

WASHINGTON
WACCRA
CONTINUING CARE
RESIDENTS ASSOCIATION



Welcome to Skyline

and the

2022 WACCRA Annual Meeting



WACCRA – Mission

- **To Educate**
- **To Collaborate**
- **To Advocate**

**in Olympia and Washington, D.C.
for
WACCRA Members and All Seniors**



Today's Agenda

WACCRA Business Meeting

Review 2021 – 2022 Accomplishments

OIC Update: Kim Hickman, Board Member and Chair of Insurance Committee

Speaker: Jack Cumming, Prolific Researcher & Writer on CCRC Issues.

Closing Remarks and Observations



WACCRA Business Meeting

- Minutes of the Last Annual Meeting
- Results of Elections
- Treasurer's Report



Financials: Operating Revenue

<u>Description</u>	<u>2021 Actuals</u>
Membership Dues	\$24,078
Donations	9,353
Total Revenue	\$33,431



Financials: Operating Expenses

<u>Description</u>	<u>2021 Actuals</u>
Membership & Education	\$1,835
Advocacy & Communications	5,117
Affiliation Memberships	1,300
Lobbyist	15,000
Administration & Insurance	<u>1,046</u>
Total Expense	\$24,298



Financials: 2022 Actuals to 9/30/22

Membership Dues	\$25,029
Donations	7,920
Total Current Revenue	\$32,949
Total Current Expenses	\$14,561
Current Balance	\$18,388



Financials: Summary 2021

Operating Results for FY 2022

STRONG

Please Email Treasurer with Questions.



CCRC Membership Coordinators

Emerald Heights

Barry Witham

Hearthstone

Laura Saunders

Parkshore

Bob Pringle/Jerry Tuttle

Mirabella

Susan Dillon

Skyline

Tom Sakata

Timber Ridge

Judy Love



WACCRA Board Members

Nickie Askov

Rick Baugh

Carlos Caguiat

Monica Clement

Jim Crim

Kim Hickman

Donna Kristaponis

Judy Love

Laura Saunders

Mirabella

Skyline

Emerald Heights

Timber Ridge

Emerald Heights

At Large

Emerald Heights

Timber Ridge

Hearthstone



Accomplishments

- Lobbied the Legislature for \$250,000 for the OIC to recommend regulations securing financial security for CCRC residents
- Lobbied for legislation supporting seniors
- Started a multistate gathering of state CCRC resident leaders to help each other and share information and research
- Secured additional funding for the Long Term Care Ombud's Budget



Accomplishments

- Updated Marketing Materials to Accurately Represent CCRCs
- Continued Helping CCRC Residents Implement the Agreement: Commitment to CCRC Practices
- Increased Participation in Presidents' Roundtable
- Expanded WACCRA Membership

WASHINGTON



CONTINUING CARE
RESIDENTS ASSOCIATION



Update on the OIC Study

Kim Hickman Board Member
and

Chair of WACCRA OIC Oversight Committee



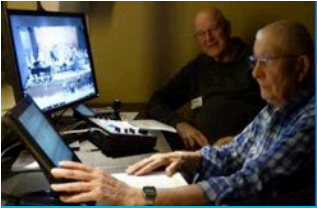
WASHINGTON



CONTINUING CARE
RESIDENTS ASSOCIATION

Update on the Issues Before the Office of the Insurance Commission

Presented by Kim Hickman
October 22, 2022



A bit of background:

- In 2016, WACCRA worked with the Washington Legislature to introduce the first CCRC regulations in the state. The legislation required entities that advertised as a CCRC to register with the Department of Social and Health Services. While a start, the legislation did not achieve all WACCRA's legislative goals.
- Since 2016 WACCRA has continued to pursue more comprehensive CCRC regulation to protect the promises by CCRCs to residents.
- In 2020, WACCRA formed the Financial Standards work group to explore financial and regulatory solutions to enhance resident protections. (Allen Affleck, Carlos Caguiat, Put Barber, Orin Brustra, Kim Hickman)
- Work began with a review of how CCRCs were regulated in other states with sizable CCRC industries and found Washington lacking in protections found in other states.



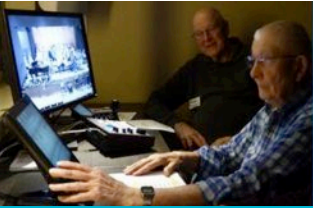
What happened next?

- The work group reached out to the Washington State Office of the Insurance Commissioner (OIC) for a preliminary discussion about CCRC regulation in Washington and realized that the staff was unfamiliar with the issues facing CCRCs.
- A presentation was developed and shared with OIC staff about CCRCs and the challenges residents face. Ensuing discussions led to additional presentations to the OIC and a request from them for the legislative review that WACCRA had completed.
- With a better understanding of the issues, the OIC asked the work group to articulate WACCRA's legislative "ask".



