

Believe



In Our Story

a transformational year 2007-2008

10 significant achievements
2 desired outcomes



leadership report

It is fascinating to look around a room at any gathering of WAHSA members. There always are so many familiar faces, faces that are synonymous with WAHSA. We sometimes see some of the original founding fathers of WAHSA. We see individuals who have been leaders of this association and of Wisconsin's long term care community for 20, 30, or 40 years. The familiarity of these faces speaks volumes about the dedication of our members – you believe in our story; you carry on the mission that unifies this association.

Just as exciting as seeing so many familiar friends is the fact that we are beginning to see new faces in the association, young, up-and-coming leaders who are eager to carry this association into the future.

Young or old, founding fathers or upcoming leaders, we are the present and the future of WAHSA, and our continuing story is in our caring hands. It is our responsibility to ensure that our story has no end. It is crucial that we work together today on initiatives such as *Quality First*, *Advancing Excellence*, and *Person-Directed Care* so that we can provide the best possible living environments for our parents

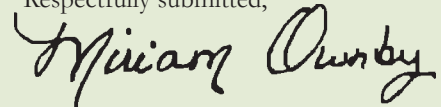
and our grandparents. It is important that we seize our opportunity to shape Wisconsin's long term care and senior housing options into our desired future living environments. It is crucial that we create the senior living legacy we want to leave for our children and our children's children when they become the seniors of tomorrow.

Fiscal Year 2007-2008 was a transformational year for this association. We have worked together to analyze the trends and to consider the options. We have dreamed, discussed, debated, and designed what we believe to be the desired long term care and senior housing environment for the future. We have partnered with adversaries and supporters to build our bridges and to lay our foundation. Now the time has come to transform the antiquated long term system of yesterday into the idyllic long term care and senior housing environment of the future – the environment that we have dreamed of, the system that we desire, the options that only we can make possible.

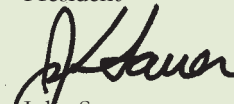
WAHSA always has been and always will continue to be a leader in long term care and

senior housing by proactively representing your interests in the public policy arena, providing the highest quality educational opportunities for professionals at every level throughout your organization, and developing timely member services that surpass your expectations. You have come to know us for our tradition of quality in these services, and there is little need to describe at length our efforts in these areas. This annual report has been designed to serve your busy lifestyle. We will briefly highlight WAHSA's top ten achievements over the past twelve months, and we will demonstrate how our directed efforts will lead us to our two desired outcomes of the future.

Respectfully submitted,



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President



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Executive Director

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Todd Wilson, La Crosse

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10 significant achievements

Realizing that the future of long term care lies in serving seniors where they want to live, WAHSA designed new services and enhanced existing services to better address the interests and concerns of assisted living and senior housing providers.

1 WAHSA already has released eight Quality Initiatives for Residential Care Apartment Complexes (RCACs). Collectively, this set of standards is intended to set a benchmark that exceeds the state code and pushes participating RCACs toward a process of continuous quality improvement. These standards are designed to support and encourage creativity in their execution and the sharing of successful implementation strategies. Through the continued development of this ongoing quality improvement process, WAHSA's goals are to improve tenant quality of life within the RCAC's social model; create a program that is comprehensive enough to raise the level of quality and yet manageable for facilities of various sizes; avoid standards that are overly prescriptive; and support and encourage information sharing and technical assistance between members as they implement the program.

2 Recognizing that networking and peer support will be increasingly important as the association works towards our desired future, WAHSA developed a web-based Independent Living Resource Clearinghouse. The goal of this Clearinghouse is to provide a systematic approach to collecting and sharing information and resources to serve the interests and needs of member independent living facilities. Through this Clearinghouse, members are sharing policies, procedures, contracts, guidelines, practical tips, sample letters, best practices, legal considerations, and other information on topics such as admissions/evictions, employees, food services, housekeeping/maintenance, marketing, resident health, resident safety and wellbeing, resident services, transfers, transportation, trends and future initiatives, and vendors/guests/visitors.

