

Continuing Communication

Aging Services News

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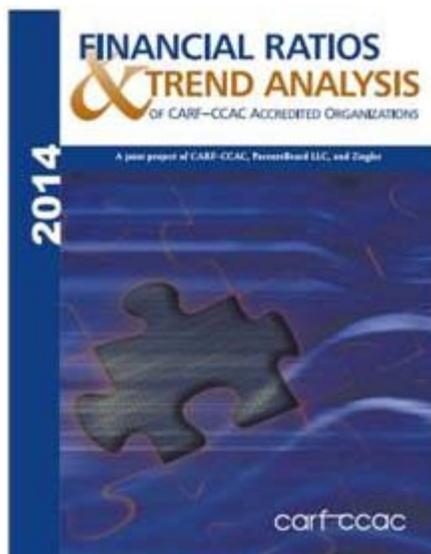
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New Publication: 2014 Financial Ratios & Trend Analysis of CARF–CCAC Accredited Organizations



Financial Ratios & Trend Analysis of CARF–CCAC Accredited Organizations is a one-of-a-kind reference, including the most recent ten years of analyzed information from the audited financial statements of multiple CARF–CCAC-accredited organizations. Ziegler, ParenteBeard LLC, and CARF–CCAC collaborated on this project to define, calculate, and explain the included graphs, tables, and charts for each financial ratio. This publication provides valuable industry benchmarks, allowing readers a unique opportunity to view the financial trends resulting from a number of factors, including provider growth, operating challenges, and regulatory changes.

The publication's ratios are available for Continuing Care Retirement Communities to use as points of reference for developing internal targets of financial performance, but only after evaluating their own specific marketing, physical plant, and mission/vision

considerations. It is anticipated that others will use these ratios, particularly within the capital markets, to learn about the financial positions of organizations that have earned CARF–CCAC's accreditation. The ratios can also be used as benchmarks against which to evaluate nonaccredited organizations and gain a deeper understanding about the sector as a whole.

The ratio trends publication is available for purchase at the CARF bookstore (www.carf.org/catalog). CARF–CCAC accredited- organizations should have received their complimentary copies by mail.

Item #: 7914.45 Price: \$140

CARF–CCAC values and encourages your feedback as we work to continue to improve this publication. Please take a moment to complete our feedback form located at:

www.surveymonkey.com/s/RatiosPublicationFeedback

RATIO PRO: A FINANCIAL RATIOS SPREADSHEET TOOL

A perfect companion piece to the *Financial Ratios & Trend Analysis of CARF–CCAC Accredited Organizations* publication. Industry leadership will find this management tool useful in:

- Calculating financial ratios.
- Benchmarking against an aging services peer group.
- Analyzing an organization's strengths and challenges.

Enter financial data from your community's annual audited and projected financial statements and see your financial ratios automatically calculated. The format allows for the calculation of three years of historical ratios and three years of projected ratios.

Item #: 7914.76 Price: \$78

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Stories from the Field: Participating in Research is a Way to Give Back to the Field



On With Life, a CARF-accredited brain injury rehabilitation organization in Ankeny, Iowa, was honored nationally with the 2014 LeadingAge™ Innovation in Care and Services Award for its Disorders of Consciousness (DOC) program. On With Life is CARF-accredited in a number of medical rehabilitation brain injury specialty programs, and has been a pioneer in the field by bringing quality programs, such as a DOC program, to persons served.

Disorders of consciousness affect wakefulness, and include coma, vegetative, and minimally conscious states. On With Life's DOC program provides a specialized model and system of care for adolescents and adults with severe brain injury. According to the On With Life leadership, the DOC program involves specialized medical and therapeutic interventions to address relevant medical conditions and statuses, such as body positioning, muscle tone, and medical stability, along with physical, occupational and speech-language therapy, and other rehabilitative therapeutic interventions designed to stimulate emergence from the person's disorder of consciousness. David Demarest, Ph.D., On With Life's clinical neuropsychologist, said about the success of the program, "Many persons served can make tremendous progress if given enough time." Demarest, along with On With Life's executive director, Julie Dixon, M.S., CRC, CCM, spoke with CARF Resource Specialist Bonnie Rock in September about how On With Life developed this innovative program.

