The ORANJ TREE

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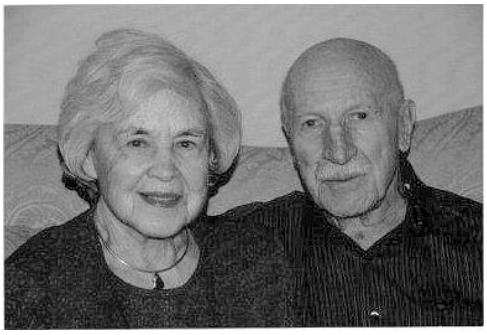
Follow the Leaders

by Dan Hartley

Transparency is an important goal for ORANJ and CCRC residents. The recent transparency study sponsored by ORANJ shows that the level of transparency varies widely. The Summary of Responses, available at *oranjccrc.org,* lists some practices that help to achieve this goal. Below are some of these items:

- 14 CCRCs have special committees (such as an energy committee) consisting of management, specialists and residents.
- 4 CCRCs involve resident committees in cost reduction programs.
- 12 CCRCs have committee chairs who report to residents in open meetings monthly.
- In 12 CCRCs the standard financial reporting package is distributed to the resident Finance Committee at least quarterly.
- In 10 CCRCs management solicits input from the Residents Advisory Council and Finance Committee for Capital Expenditures.
- In 10 CCRCs management reviews with the Finance Committee proposed changes in services and charges prior to implementation.



Dan and Phyllis Hartley

- In 14 CCRCs management holds monthly open meetings with residents to update them and answer questions.
- The extent that management involves the Finance Committee in budget development:
  - 8 CCRCs involve them in preliminary discussions of draft budget as it is being developed.
  - 8 involve them in discussions of projected future rate increases.
  - 9 involve them in reviewing the draft budget before approval.
  - 7 involve them in reviewing the board-approved budget before it is announced to the RAC.
  - 7 involve them in reviewing the board-approved budget before it is announced to residents.

Newsletter of the Organization of Residents Associations of New Jersey

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HISTORY OF A CCRC

by Helen L. Vukasin

Editor's Note: *This is the first of an occasional series on the roots of our New Jersey CCRCs. Medford Leas will lead off and there are several in the pipeline. If your CCRC has an interesting history, let us know and we will work together on your story.*

What does it take to build a CCRC? It requires imagination, determination, good will, faith and, of course, money.

In 1911 a small group of Quakers set up a boarding house for senior ladies in Haddonfield called the Estaugh, after an early Quaker leader. Rates were as low as $10 per week.

Fifty-five years later, as the beautiful old residence could not meet safety regulations, the Board sought a new home in Moorestown. It was not to be. The town fathers turned down the project. Lew Barton, Chair of the Estaugh, was invited by the Mayor of Medford, who had heard of the plight, to look at a farm property in Medford that might be appropriate. Money was raised to purchase the farm and in March 1971 the first resident moved into the first court apartment of Medford Leas.

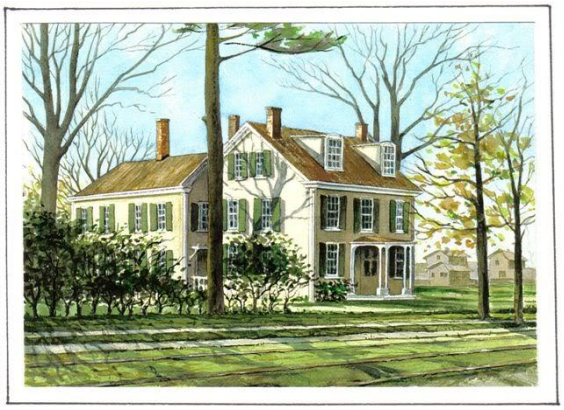
The changes at Medford Leas parallel the growth and development of CCRCs across the industry. The vision in 1971 was for a community of court apartments, with a community building to bring them together. During the next four years, 1972-1976, needs for health care became apparent and facilities were constructed to provide space for various levels of care. Independent units were built in 1984, 1988 and 1999. During the 1990s, Medford Leas became the first CCRC in NJ with assisted living units certified by the State.

Medford Leas has been an innovator among New Jersey CCRCs, taking risks and leading the way. In 1972, the residents developed by-laws for a residents association that they elected to manage their own activities programs.

The Board also looked ahead. In 1980, it developed all 160 acres as an arboretum. In the 1990s the Board had two resident members. As early as 2004, before the New Jersey legislation passed, the Board of Directors revised their constitution to guarantee there would be at least one resident member.

The resident leadership of Medford Leas was involved in creating ORANJ. Medford Leas residents over the years were president, secretary, chairs of committees and editor of the ORANJ TREE, and even created the acronym ORANJ.

Medford Leas may be one of the longest established CCRCs in New Jersey, but it is alive and forward looking in keeping up with the necessary changes to meet the needs of residents.



Watercolor from a photograph of The Estaugh, a "boarding home for elderly ladies," which opened in Haddonfield in 1911.

The website of the Medford Leas Residents Association, *www.MLRA.org,* is celebrating the 40th Anniversary of Medford Leas with a photo essay that includes 50 historic photographs along with text.

