacting everyone.

In order to give some parameters to such a high level discussion, FAP meeting participants each identified the top three issues impacting the aging services field within the next three years. The following issues emerged as the predominant themes:

1. Financial stability and limitations to business growth
2. Repositioning of senior housing and services
3. Workforce and leadership

Some of the aspects of financial stability and limitations to business growth include access to capital from a limited pool of lenders currently engaged in senior living and concern regarding the number of residential organizations with aging physical plants that may result in buildings appearing "dated" to potential residents. Moreover, consumer confidence regarding financial stability of senior living organizations and transparency of financial information will continue to be important considerations for providers as the economy may prompt consumer caution and more scrutiny of any information shared.

Repositioning of senior housing and services reflects the changes in consumer preferences and the need for providers to continue to diversify the services being offered. A notable emphasis is being seen in the offering of home- and community-based services as the housing market slump in the U.S. has prompted some seniors to age in place and seek community-based services rather than selling their home and relocating into residential senior housing. For those organizations that are conducting capital planning, significant thought is being given to those design elements that will have the most longevity and yield the best return. For example, some of the questions prompting discussion include: What type of technology needs to be a focus for the next decade and how does it impact design of the physical plant? Should we continue to build large campuses or should we be using land in different ways?

Workforce and leadership focus on the frontline paraprofessionals, managers and executives, and governing boards. Individuals who work in our organizations are recognized as the "drivers of it all": quality of care, efficiency, management practices, and integrated strategic planning. Opportunities and challenges exist for our field as more paraprofessionals will be needed to address the demographic imperative. As leaders continue to be needed in our evolving field, succession planning and recruiting top talent to manage organizations continue to be important. Effectiveness in governance is driven by recruiting board members with appropriate competencies and providing them with ongoing board education to lead organizations strategically and help to position our field for the future.

For additional information regarding the FAP, please go to <http://www.carf.org/About/FAP/>.

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## New FAP Chair Announced

In January 2012, Michael A. Flynn, CEO with Smith Senior Living, will take over the role as chair of the FAP. He was recently reappointed to the panel and has previously completed a six-year term on the FAP and served as vice chair for three years.

Flynn is a senior executive with over 28 years of experience with 22 years in the long-term care field. Flynn was appointed as CEO in 2006 and is responsible for the day-to-day leadership and strategic development of Smith Senior Living, which serves two CCRC campuses in the southwest sector of Chicago and the suburban area.

Flynn also is a retirement housing professional and a board member and treasurer for Health Resources Alliance. He serves on the Life Services Network (LSN) board, finance committee, and CCRC cabinet and also is a frequent speaker at national and state association meetings.

In a candid phone interview, Flynn shared some of his thoughts about the FAP, his various roles with CARF-CCAC, and insight on financial considerations that support quality services.

Flynn's relationship with CARF-CCAC extends beyond his role as an accredited provider and FAP member to also include his work as a surveyor. He has conducted surveys for CARF-CCAC for the past 22 years and shared that participating as a surveyor and being a member of the FAP has been a worthwhile and valuable experience.

He continued: "I'm not only able to give back to the profession, but I'm able to learn a lot about the issues that face the aging services field. I find it very rewarding when I conduct surveys and can see best practices in action as well as be able to provide consultation based on my experience to organizations I'm surveying. That's why I've continued to do it all of these years.

"One of the things that I've been impressed with is the composition of the FAP has changed over the years to include more diversity, to be reflective of the stakeholders we serve, and I expect that to continue to evolve. Continuing to bring others on that serve the other sectors that CARF accredits is very important."

When asked about what he saw as the top financial considerations/issues/practices that support quality in aging services, Flynn was passionate when he said: "You can't change what you don't measure!... Organizations in the aging services field must understand their costs and outcomes for services provided so that they can demonstrate that ability to operate effectively with quality outcomes to the person served as well as other stakeholders."

Flynn continued, "Providing financial and outcomes data is going to be essential for organizations that want to establish any kind of relationship with external providers or become part of an accountable care organization (ACO)."

Flynn went on to explain that it is necessary for any organization, not just those providing clinical services, to make linkages between all areas of operational performance and to satisfactory outcomes.