Dixon said that when she came to On With Life in 1994, they had just begun to admit individuals who presented with a disorder of consciousness, but the organization did not have a specialized separate set of protocols to treat them. In order to better serve these individuals, On With Life began an intensive 2-year project to investigate state of the art literature, protocols, treatment guidelines, and research findings. In



addition, On With Life created its own study to determine the relevant effectiveness of the two standardized assessment instruments most commonly used with this population. As a result of this effort, On With Life also developed its own scale to help clinicians more specifically quantify response levels. By 1996, its treatment protocols and programs evolved to the point that On With Life opened a separate long-term program where these specialized services are provided to individuals who continue to need them on an extended basis.

Demarest and Dixon cited On With Life's proactive steps to become involved in ongoing research in the field of rehabilitation, especially research pertaining to the disorder of consciousness population, as an integral component of On With Life's DOC program success. Dixon stated that strong board advocacy for innovation and research, staff commitment, connections in the field, and support from persons served and their families have made education and research a part of On With Life's mission. Dixon and Demarest both suggested that organizations should strive to stay updated on current literature, and actively participate in research that advances the field.

"Participating in research and utilizing innovative treatments are critical components of any program, but especially one with such a specialized population," said Dixon. "Families often approach us about research they read about and advocate for On With Life to participate. Research participation is now an integral part of On With Life's strategic plan, and we are proud to play that role."

Demarest and Dixon shared some ideas for other organizations wanting to stay better informed about current research in their fields, or who want to explore participating in research studies. They recommend:

- Securing board support to foster a culture which promotes innovation
- Actively participating in professional associations and advocacy efforts
- Attending state and national conferences in a wide range of clinical areas
- Communicating with university and hospital staffs who conduct pertinent research
- Providing in-services for employees on research activities and findings
- Subsidizing extensive external professional development opportunities for staff members
- Partnering with other organizations and providers in research endeavors
- Subscribing to relevant industry journals
- Securing CARF accreditation so that you know you are challenging your program to live up to industry standards and adding value for all of your stakeholders

To get started, they suggest making a commitment to do what you can to help advance your organization's mission, identifying what you are doing now to keep abreast of trends and breakthroughs, and then recognizing your responsibility to do what you can to help enhance the field. "It's ok to start small," says Dixon. "Give yourself credit. Even if you are from a small organization, you may have a lot to offer!"

For more information about On With Life's Innovation Award, visit:

<http://www.onwithlife.org/InnovationAward>

What do the CARF standards say?

There are many CARF standards that can play a role in an organization's success participating in education and research. Standard 1.A.8., for example, says, "Leadership provides resources and education for personnel to stay current in the field in order to demonstrate program strategies and interventions that are based on accepted practices in the field and current research, evidence-based practice, peer-reviewed scientific and health-related publications, clinical practice guidelines, and/or expert professional consensus."

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Cultural Competency and Diversity Plan – Frequently Cited Standard



CARF's standard pertaining to implementation of a Cultural Competency and Diversity Plan has been a frequently cited standard since it was implemented in the 2012 standards manuals. Most frequently cited standards represent those areas that seem to be the most difficult for the field overall.

Intent of the standard:

The organization should be able to demonstrate an awareness of, respect for, and attention to the

diversity of the people with whom it interacts (persons served, personnel, families/caregivers, and other stakeholders) that is then reflected in attitudes, organizational structures, policies, and services.

The organization's cultural competency and diversity plan should address how it will respond to the

diversity of its stakeholders as well as how the knowledge, skills, and behaviors will enable personnel to work effectively cross culturally by understanding, appreciating, and respecting differences and similarities in beliefs, values, and practices within and between cultures.

Why is the standard cited?

Although most organizations may have policies that address culture and diversity and may provide some level of training for personnel in these areas, they often need to develop and implement a formal plan. Per the CARF glossary, a plan is a written direction that is action oriented and related to a specific project or defined goal, either present and/or future oriented. A plan may include the steps to be taken to achieve stated goals, a time line, priorities, the resources needed and/or available for achieving the plan, and the positions or persons responsible for implementing the identified steps.