FRAGMENTS FROM THE ORANJ TRANSPARENCY STUDY

In the fall of 2010 Don Smith of Cedar Crest was asked by ORANJ to undertake a study of "transparency" in the operations of the CCRC members. The subject is enormous and so was the study. Of the 24 CCRCs in ORANJ, 22 responded. A summary of the responses along with the author's report and recommendations are available on the website at *oranjccrc.org*.

For this article we have selected a very few questions that illustrate different aspects of transparency:

1. The financial information that is distributed or made available to all residents.
2. The extent to which the finance committee is involved in budget development.
3. The extent to which residents consider themselves well informed by management.

The numbers of the corresponding questions in the Summary of Responses are given in brackets.

Distribution of Financial Information

We found that the following items were available to residents in the specified number of CCRCs:

- 12 – the annual report (Q. 37).
- 12 – the annual audited financial report (Q. 37).
- 8 – the IRS Form 990 available on request (Q. 36).

In other words, about half the respondents reported that in their CCRCs the first two items were available. Only about a third reported that in their CCRCs the public disclosure statement was available

There was a marked difference between large and small communities. According to the respondents from the 11 larger CCRCs, those with 250 or more independent living units, 5 distributed the IRS form 990, 8 distributed their annual report, and 9 distributed their annual audited financial report. According to repondents from the smaller CCRCs, those with fewer than 250 independent living units, only 4 distributed the IRS form 990, 4, distributed their annual report, and 3 distributed the annual audited financial report

Involvement of Finance Committee in Budget Development in Different CCRCs

We found that involvement of the Finance Committee (FC) in budget development varied (Q. 33):

- 8 CCRCs involved the FC in preliminary discussions of the draft budget.
- 8 involved the FC in discussions on projected future rate increases.
- 9 involved the FC in reviewing the draft budget before approval.
- 7 involved the FC in reviewing the board-approved budget before it is announced to the RAC/Exececutive Committee.
- 7 involved the FC in reviewing the board-approved budget before it is announced to residents.

The data show that all the heavy involvement was in the large communities. None of the small CCRCs involved the FC in all the steps. Only 3 involved them in any.

Perceived Transparency

The study included several questions that asked correspondents how well residents felt they were informed, and received very positive responses:

- 22 reported that residents felt very well, well, or fairly well informed (Q. 1).
- 21 reported that officers and chairs felt very well, well, or fairly well informed (Q. 2).
- 19 reported that management's relationship with committees was excellent or very good (Q. 11).
- 17 reported that residents felt that management's communication with them was excellent or very good (Q. 43).

The universally positive responses on perceived transparency suggests either that residents felt they received all the information they wanted or that respondents were reluctant to acknowledge deficiencies. There were few differences between large and small communities. Since small communities in fact received less information from management than larger ones (see above), it is also possible that residents in small communities received information in informal interchanges that were not tapped by the study.

SPEAKERS FOR ORANJ PLENARY MEETING

Wednesday, April 20 at Franciscan Oaks in Denville

Professor Katherine Pearson is currently Director of the Elder Law and Consumer Protection Clinic at Pennsylvania State University. As readers of the NaCCRA newsletter, *Lifeline*, already learned from her article in the September/ October issue, Professor Pearson has been working on law and aging policy issues for more than ten years. These include topics related to governance, including the right of residents to have a say in policy, and issues related to financial transparency. One of her concerns has been that potential residents are not receiving adequate information to make sound decisions about investing in CCRC communities. She has testified in Congress about the need for national standards and has called for a national bill of rights for residents of CCRCs, with emphasis on financial transparency and accountability.
http://aging.senate.gov/events/hr224cr.pdf
http://law.psu.edu/faculty/resident_faculty/pearson

James McCracken has recently been appointed by Governor Christie to the position of Ombudsman for elderly persons living in long-term health care facilities such as nursing homes and CCRCs. Mr. McCracken has had 15 years of experience in health care administration. Most recently, he was Executive Director of the House of the Good Shepherd in Hackettstown, NJ, which provides a variety of services including independent living apartments, assisted living suites, nursing residences, and cottage homes. He also served as Manager of Program Development at the United Methodist Homes of NJ, as Executive Director of the Francis Asbury Manor in Ocean Grove, and as Administrator of Bristol Glen, a CCRC in Newton, NJ. He has also been mayor of Fredon Township.
http://nj.gov/ooie/
http://nj.gov/ooie/meet/

EXCEPTION EXTENDED FOR OUTPATIENT PHYSICAL THERAPY CAPS

Last fall, on the recommendation of its Legislative Committee, ORANJ voted to ask residents in its member CCRCs to write to their congressional representatives urging extension of the exception process. So, if you wrote your representatives urging this legislative change, you can pat yourself on the back. If you didn't, be thankful that others did.

On December 9, 2010, Congress passed legislation that extended for one year the exception process to pay for additional therapy service if medically necessary. It was signed by the President on 12/15/10. Look it up under Public Law 111-309.

This means that patients needing more outpatient physical, occupational or speech therapy than provided under the caps, about $1,800+ per year, can receive needed care through the exception process. As Mr. Smith said in his letter announcing the change,

"Not only is it unacceptable to unreasonably restrict payment for services that are critical to regaining functionality, but any direct savings resulting from restricting access to these services is likely to result in much greater costs for other medical and living expenses that could have been avoided with appropriate rehabilitation."