3 WAHSA is taking a systematic approach to training employees of member assisted living facilities. Through this new initiative, WAHSA's plan is to develop and provide training for new employees to ensure the facility is following the necessary procedures to meet all regulatory requirements and to provide regional continuing education for current employees. The association already has released the first training module focusing on *The Purpose and Philosophy of Assisted Living*. Topics that will be addressed in

future training modules include: *Assistance with Daily Living, Medication Management and Administration, Employee Standards, Physical, Functional and Psychological Characteristics Associated with Aging, Crisis and Emergency Management, and Legal Considerations*

The journey into the future is not a solo trip – nor was it meant to be. For any future initiative to be successful, a wise organization stands strong when necessary, collaborates where possible, and cooperates when practical. That is the principle that guides WAHSA's efforts in the public policy arena. While the association holds true to our mission and stands firmly on what we know to be the best possible positions for our members, WAHSA also works to gain common ground with advocates, strives to achieve realistic expectations with regulators, and advocates for adequate funding mechanisms with law makers. We can best achieve our desired long term care and senior housing system of the future if we build from the ground up the system that best addresses and meets the needs of all interested stakeholders.

4 At the end of the day, regardless of the frustrations entailed, it takes money to pay caring staff to provide quality care and services to our residents and tenants. At times, it feels as if we are banging our heads against a wall when we implore our public officials to provide us with the resources we need to serve our customers, but we keep on doing it because it is for someone's mother or father, or grandfather or grandmother. That challenge was no different this past year. WAHSA members challenged Governor Doyle's continued insistence that nursing home Medicaid rate increases be funded through increases in the nursing home bed tax. And we succeeded: the 2007-09 budget bill the Governor signed into law provided a 5% GPR-funded MA rate increase for nursing homes in 2008-09. Unfortunately, virtually all MA providers were denied rate increases in 2007-08 because of fiscal constraints. Members also succeeded in convincing the Governor and the Legislature to stop siphoning off nursing home bed tax revenues for non-nursing home purposes: from now on, all bed tax revenues will be deposited in the MA Trust Fund. Successful member advocacy efforts were not limited to the Legislature and the Governor: the Department of Health and Family Services listened to WAHSA concerns and modified the RUGs-based acuity payment system to benefit a vast majority of WAHSA members.

5 The property tax exemption issue seems to be almost Dickensian in nature: it is part of the WAHSA past, its present, and no doubt its future. The issue will be before the membership and those we serve as long as there are those who wish to unjustly penalize our residents. Last year was no different, although the approach taken was. In past years, there were numerous legislative attempts to define or re-define "benevolence," usually focusing on an income test to warrant a property tax exemption. This session, the attack was an indirect one: Senate Bill 403 would have provided a specific property tax exemption to "low-income housing" and permit those providers to use their leasehold income in ways that were otherwise illegal for WAHSA senior housing providers. While the bill did not affect the current tax-exempt status of any nonprofit residential housing provider, it clearly would increase the exposure of those failing to meet the bill's "low-income housing" definition to the potential loss of their property tax exemption. When the bill passed the State Senate on a 32-0 vote, it appeared our chances of amending SB 403 to treat all housing providers the same, or at the very least killing the bill, were doomed. Once again, however, the advocacy efforts of WAHSA members prevailed: a vote on SB 403 was never taken in the Assembly and SB 403 died in the 2007-09 legislative session.

6 WAHSA is preparing its membership for the challenges and opportunities fueled by the increasing influence of managed care payment and delivery systems. Our Long Term Care Managed Care Committee enables members to fully comprehend how capitated payment systems may seek to impose different requirements and responsibilities on the provider community, compared to the traditional fee-for-service system. The Association continues its review of managed care contracts and payment structures and will soon issue legal guidance to help members operate within the Family Care and other publicly-funded programs. The managed care contracts need to address coordination of case management services, adequacy of acuity-based rates, timely payments, indemnification protections, and insolvency (MCO) provisions. WAHSA also is an active voice on the Wisconsin Council on Long Term Care, and Department of Health and Family Services officials can count on the Association for honest input on the cost, quality, effectiveness and efficiencies of the expanding managed care options.