If an organization has developed and implemented a cultural competency and diversity plan, it may need to review it for relevance at least annually or the plan may need to be updated to reflect changes in the organization.

Tips for standard conformance:

- An organization's cultural competency and diversity plan might start with an assessment of their current cultural and diversity environment in order to identify areas where there may be opportunities for improvement, so that the plan can then outline actions to be taken to address the needed improvements.
- For ease of use, the plan could be organized into a grid to identify the areas to be addressed, the stakeholder needs, opportunities for improvement, proposed solutions/action plans, time lines for implementation, due dates, budgetary requirements, and the person responsible. A sample grid is included below.

Areas to be addressed	Person Served? Personnel? Other Stakeholder?	Issue Overview	Need/ Problem	Solution	Frequency	Budget impact	Due date	Person responsible	Data Collection Tool	Indicator showing progress
Culture										
Age										
Gender										
Sexual orientation										
Spiritual beliefs/Religion										
Socioeconomic status										
Language										

- The organization might consider developing a cultural competency and diversity committee that could address the areas of assessment and opportunities for improvement. The committee might meet monthly, quarterly, or annually depending upon the needs of the organization.

- Assessment and knowledge of cultural and diversity issues might be demonstrated through the assessment of the diversity of the local community; internal and external stakeholders; and potential changes in demographics to be proactive in education, training, and service delivery. This assessment could be accomplished by a variety of means. It might be helpful to look at demographics; e.g., age, ethnicity, gender or any other information on characteristics of the population served, personnel, and any other stakeholders that interact with your organization.
- Information gathered on barriers related to cultural competency and diversity might also be part of the organization's accessibility plan.
- Information regarding the changing needs of the persons served, complaints, or other feedback results along with general input from persons served could be analyzed to help identify spiritual needs, cultural issues, or sexual identification issues that might present opportunities for improvement.
- A socioeconomic status assessment might be included that could address areas such as education, income, and occupation as this might assist the service delivery team to tailor interventions to better meet the needs of the persons served.
- For spiritual needs, input could be solicited from the chaplain service, community leaders, and advisory groups about recognizing and addressing spiritual needs.
- Language assessment could include health literacy topics.
- Actions to address opportunities for improvement could include personnel training, service delivery modifications, enhancements to existing information resources to make them more clear or inclusive, implementing approaches that staff members identified and have found to be successful to address issues that have come up in the past, and allowing employees to share these approaches with others in the organization.

Websites that provide information and resources related to diversity and cultural competency include:

- The Society of Human Resource Management www.shrm.org
- National Center for Cultural Competence nccc.georgetown.edu
- U.S. Department of Health and Human Services www.hrsa.gov/culturalcompetence/index.html
- Office of Minority Health, U.S. Department of Health and Human Services www.thinkculturalhealth.hhs.gov
- Human Rights Campaign www.hrc.org
- Sexual orientation www.hrc.org/resources/entry/benchmarks-of-lgbt-cultural-competency. The article webpage on culturally competent care includes some recommendations for providers.
- Spiritual beliefs assessment – religion, beliefs, practices:
http://academicdepartments.musc.edu/family_medicine/spirituality_and_health/patientsreligiousandspiritualives.htm

http://academicdepartments.musc.edu/family_medicine/spirituality_and_health/spiritualityculturaldiversity.htm
- Example of cultural competency plans:
www.omh.ny.gov/omhweb/cultural_competence/guidance/agency_plan.html

www.dshs.wa.gov/pdf/dao/CultCompGuidebook22-1470.pdf

<https://mphl-web.ungerboeck.com/documents/watsondavisallhandouts.pdf>

www.asha.org/practice/multicultural/self

www.omh.ny.gov/omhweb/cultural_competence/assessment_tools.html

- Indicators of Cultural Competence in Health Care Delivery Organizations: An Organizational Cultural Competence Assessment Profile Prepared for The Health Resources and Services Administration U.S. Department of Health and Human Services Prepared by: The Lewin Group, Inc. April 2002
www.hrsa.gov/culturalcompetence/healthdlvr.pdf
- CARF's recorded webinar titled "Cultural Competency and Diversity Planning" is available for purchase from the online store:
http://bookstore.carf.org/miva/merchant.mvc?Screen=CTGY&Store_Code=CB&Category_Code=WEBINAR_GEN

Always remember that CARF has a resource specialist available to assist you as needed.