WACCRA's goals for regulation of CCRCs are:

- Periodic financial reviews by the State to ascertain the ability of each CCRC to meet both their short term operational and long-term care contractual obligations. Audited financial statements prepared and periodic actuarial studies should be part of the review. The State should be able to oversee management of CCRCs that are not meeting the State's financial requirements.
- Reporting of the State's financial analysis be made public to residents and prospective residents in a form accessible to a layperson.
- Oversight of the use of a CCRC's funds for services not directly beneficial to residents of that CCRC.
- Protection of CCRC residents in bankruptcy as secured parties versus as un-secured creditors.
- Support to address resident issues with CCRC management in a constructive, collaborative manner.



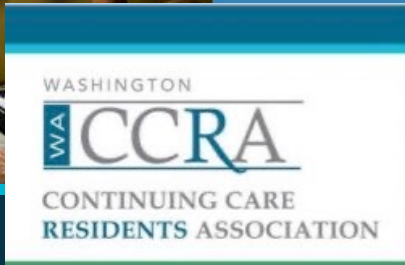
WACCRA's Legislative Review found:

- Other states have robust and comprehensive CCRC regulations designed to better protect seniors. Specific examples aligned with WACCRA's legislative goals include:
 - Florida and California require robust financial reviews be completed regularly for all CCRCs.
 - California requires actuarial studies be performed to ensure adequate reserves for future health care expenses.
 - Florida requires that all financial information be made public.
 - New York requires oversight for the use of CCRC funds for purposes not directly benefitting the residents of that CCRC.
 - Florida has protections for CCRC residents in bankruptcy proceedings.
 - Florida provides support in the resolution of disputes between CCRCs and residents.



Where are we now?

- The OIC has recognized that additional study of CCRC regulation was necessary.
- The OIC and WACCRA worked with legislators during the 2022 legislative session to expand the OIC budget by \$250,000 to allow the OIC to study and make recommendations to the legislature on how CCRCs should be regulated in Washington.
- A Request for Proposals (RFP) from qualified consulting firms was released by the OIC in late April requesting proposals from vendors to complete a survey of other states' legislation of CCRCs and to propose how regulation might be structured in Washington.
- The OIC received no responses to their RFP and has since undertaken the study internally, reaching out to WACCRA and LeadingAge for support.
- The legislature is expecting a report back from the OIC in December 2022.



What is WACCRA Doing Now?

- The OIC specifically named both WACCRA and LeadingAge WA as parties interested in this issue and anticipated working with both groups in their analysis.
- To support that work, WACCRA formed the OIC RFP Task Force (Donna Kristaponis, Laura Saunders, Carlos Caguiat, Kim Hickman) to:
 - Support the OIC's research, answer questions and provide additional insight.
 - Continue to educate residents on WACCRA's legislative goals.
 - Dialog with legislative representatives on WACCRA's goals.
 - Inform the broader senior-living community on the issues.



Jack Cumming, CASP, CLU, ChFC, FSA.

Research Director for Active Aging and
NaCCRA

Washington State Residents' Association

October 22, 2022

Jack Cumming, Resident, Actuary,
Certified Aging Services Professional

Overview

- LeadingAge Denver Meeting
- What's good in CCRC living
- What Needs Work
- The State of the CCRC Industry
- Q&A

LeadingAge Denver Meeting



LeadingAge Denver Meeting



LeadingAge Denver Meeting



What's good in CCRC living

- Responsible Choice
- Communal Life
- Hasslefree Life
- Healthcare Responsiveness
- Concern for Safety

What Needs Work

- Capital Financing
- Fair Contracts
- Cost Management
- Resident-Centric Governance
- Transparency
- Resident Respect and Empowerment

A Closer Look

Fair Contracts – Many Providers but Enterprise First

- Unilateral amendment by provider:
 - **Typical:** “You [resident] agree to be bound by all the *policies*, rules, and regulations of the Community, as they now exist or as they later may be amended. You hereby acknowledge receipt of a copy of the current Resident Handbook of the Community, which is attached hereto as Appendix A.” Needless to say, the *Policies* and Procedures Manual for a CCRC can be quite extensive and are seldom available to residents, nor would residents be expected to be aware of policy changes until they are impacted.
 - **Extreme:** Here is an actual sentence from a contract that a resident (my sister) was required to sign by a provider (it was approved by the State of California Continuing Care Contracts Division): “I [resident] understand and agree that at any time and from time to time, all without notice to me and without affecting your rights or my obligations hereunder, ...you [provider] may... alter any terms of the Residence Agreement or any part of it, including renewing, compromising, extending or accelerating, or otherwise changing the time for payment of amounts due thereunder...”.

