

Continuing Communication

Aging Services News

carf INTERNATIONAL

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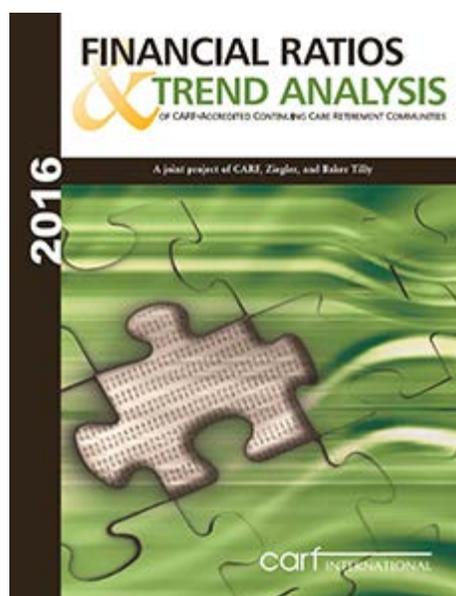
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CARF Releases the 2016 Financial Ratios & Trend Analysis Publication and Webinar



The 2016 edition of *Financial Ratios & Trend Analysis of CARF-Accredited Continuing Care Retirement Communities* was completed in October. This one-of-a-kind reference provides a summary of the most recent ten years of analyzed information from the audited financial statements of multiple CARF-accredited continuing care retirement communities (CCRCs).

Ziegler, Baker Tilly, and CARF collaborate on this project to define, calculate, and explain these valuable industry benchmarks through graphs, tables, and charts for each financial ratio. Readers will gain a unique perspective of the financial trends resulting from a number of factors, including provider growth, operating challenges, and the resiliency of the CCRC

industry.

The publication's ratios are available for CCRCs to use as points of reference for developing internal targets of financial performance. CCRCs using the ratios should evaluate them within the context of their own communities, which includes consideration of specific marketing, physical plant, and mission/vision factors.

Readers representing groups other than CCRCs, particularly those in capital markets, may use this publication to learn about the financial positions of CCRCs that have earned CARF 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 in the CARF online bookstore (www.carf.org/catalog). CARF-accredited CCRCs should have received their complimentary copies by mail.

The publication team is interested in your feedback. If you have suggestions for changes in terminology or other clarifications for ratio calculations, please complete this online survey at: www.surveymonkey.com/r/RatiosPublicationFeedback.

Webinar: Results of the 2016 Financial Ratios & Trend Analysis of CARF-Accredited Continuing Care Retirement Communities

CARF hosted a 90-minute webinar to provide insight on the findings of the 2016 Financial Ratios & Trend Analysis publication on November 15th. Presenters included experts from Ziegler, Baker Tilly, and Ingleside. Discussion provided insight on the trends from the FYE 2015 financial statements for both single-and multi-site CCRCs.

If you missed the webinar, you may pre-order a copy of the recording on the CARF bookstore at [AS Webinar Recordings](#). Request your delivery for after the first of the year and you will have access to the recording throughout 2017.

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Findings of the 2016 Adult Day Services Financial Indicators Study

CARF International, the National Adult Day Services Association (NADSA), and Reinsel Kuntz Leshner LLP have completed the 2016 Adult Day Services Performance Indicators Study. 2016 marks the sixth year of this project. Findings represent analysis of fiscal year 2015 financial results.

Many leaders in the adult day services (ADS) field have identified the need for financial benchmarking to compare their individual centers against the rest of the ADS field. Other sectors, such as continuing care retirement communities, have long relied on financial benchmarking information to enable them to assess trends and make sound financial



Performance Indicators for Adult Day Services

Financial Ratios as Performance Indicators Study – 2016

Prepared For: Adult Day Health Center



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decisions in varying economic times. Rating agencies, bankers, and accountants also use benchmarking information, such as financial ratios, to assess organizational viability when structuring debt. The ADS field can likewise benefit from financial benchmarks to aid not only operational management, but also advocacy initiatives since payment for services is often at risk when state budgets are limited.

It is important to remember that financial ratios should not be used in isolation to make decisions, but can be one important tool for your organization to reference.

The 2016 study examines the following information:

- Margin (profitability) ratios for all participants, including Net Operating Margin Ratio, Operating Ratio, Operating Margin Ratio, and Total Excess Margin Ratio.
- A “same-store” analysis, which compares margin ratios from the same participants in both the 2015 and 2016 studies.
- Ratios by various organizational characteristics, including location (urban versus rural), programming (medical model, social model, or both), and organizational structure (standalone versus consolidated, for-profit versus not-for-profit, and single-site versus multi-site).
- Whether the participant is CARF accredited.
- Whether the participant is a NADSA member.