Flynn stated: "Quality and service in a variety of dining options is a good example. If providers are able to identify what the cost is in relation to what the persons served expect and then be able to communicate that back to them (residents, family members, perspective residents, etc.), it helps them to understand the value that's being provided with that particular service."

He emphasized that organizations must take tying costs to outcomes and satisfaction a step further by communicating the results back to the persons served and other stakeholders. Communication becomes a critical step in helping consumers understand cost and really appreciate the value of the services they receive.

"These times really force us to get more effective, more efficient, and really look at our processes and how we can do things better, and the critical component to all of that is communication," said Flynn.

Flynn looks forward to his upcoming role as chair of the FAP and shared his excitement about helping to enhance the tools that the FAP already provides such as ratio pro, the financial trends publication, and operational benchmarks. He hopes to help continue to evolve these resources and perhaps come up with some new ones.

Flynn concluded by stating: "CARF already has a good base of organizations that are part of the accreditation system. The FAP can continue to study, extract additional information, and provide feedback to the industry because the more feedback we have, the better off we're all going to be."

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## CARF-CCAC Financial Ratios and Trend Analysis Webinar

This webinar will be held on **September 14 at 1:00 PM** and will be co-presented by FAP member Michael Connell, CFO, Asbury Communities, Inc.; Jeff Boland, Partner, Reinsel Kuntz Leshner LLP; and Sue Matthiesen, managing director, CARF-CCAC and Aging Services. This webinar will offer the first look at the findings in the 2011 Financial Ratios and Trend Analysis publication. Through this webinar, you will:

- Study key financial ratios and learn how they help CCRC management to assess organizational effectiveness.
- Understand why ratios should be an integral part of any continuous performance improvement system, strategic planning effort, and resource allocation process.
- Recognize how financial ratios can be used as scorecards to communicate management successes to both CCRC leadership and persons served.

Registration for this webinar is currently open. To register, visit

<http://www.cvent.com/d/ydqywh>.

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## Surveyor Training 2012

CARF surveyors directly affect organizations' business practices, performance, and ultimately the quality of service persons receive. They are also instrumental in the ongoing development of CARF standards and the accreditation process.

CARF surveyors accumulate a number of significant and substantial benefits for themselves, their organizations, and the field.

Benefits for the surveyor:

- An opportunity to learn from other providers
- A chance to contribute to the quality of services in companies
- Recognition of personal achievement and excellence in the field
- A chance for professional networking
- Training that meets continuing education unit requirements for licensure

- Complimentary registration fees at most CARF-sponsored events
- Free CARF publications, including standards manuals
- An opportunity to travel both domestically and internationally

Benefits for the surveyor's organization:

- New ideas gained from surveying
- An occasion for innovations to be shared with others
- Exposure to national and international trends in the field
- A staff member who is up to date with changes in the field and the CARF standards

Aging services surveyor training for 2012 will be held in Tucson, AZ, February 24-26. Those interested in becoming a surveyor are encouraged to submit an application. Applications can be found online at <http://www.carf.org/About/CARF-surveyor-applicant-questionnaire/>. The application deadline for the 2012 surveyor training is November 1, 2011, so don't wait; there will not be another opportunity to attend training until 2013.

Please contact Becky Best at [rbest@carf.org](mailto:rbest@carf.org) or (866) 888-1122, extension 5004, for additional information.

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## Meeting Today's Challenges: Marketing and Finance Collaborations

During the 2011 LeadingAge PA Annual Meeting, leaders from some well-established, accredited CCRCs discussed how their organizations are identifying and addressing financial challenges through innovative marketing approaches. They specifically explored the financial options and incentives that they and other organizations throughout the U.S. are offering to consumers to build and maintain occupancy. Highlights of this presentation are included in this article, as readers can benefit from the insight of colleagues related to successful marketing approaches.

Themes to consider in your current marketing efforts include:

- Enhancing your level of communication both internally and externally, as consumers today are cautious and want more details regarding the financial stability of an organization.
- The importance of knowing how marketing by current residents through word of mouth and other approaches impacts your organization.
- Investment in maintaining and updating your organization's physical plant.
- Using incentives and perks that have been modeled for your financial personnel to determine the return on investment (ROI) of such strategies.
- The importance of tracking and measurement to identify your success with various approaches as well as the cost to the organization.