7 WAHSA continues to seek transformational changes to the nursing facility survey and enforcement system. Our goal is to change the regulatory system from one focused on punitive actions against the provider community to one that promotes quality improvement and satisfaction measures. The survey system should work more collaboratively with mission-driven providers striving to offer the best possible care and services to their customers, while more effectively targeting “problem” facilities. WAHSA is building broad support to amend the Wisconsin Statutes to grant the state survey agency discretionary authority to not issue a violation for incidents that are self-reported and corrected by the nursing facility. WAHSA has expressed its serious concerns to state and federal survey officials about (1) the frequent reliance on civil monetary penalties (CMP) as the preferred enforcement remedy imposed on Wisconsin nursing homes; and (2) the substantial increase in immediate jeopardy citations. As a result, the federal survey agency is prepared to issue clarifying citing instructions which should reduce the number of “IJ” citations. WAHSA has urged state officials to lessen their reliance on financial penalties as their preferred enforcement action and to instead use other less punitive enforcement tools for facilities achieving regulatory compliance. WAHSA successfully advocated for the elimination of the federally mandated survey user fees. (For the last quarter of 2007, providers were billed \$2,072 for on-site verification visits and \$168 for a desk review.) Congressional contacts continue in an effort to prohibit the reinstatement of user fees in subsequent federal legislation.

WAHSA’s transformational strategy can be summarized quite simply: Think globally; act locally. We simply cannot afford to think only about what our counterparts and competitors

are doing. For better or for worse, we live in an interconnected world with a global economy. We must stay tuned to the world around us to see what impact other (formerly) unrelated enterprises might have on the services we provide. We must keep our eye on the ever-evolving trends to see how they will influence the market of consumer preferences. We must stay ahead of technology to learn what, where, and when we can incorporate within the association and throughout the membership. While we continue watching the world around us, we must remain involved and active in our local community – nurturing community support, keeping vigilance over the regulatory arena, striving to be the employer of choice, fostering a positive image, working diligently to be a good neighbor, and always striving to provide the highest quality service possible in everything we do.

8 As with our senior housing and assisted living initiatives, WAHSA’s latest efforts have solidified its reputation as a leader of nursing home quality improvement and innovation. The unveiling of the Wisconsin Clinical Resource Center and its related “root cause analysis” training program has been hailed nationally as a model initiative for true quality improvement. Under the direction of a group of dedicated task force members, WCRC will be expanded from eight to twelve clinical modules and new training programs will be added to make this an even more impressive resource tool. This resource has been shared with staff of the U.S. Senate Special Committee on Aging and the State Ombudsman. Also, a greater number of Wisconsin facilities have joined the *Advancing Excellence in America’s Nursing Homes* program, a sure sign that more organizations embrace a voluntary and collaborative quality improvement approach over one based on regulatory compliance.

9 Somewhere along the timeline of our life, the Age of Technology tangled itself around nearly every aspect of our existence. Within the past twelve months, WAHSA pursued the wonders of technology more aggressively than ever before. From full-featured educational sessions focused on technology in long term care and senior housing, to on-line networking and information sharing, to our mass distribution of *e-News* as the association’s comprehensive weekly mailing to the membership, the association began to explore the realistic application of technology to the association and its members.

10 WAHSA, working with its national partner the American Association of Homes and Service for the Aging, understands many of today’s challenges demand a national or even global solution. WAHSA is proud to support AAHSA’s efforts to advance a *Long-Term Care Solution*, a financially sound national long term care funding model founded on three core principles: Consumer choice; financial responsibility – both personal responsibility and good stewardship of provider and public resources; and equity of benefits. The goal is to dramatically expand long-term care coverage, provide greater choices in how and where persons receive needed care and services; and do so in a way that does not rely on fiscally unsustainable programs (Medicare and Medicaid). More Wisconsinites will become trained as AAHSA *Long-Term Care Solution* ambassadors as we seek to help transform the way we finance long term care in this country. In addition, our partnership with AAHSA will continue to produce concrete proposals to improve our long term care regulatory environment—the AAHSA survey and certification task force will release its recommendations later this year—and members will enjoy deep financial discounts by participating in the AAHSA insurance and group purchasing programs.