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ASHA/CARF Special Issue Brief — Accreditation: An Opportunity to Change the Quality Paradigm in Seniors Housing

CARF was invited by the American Seniors Housing Association (ASHA) to develop a Special Issue Brief on accreditation due to its membership's increased interest from the assisted living and independent living sectors of aging services.

A variety of factors in the U.S. are prompting assisted living providers to adopt uniform standards and focus on measurable self-regulation in order to provide a higher level of quality care to our nation's elders. Accreditation through a third-party organization is a solution suggested by the American Seniors Housing Association in order to help the field establish best practices, enhance quality, and self-regulate. Because CARF is a premiere accreditor in the aging services field, the association recently published a Special Issue Brief titled, *Accreditation: An Opportunity to Change the Quality Paradigm in Seniors Housing*. This publication identifies new pressures facing the post-acute care field, how the accreditation process works, examples of leading providers that find value in the accreditation process, and costs versus benefits of the accreditation program. We would like to acknowledge Senior Resource Group, LLC and ACTS Retirement-Life Communities, Inc., for their contributions to the publication. Authored by: Susanne Matthiesen, managing director for Aging Services and CARF—CCAC, CARF International.



The Special Issue Brief on accreditation may be purchased at ASHA's online bookstore:
https://www.seniorshousing.org/product_details.php?PID=49. ASHA members may receive the brief

free by contacting AHSA directly at www.seniorshousing.org.

For additional information on CARF's accreditation process, please contact CARF's Aging Services Customer Service Unit toll free (888) 281-6531 or email as@carf.org.

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Results of the Study of 2014 Financial Ratios for Adult Day Services

National Adult Day Services Association (NADSA), CARF International, and Reinsel Kuntz Leshner LLP have collaborated to conduct the 2014 Adult Day Services (ADS) Financial Indicators Study in fulfillment of the goal to develop financial benchmarks for the ADS field. This is the fifth year of this study. In addition to an aggregate data presentation that was shared at the NADSA annual meeting, study participants receive an individualized report by the end of fourth quarter 2014. 65 ADS organizations representing 105 ADS sites in total participated by submitting their 2013 fiscal year end (FYE) data. Participants can be categorized as follows:

- 13 organizations accredited by CARF
- 52 organizations not accredited by CARF
- 57 not-for-profit
- 8 for-profit
- Location:
 - 63 U.S.
 - 2 Canada
 - 48 urban
 - 17 rural
 - Of the 63 in the U.S.:
 - 13 – Northeast
 - 8 – Southeast
 - 9 – Midwest
 - 33 – West
- Programming:
 - 42% of ADS centers are medical model; 48% of ADS centers are social model; 10% of ADS centers are medical/social model
- Organization structure:
 - 62% are single-site ADS centers; 38% are multi-site ADS centers; 68% of ADS centers are part of a larger organization; 32% of ADS centers are stand-alone

The study includes ratios for all participants; it allows for comparison of the same participants' financial results year over year, and it provides a "same-store" analysis, which are data comparisons of the same participants in both the 2013 and 2014 studies to identify differences between years. The study includes ratios by location (urban versus rural) and programming (medical model, social model, and both).

The types of ratios presented in the study include the following margin (profitability) ratios:

- Net Operating Margin (NOM) Ratio
- Operating Ratio (OR)

- Operating Margin (OM) Ratio
- Total Excess Margin (TEM) Ratio

Some key observations from this year's study include:

- With regard to the NOM ratio, we see weak operating performance, but better results from the prior year. However, only 36% of participating ADS centers have a positive NOM.
- The OR results show somewhat weak operating performance, but better results from the prior year and only 37% of participating ADS centers have an OR below 100% (break even).
- Only 33% of participating ADS centers have a positive OM ratio.
- The best results of all margin ratios were seen in the TEM ratio. Although operating performance was weak, results were better than the prior year. Only 44% of participating ADS centers have a positive TEM ratio.