Enhanced communication among an organization's CEO, CFO, and marketing personnel is essential in today's marketplace. Integrated efforts among these three roles must be ongoing

to identify and implement those approaches that will yield occupancy for organizations. The areas around which communication tends to be critical include:

- Modeling incentives to prioritize their use and to determine ROI.
- Modifying contract types or developing different contract types based on market demand.
- Determining measurement of the incentives used: What are the targets that the organization hopes to achieve for each incentive? How will data be collected? How will the results inform ongoing planning?
- Disseminating information about the financial performance of the CCRC to potential and current residents. This must be more detailed as potential residents may have questions regarding the financial structure of the organization, historical rate increases, capital projects, investments, and other areas that require more transparency.

Involving current residents in marketing continues to be a valuable aspect to an overall marketing strategy. Resident referral incentives are designed to encourage current residents to market their organization to others. When using these incentives, providers should always be mindful of equity considerations between current and new residents. To this end, it is important to continue with renovations and upgrades of units for current residents to prevent a perception that more emphasis is being placed on occupancy rather than quality of life for current residents. Even though equity considerations are important, most current residents understand the need to fill units and the need to offer special incentives to do so.

CARF-CCAC's Average Age of Facility (AGE) ratio for CCRCs, which is an indicator that helps to gauge provider investment in maintaining or upgrading its physical plant, has inched higher over the last few years. This is a caution to providers as it tells us that continually postponing necessary projects can ultimately leave a physical plant looking and feeling "dated" to current and prospective residents. Leaders shared that they follow up with prospective residents to determine if the look and feel of the campus was a factor in non-move-ins. The marketing personnel also use committees to walk through the campus to identify and help prioritize areas that may need updating.

Some of the projects currently being implemented include redecorating apartment corridors, adding a campus movie theatre, converting the swimming pool from chlorine to saline, renovating the pool and fitness center locker rooms, replacing artwork, and even refurbishing elevator cabs.

Some consumers are now seeking cottages or apartments with features such as crown molding, new kitchens and baths with upgraded hardware and fixtures as well as granite and quartz countertops, upgraded flooring, upgraded electrical plates and switches, and modern lighting.

More functional investments in the physical plant may also emphasize sustainability or going "green" by including geothermal systems, constructing rooftop gardens, and identifying areas for recycling and composting. Having wireless internet access throughout all parts of the campus is becoming mainstream, and having business centers for residents and families is a functional amenity.

Although a variety of strategies and tactics can be implemented as part of an organization's marketing strategy, it is important to measure your effectiveness and efficiency in these

areas. A variety of measures can be implemented such as incentive utilization rates, cost of individual incentive implementation, leads generated as a result of specific marketing approaches as well as move-ins that result from them, time from initial contact to move-in, and unit renovation costs and time frames. There are certainly many topics that can be measured, so it is important to identify a realistic priority for measurement rather than trying to measure too many topics.

For more information regarding insight shared about marketing and finance collaborations, please contact CARF--CCAC directly at 866-888-1122. Special thanks go to Susan Drabic, president and CEO at Moravian Hall Square in Nazareth, PA, and Janet Thompson, marketing director at Waverly Heights in Gladwyn, PA, for sharing their insight on these topics at the LeadingAge PA 2011 Annual Meeting.

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## Stand Out To Industry Professionals at No Charge by Promoting Your CARF-CCAC or Aging Services Accreditation

The quickest way to get quality referrals is to promote your CARF or CARF-CCAC accreditation to people who care a lot about quality and can *influence consumers* - industry professionals! Register for an account and fill out a [SNAP-Profile™](#) at **no cost** to make your accreditation known!

Earlier this year, SNAPforSeniors™ launched a new database tool designed specifically for professional case managers, care coordinators, social workers, and information/referral specialists. These professionals use our national database tool to recommend housing options for their clients. Want to be included? [Learn more](#).

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## 2012 Aging Services and CARF-CCAC Educational Opportunities

### Webinars

#### **March 1: 1-2:30 PM EST, Aging Services and Continuing Care Accreditation Commission Webinar: Changes to CARF's ASPIRE to Excellence® Standards.**

This session will provide a high level overview of any changes to the ASPIRE to Excellence standards, which are the business practices that include areas in leadership, governance, strategic planning, input from persons served, legal requirements, financial planning and management, risk management, health and safety, human resources, technology, rights of persons served, accessibility, information measurement, and performance improvement. Managers of aging services organizations who are seeking accreditation for the first time or preparing for resurvey are encouraged to participate.