Although the study does not represent a statistically significant sample size, its observations are still important for the field. Notably, the study revealed the following significant areas of weak operating performance compared to last year among the participants:

- Only 36% of study participants have a positive Net Operating Margin.
- Only 36% of study participants have an Operating Ratio at or below 100%, which is breakeven.
- Only 26% of study participants have a positive Operating Margin.
- Only 44% of study participants have a positive Total Excess Margin.

As a field, it appears that ADS continues to have a revenue problem and not an expense problem, meaning the fees received for services are not adequate to cover costs. Because margins may be negative for some organizations, providers should continue to focus on efficiency of their operations by increasing revenue and managing expenses. Providers might want to explore other revenue sources, such as contributions and grants, to enhance financial performance.

To learn more about the 2016 study results, please send an email to CARF’s Aging Services customer service unit at as@carf.org.

We will be repeating the ADS Financial Indicators Study in 2017 and invite ADS providers to participate. The study is an opportunity for ADS providers to add significant value to their budgeting, planning, fundraising, and advocacy efforts. Participation is at no cost to an organization and participants receive a complimentary summary of financial benchmarking information. To participate in the 2017 study, please contact us at the same email address.

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Coaching Corner: Ongoing Communication Throughout the Term of Your Accreditation



Your accreditation survey has been completed and the Quality Improvement Plan has been submitted to CARF. Whew, now you can sit back and relax until the accreditation anniversary rolls around and it is time to complete your organization's Annual Conformance to Quality Report (ACQR) (or financial reporting documents if you are a continuing care retirement community), right? Not so fast. Throughout the

term of accreditation, it is important to note step 10 in the Steps to Accreditation found in the Accreditation Policies and Procedures section of the manual. Step 10 addresses the need for organizations and CARF to maintain ongoing contact.

CARF requires ongoing communication from organizations regarding administrative items and significant events. Organizations should ensure that they are communicating the following information to CARF in a timely manner.

Communication Regarding Administrative Items

Organizations must provide CARF with information on situations that may affect the continuation of accreditation status. Some situations may require further actions to be taken. The following types of administrative items must be communicated to CARF within 30 days of their occurrence:

- Change in the leadership.
- Change in the ownership.
- Change in the organization name.
- Relocation of an accredited program or service or the organization itself.
- Change in mail and/or email addresses.
- Relocation, expansion, or elimination of an accredited program or location.
- Financial distress.
- Acquisition, consolidation, joint venture, or merger.

Changes in ownership and/or leadership, the addition of a site to an existing accreditation, mergers, consolidations, joint ventures, and acquisitions involving accredited programs may require the payment of an administrative fee or a supplemental survey.

Communication Regarding Significant Events

Organizations must provide CARF with information on significant events that occur within the organization and its accredited programs and services. Some situations may require further actions to be taken by CARF, including alleged incidents concerning conformance to the standards. Significant events that involve or may affect accredited programs and the organization's response to those events must be communicated to CARF within 30 days of their occurrence. Significant events are:

- Investigations.

Material litigation.

- Catastrophes.
- Sentinel events.
- Governmental sanctions, bans on admissions, fines, penalties, or loss of programs (e.g., sanctions imposed by US Centers for Medicare and Medicaid Services).

Forms for reporting administrative items and significant events

Forms for reporting administrative items and significant events are available on the CARF website at www.carf.org/Accreditation/AccreditationProcess/OngoingCommunication and in the Resources section of Customer Connect (customerconnect.carf.org). Please contact CARF for more details.

Ongoing communication also means that CARF communicates information with organizations. This includes:

- CARF offers publications to help organizations provide quality programs and services.
- CARF's public website, www.carf.org, and its secure customer website, Customer Connect, which provide news, information, and resources.
- CARF seminars and conferences (www.carf.org/events), which are excellent ways to receive updates and other information about the accreditation process and the standards.

If you have any questions regarding any of the communication requirements please do not hesitate to contact your resource specialist.

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This Is All New to Me!

Many older adults are living longer and experiencing age-related disabilities for the first time. Others who already have a psychiatric or physical disability might be getting diagnosed with a new or secondary/co-occurring condition. New disabilities or secondary conditions may significantly affect seniors' lifestyles and living arrangements. These conditions can cause seniors to struggle with remaining independent in their homes, and their family members may be looking for information on how to provide care for their loved one. The following post from the National Rehabilitation Information Center (NARIC) addresses these topics and many others. It contains various resources that may meet the needs of persons served, caregivers, and family members whom you serve.

This Is All New to Me!

<https://naricspotlight.wordpress.com/2016/08/08/this-is-all-new-to-me>

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Congratulations to Aging Services Providers That Earned CARF Accreditation

Throughout the year, aging services providers are surveyed or resurveyed in order to earn or maintain CARF



accreditation. These providers use CARF accreditation standards to conduct a self-assessment and then they undergo an inclusive on-site survey that is conducted by CARF surveyors to assess the provider's conformance to CARF standards.