When the project team analyzed the submitted information in a variety of ways, the "same-store" analysis reveals that results improved year over year. The best financial ratio results appear to be ADS centers that are part of multi-site organizations in urban locations, utilizing a medical model for service delivery, and operating as part of a financially consolidated entity.

The value of this type of information to the field stems from benchmarking, which equals measurability of several key business areas for organizations. This measurability, if used proactively by organization leaders, can lead to an increase in funding from grants, contributions, and possibly even higher reimbursement rates from more effective legislative advocacy. In today's environment, "telling your story" has little meaning without data to support the value of the sector and the needs of the sector. Ratios can also reveal trends that can be tracked from year to year, underscoring the fact there is a revenue problem. Finally, benchmarking promotes collaboration among field leaders to develop educational approaches and resources to address identified needs in the sector.

Participation in this study has no cost to participants, and they each receive a complimentary summary of financial benchmarking information. Because this study combines the efforts of a respected national association and an international accreditor, the information submitted by each participant in the study will not be disclosed to other organizations or used for marketing purposes.

For more information about the ADS financial indicators study, please contact CARF's Aging Services Customer Service Unit toll free at (888) 281-6531 or email as@carf.org.

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Field Review of Financial Ratios for Continuing Care Retirement Communities

Your comments are important!

Beginning 2015, CARF-CCAC will use an interdisciplinary approach when financial ratios are introduced or revised. The proposed financial ratios will be posted for a public comment period called a field review. Service providers, consumers, caregivers, payers, financial professionals, and other interested parties will be invited to provide feedback to ensure the relevancy of the financial ratios before they are adopted and published in the next edition of the *Financial Ratios & Trend Analysis of*

CARF–CCAC Accredited Organizations. Your feedback is essential to maintaining the relevancy and currency of CARF–CCACs financial ratios. We value your opinions, comments, and suggestions on these financial ratios. All field review responses will be anonymous. Look for the CARF–CCAC financial ratios field review in the first quarter of 2015 at www.carf.org/fieldreviews.

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Attend the 2015 CARF Annual Surveyors' Conference

This complimentary event is designed for current CARF accreditation surveyors of aging services settings, including CCRCs.

This event is the best opportunity of the year to obtain continuing education about best practices for CARF surveyors and to network with your surveyor colleagues and CARF staff. Because organizations are offering more services, and serving elders with increasingly diverse needs, this conference will bring together surveyors from medical rehabilitation and employment and community services programs to help you connect across professional sectors and enhance your surveyor expertise.

These one-and-a-half days include training sessions, hands-on group activities, and informative presentations. Session topics will cover the most challenging standards, techniques for conducting a successful survey, tips for consultative communications to organizations, and changes in CARF policies related to your work as a surveyor. There also will be an awards dinner to recognize surveyors who have achieved surveyor career milestones.

We hope all current CARF Aging Services and CCAC surveyors will join us at this unique celebration of the hard work you and your surveyor colleagues put into the field.

Benefits of participating in this conference:

- Discuss CARF accreditation updates with CARF senior staff
- Get up to date on changes to CARF standards and how to assess conformance
- Receive tips to help surveys go smoothly for all participants
- Network with national and international colleagues
- Earn nine CARF continuing education points
- Earn continuing education units (CEUs) through the University of Arizona
- Earn nursing home administrator credits

All surveyors must register in advance at www.cvent.com/d/v4qb55.

Contact your CARF survey scheduler, Nancy Reyes, at (888) 281-6531, ext. 7196, or nreyes@carf.org for more details about travel and flights.

What: 2015 CARF Annual Surveyors' Conference

When: April 18–19, 2015

Where: JW Marriott Tucson Starr Pass Resort & Spa, Tucson, Arizona

Registration Fee: Complimentary

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If you have suggestions for content to be included in a future issue of Continuing Communication, please email the editor, Tonya Tobe, at ttobe@carf.org.

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If a lender is interested in the systems you use to manage risk in your organization, support management competencies, measure outcomes, and foster sound business practices, please direct the lender to www.carf.org/lenders. The website includes language geared toward lenders, a five-minute webinar to educate them about accreditation for your organization, and a downloadable factsheet with key information about CARF.



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