**May 8: 1-2:30 PM EDT, Aging Services and Continuing Care Accreditation  
Commission Webinar: Introduction to Financials**

This webinar will be co-presented by members of the FAP and CARF staff. As a participant, you will learn what a financial statement, audit, financial review, and compilation look like and the distinguishing features of each. In addition, we will discuss the elements of interim financials, statements of operations, and statements of cash flows. Learn definitions of key financial terminology, receive insight from financial professionals, and obtain an introduction to financial indicators. Aging services providers who are looking for basic understanding of financial statements and how to use financial information for effective management are encouraged to participate.

**July 12: 1-2:30 PM EDT, Aging Services and Continuing Care Accreditation  
Commission Webinar: Frequently Cited Standards/Conformance Issues and  
Trends**

This webinar will be co-presented by CARF surveyor Nora Adelman, director of policy, planning, and administration at The Kendal Corporation, and CARF staff to provide multiple perspectives on standards conformance trends that accredited CARF-CCAC and aging services organizations have experienced. You will also discover how most frequently cited standards provide opportunities for performance improvement. Managers of aging services organizations who are seeking accreditation for the first time or preparing for resurvey are encouraged to participate.

**September 20: 1-2:30 PM EDT, Aging Services and Continuing Care  
Accreditation Commission Webinar: Financial Ratios and Trend Analysis**

This webinar will be co-presented by members of the FAP and CARF staff to offer the first look at the findings in the 2012 Financial Ratio and Trends Analysis publication. Through this webinar, you will:

- Study key financial ratios and learn how they help CCRC managers assess organizational effectiveness.
- Understand why ratios should be an integral part of any continuous performance improvement system, strategic planning effort, and resource allocation process.
- Recognize how financial ratios can be used as scorecards to communicate management successes to CCRC leadership, personnel, and persons served.

**November 29: 1-2:30 PM, EST Aging Services and Continuing Care Accreditation  
Commission Webinar: Current Research in Aging Services**

This webinar will be co-presented by Robyn I. Stone, Ph.D., executive director of the LeadingAge Center for Applied Research, and CARF staff. This session will give an overview of current research in the field of aging services as well as provide information on innovative models and practices of quality service delivery. Aging services providers who are interested in current research trends and what is at the forefront of the field of aging services are encouraged to participate.

## **Survey Prep Live!**

**April 3, 10, 17, and 24 and May 1: 1:00 PM EDT, Aging Services and Continuing**

## **Care Accreditation Commission Webinar Series: Survey Prep Live!**

**July 31 and August 7, 14, 21, and 28: 1:00 PM EDT, Aging Services and Continuing Care Accreditation Commission Webinar Series: Survey Prep Live!**

Looking for that extra edge in preparing for your upcoming accreditation survey? Survey Prep Live! is a complimentary resource that highlights different sections of the standards manual and accreditation process in a series of convenient online meetings. These online technical assistance sessions are a convenient way to access the support provided by your dedicated CARF resource specialist.

## **101s**

**March 26-27, Phoenix, AZ, AS 101: Preparing for Successful Accreditation in Aging Services**

**September 5-6, Hershey, PA, AS 101: Preparing for Successful Accreditation in Aging Services**

This engaging two-day session provides a solid foundation for organizations seeking CARF accreditation. Participants will gain valuable insight into the accreditation process as well as helpful information in preparing for the survey and how to avoid the pitfalls some organizations may experience on their survey.

This comprehensive and interactive training session provides the perfect forum to assimilate the ASPIRE to Excellence quality framework. In addition, we will highlight practical examples of demonstrating conformance to the standards as well as effective business management and service delivery practice. All areas in the *2012* Aging Services and CARF-CCAC standards manuals will be covered.

Participants will be given the opportunity to discuss and receive "hands-on" support from training faculty regarding the development and implementation of plans, policies, and procedures needed to demonstrate organizational conformance to the standards. Additional emphasis will be placed on areas where organizations or personnel new to CARF most often need guidance. A link will be provided to those attending the training to access valuable examples, aids, and resources to use in preparing for a survey.