Congratulations to the following providers that achieved CARF accreditation during the second quarter of 2016.

- Alzheimer Society of Peel, Mississauga, ON**
- Arbour Heights, Kingston, ON**
- Bear Hill Rehabilitation and Nursing Center, Stoneham, MA**
- Benevilla, Surprise, AZ**
- Bennett Health Care Centre, Georgetown, ON**
- Bon Air Residence, Cannington, ON**
- Cantata Adult Life Services, Brookfield, IL**
- Chartwell Langley Gardens, Langley, BC**
- Copper Terrace Long Term Care Facility, Chatham, ON**
- CSH Crescent Gardens, Surrey, BC**
- Forest Hill, Pacific Grove, CA**
- Four Seasons Retirement Center, Columbus, IN**
- Franklin Gardens, Leamington, ON**
- Goodwill Industries of Southwest Oklahoma & North Texas, Inc., Lawton, OK**
- Grace Ridge Retirement Community, Morganton, NC**
- Heron Point of Chestertown, Chestertown, MD**
- Hoosier Village Retirement Center, Indianapolis, IN**
- Integrated Living, Inc., Sterling Heights, MI**
- Ivan Franko Home, Mississauga, ON**
- Jewish Family Service of Los Angeles, Los Angeles, CA**
- Joyce Scott Non-profit Homes, Inc. aka Independent Living Halton, Milton, ON**
- Kāhala Nui, Honolulu, HI**
- King City Lodge Nursing Home, King City, ON**
- Lake Park, Oakland, CA**
- Mirabella Portland, Portland, OR**
- Mirabella Seattle, Seattle, WA**
- Nucleus Independent Living, Oakville, ON**
- Peel Cheshire Homes, Inc., Streetsville, ON**
- Saint Luke's Place Long Term Care, Cambridge, ON**
- Senior Resources of West Michigan, Muskegon, MI**
- St. Catherine's Village, Inc., Madison, MS**
- The Towne House Retirement Community, Fort Wayne, IN**
- Villa Marconi Long Term Care Centre, Ottawa, ON**
- Webster House, Palo Alto, CA**
- West Country Hearth, Sturgeon County, AB**
- Winchester Nursing Center, Winchester, MA**
- Woburn Nursing Center, Woburn, MA**

When preparing for the survey process, aging services providers regularly share with CARF

their feedback about how it improved their organization and brought value to their stakeholders. A recent accredited provider shared the following:

“CARF standards are clear; well organized; and very helpful in getting our organization focused on fine-tuning our policies, procedures, and performance improvement processes. CARF accreditation has been a journey for us. It has brought our management team much closer together, and it has made us a fundamentally better organization.”

Jay Duquette, administrator of Kāhala Nui, Honolulu, HI

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Upcoming Events

November

National Alzheimer’s Awareness Month (USA)—designated by the Alzheimer’s Association—www.alz.org/co/in_my_community_alzheimers_awareness_month.asp

Theme: *Go Purple with a Purpose*

National Family Caregiver Month (USA)—coordinated by the Caregiver Action Network—www.caregiveraction.org/national-family-caregivers-month

Theme: *Take Care to Give Care*

Fall Prevention Month (Canada)—coordinated by the Partners for Fall Prevention—<http://fallpreventionmonth.ca>

Theme: *We all have a role to play!*

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2017 Aging Services Educational Opportunities

101s

These engaging two-day sessions provide a solid foundation for organizations seeking CARF accreditation. Participants will learn valuable tips and tricks for getting organized, planning for an on-site survey, and managing outcomes. Emphasis is placed on areas in which organizations most often need guidance to conform to the standards.

April 4–5, Chicago, IL

AS 101: Preparing for Successful Accreditation in Aging Services including Continuing Care Retirement Communities

[Register here](#)

Webinars

March 30 & July 13

Changes to CARF's AS/CCRC Standards

This webinar will familiarize participants with CARF, the benefits of CARF accreditation, and the survey process for organizations of all sizes. This introductory presentation is designed for Aging Services providers that are not currently CARF accredited or would like to become familiar with the CARF accreditation process.

[March 30 webinar: register here](#)

July 13 webinar: registration coming soon

Transforming Outcomes

This three-day training institute takes you through the steps required to plan and conduct a program of outcomes management and quality improvement, including:

- Outcomes system design and data collection.
- Data analysis, interpretation, and management reporting.
- Identification of areas for quality improvement activities based on findings.

February 23–25

Sheraton Tucson Hotel & Suites

[Register here](#)

June 29–July 1

Taj Boston Hotel

Registration coming soon

For further information, please contact the CARF Education and Training Unit at (888) 281-6531. Online registration is available at www.carf.org/events two to three months prior to an event.

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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.

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

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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