A Closer Look

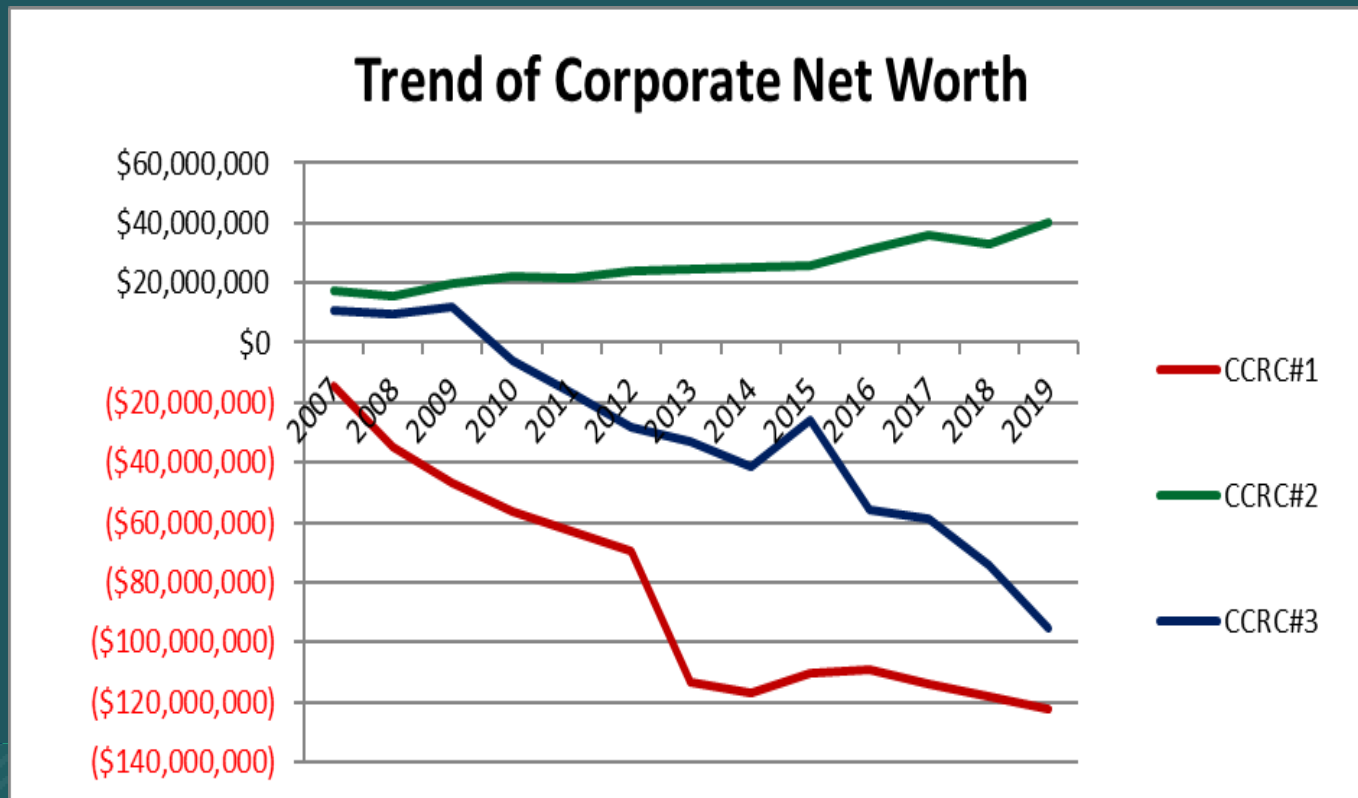
Fair Contracts – Many Providers Put Enterprise First

- Financial Subordination:
 - Financial Subordination: “Your rights under this Agreement are and shall be subordinate to the rights of a secured lender under any mortgage, deed of trust, or other senior security interest that is placed on Operator’s property, now or in the future.”
- Mandated Single Arbitrator:
 - “Both parties give up their constitutional right to have any such dispute decided in a court of law before a jury, and instead accept the use of arbitration.” This requirement favors the more sophisticated party over the less sophisticated.

The State of the CCRC Industry

- Market Share Is Declining
- Financiers and Development Advisers Promote Expansion
- Public Skepticism is Growing, e.g. SNFs
- Active Adult Communities Are Popular
- Triple Threat of inflation, labor shortages, and supply chain lags
- The Capital Challenge

The Capital Challenge



Paths Toward Trust

- Urge Trustworthy Practices:
 - Contracts
 - Accounting, and
 - Finances
- Strengthen Regulatory Oversight
- Consumer Oriented Accreditation
- Word of Mouth

Grassroots in Your Community

What you can do without management approval

You can make a difference with the city council, local government, county government, and even with your local state legislator

- What you can do without management approval
 - Partner with a local Village, or form one: vtvnetwork.org
 - Keep local officials informed of resident issues
 - Keep management informed but don't be stymied
- Develop Advocacy Programs Around Key Issues
 - Health and Wellness: Advocate with local authorities for better health and transportation support for older people
 - Technology: Advocate for senior friendly technology and support, perhaps in partnership with the Senior Center

Overview

- LeadingAge Denver Meeting
- What's good in CCRC living
- What Needs Work
- The State of the CCRC Industry
- Q&A

Washington State Residents' Association

October 22, 2022

Jack Cumming, Resident, Actuary,
Certified Aging Services Professional



Closing Remarks and Observations

www.waccra.org



THANK YOU FOR ATTENDING!

Visit www.waccra.org to join
or find information and resources.