### **Session topics include:**

- The CARF accreditation process and what happens during a survey.
- Helpful tips in preparing for your CARF survey.
- A review of the 2012 standards, including the ASPIRE to Excellence quality framework, designed to provide a logical, action-oriented approach to quality improvement.
- A review of program standards for aging services programs.
- Frequently cited standards.

This session is highly recommended for any first-time organization preparing for the accreditation survey process, organizational contacts new to the CARF accreditation process, or those who need a quick update and refresher course.

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## Organizations Achieving Accreditation for the First Time

*Congratulations to the following organizations that have achieved accreditation for the first time from July 1, 2010 - June 30, 2011:*

Ballycliffe Lodge, Ajax, ON

Brevard Alzheimer's Foundation, Inc. dba YourCare Brevard, Melbourne, FL

Carlyle Place, Macon, GA

CareGivers Home Health Care, Inc., Edmonton, AB

Chateau Gardens Elmira, Elmira, ON

Chelsey Park Long-Term Care Facility, London, ON

Grosvenor Park Nursing Center, Salem, MA

Heart House Hospice, Mississauga, ON

Idlewyld Manor, Hamilton, ON

Lake Vista of Cortland, Cortland, OH (*accredited under two programs*)

LutherCare Communities, Saskatoon, SK

Macassa Lodge, Hamilton, ON

Middlesex Terrace, Delaware, ON

Region of Peel Long Term Care, Brampton, ON

Regional Nursing Services Limited, Richmond Hill, ON

River Glen Haven, Sutton, ON

Royal Terrace, Palmerston, ON

Saratoga Retirement Community, Saratoga, CA

Seniors Life Enhancement Centres, Mississauga, ON

Sharon Farms & Enterprises LTD o/a Kensington Village, London, ON

Stayner Nursing Home, Stayner, ON

The Pines Long Term Care Home, Bracebridge, ON

Wentworth Lodge, Dundas, ON

West Park Health Centre, Saint Catharines, ON

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# Upcoming Events

- [CARF-CCAC 2011 Financial Ratios and Trend Analysis](#), webinar, September 14, 1:00 PM EDT. This webinar, co-presented by CARF staff and FAP members Jeff Boland, Reinsel Kuntz Leshner LLP, and Mike Connell, Asbury Communities, Inc., will offer the first look at the findings in the 2011 Financial Ratio and Trend Analysis publication.
- [CARF 101 for Aging Services](#), September 27, Atlanta, GA. This one-day workshop is designed for organizations that are seeking CARF accreditation for the first time or preparing for reaccreditation.
- [2011 LeadingAge Annual Meeting](#), October 16-19, Washington, DC. CARF-CCAC and Aging Services staff will be presenting a session called "Financial Ratios: Benchmark Data for the Field" with FAP members Jeff Boland, Reinsel Kuntz Leshner LLP; Karen Christiansen, ACTS Retirement-Life Communities, Inc.; Michael Connell, Asbury Communities, Inc.; and Michael Kelly, Ziegler Capital Markets.
- [Survey Prep Live! for Aging Services](#) webinar series, November 1, 8, 15, 29, and December 6, 1:00 PM EST. This online series highlights different sections of the standards manual and accreditation process.
- [Options for Today and Tomorrow: Accredited Home and Community Services Models](#), webinar, December 1, 1:00 PM EST. This comprehensive webinar co-presented by CARF staff, with surveyors Deborah Hiller, Eliza Jennings Senior Care Network; Shannon Ross, SarahCare Adult Day Care Centers; John Jones, and provider Kendra Urdzik, Judson Services, Inc., will offer insights regarding practical application of CARF's Home and Community Services standards. Emphasis is placed on sharing various examples of ways to demonstrate conformance to the standards by different types of home and community services providers.

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If you have suggestions for content to be included in a future issue of Continuing Communication, please email the editor, Rebecca Best, at [rbest@carf.org](mailto:rbest@carf.org).

\*\*Please include the @carf.org domain on your safe-senders list to ensure Continuing Communication and other important emails from CARF-CCAC are not blocked by spam filters.

[www.carf.org/aging](http://www.carf.org/aging)

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