2 desired outcomes

Never before in the history of this association have we seen so many talented individuals working so tirelessly on so many different fronts towards a common goal. Through committees focused on issues ranging from regulations and reimbursement to educational programs and awards, with task forces venturing into uncharted areas such as Quality Initiatives and web-based professional sharing, guided by dedicated members striving in their individual communities for recognition as the employer of choice and

the provider of the future, supported by a staff with diverse and complementary skills, under the direction of a visionary Board of Directors, WAHSA is on a mission-driven journey into the future. Although our strategy is multi-faceted and our successes many, we will continue to work relentlessly towards two simple yet profoundly desired outcomes:

1 WAHSA as an association will be the respected statewide leader in the establishment of a quality-

based, choice-driven long term care and senior housing environment that all future generations will enjoy.

2 WAHSA members will be well-positioned to adapt to on-going change as they transform into vital and vibrant pillars of the community serving the seniors of tomorrow in a place that everybody is proud to call home.

budget

	<u>Projected</u> <u>6/30/2008</u>	<u>2007/08</u> <u>Budget</u>	<u>Variance</u>	<u>Proposed</u> <u>2008/09</u> <u>Budget</u>
Member Dues	\$ 619,000	\$ 613,000	\$ 6,000	\$ 640,400
Associate Dues	41,000	40,000	1,000	42,000
AAHSA Dues	38,700	40,000	(1,300)	39,000
Investment Income	45,500	38,500	7,000	42,000
Conferences/Seminars	401,800	336,500	65,300	352,500
Nursing Home Week	-	27,500	(27,500)	-
Surveys/EO	5,000	3,000	2,000	4,000
Member Services	6,000	10,900	(4,900)	10,000
Miscellaneous	4,000	4,000	-	4,000
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Total Revenue	\$ 1,161,000	\$ 1,113,400	\$ 47,600	\$ 1,133,900
Salaries/Insurance/Temp.	\$ 548,900	\$ 561,700	\$ 12,800	\$ 591,000
Payroll Taxes	35,100	35,900	800	37,200
Employee Pension	25,400	26,000	600	27,100
Staff Travel	17,500	18,000	500	19,000
Professional Development	1,500	2,000	500	2,000
Board/Committee	20,000	20,000	-	20,000
Insurance/Taxes	6,400	6,900	500	6,900
Telephone	7,200	9,000	1,800	7,500
Copier	17,800	18,300	500	18,300
Postage	8,000	11,900	3,900	8,000
Computer Expense	2,500	2,500	-	2,500
Printing	4,000	8,000	4,000	4,000
Supplies/Sub./Memberships	5,600	6,400	800	7,100
Conferences/Seminars	283,000	234,500	(48,500)	250,000
Legal Counsel	22,200	23,400	1,200	23,400
Audit	4,700	4,800	100	6,100
Bank Expense/Misc.	2,000	2,500	500	2,400
Data Base	5,000	6,000	1,000	5,000
Member Services	6,000	6,700	700	6,700
Nursing Home Week	-	24,000	24,000	-
Depreciation	25,100	27,200	2,100	26,000
Office Building	22,300	24,000	1,700	23,000
Strategic Development	63,000	20,000	(43,000)	38,000
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Total Operating Expenses	\$ 1,133,200	\$ 1,099,700	\$ (33,500)	\$ 1,131,200
Net Revenue/Expenses	\$ 27,800	\$ 13,700	\$ 14,100	\$ 2,700
Capital Improvements	\$ -	\$ 8,000	\$ 8,000	\$ 15,000