

# *Notes and News from* **NaCCRA**

Monday, April 3, 2017

## **NaCCRA At Work for You**

At last month's General Meeting, NaCCRA's new Board and Officers committed to accelerating the pace of NaCCRA's work and refocusing NaCCRA's efforts on you and your needs. These leaders are volunteers and CCRC residents like you. Technology is key to improving NaCCRA so technology is emphasized in this issue.

We are laser-focused on improving CCRC capital adequacy, raising provider standards, and empowering residents to have a voice in their CCRCs. Many of you are blessed already to live in CCRCs with these characteristics. We need you to join us to advance our cause.

We were very impressed by the solvency, provider excellence, and resident engagement at Goodwin House Bailey's Crossroads, our host for NaCCRA's General Meeting. A solid core of volunteers working together as a team can bring similar benefits to all CCRCs.

## **Avoiding Financial Failure.**

Unfortunately, there are frequent CCRC financial failures, and they impact residents directly since resident fees are virtually the sole source of income for CCRC operations. That means that losses due to excessive expenditure or inadequate pricing have to be made up by the residents unless debt providers accept pennies on their investment. Stiffing the investors is not good business.

Many residents may not know that financially in most CCRCs, resident are subordinate to debt holders. There are exceptions: some for-profit providers give their residents a first claim on the assets if the provider defaults. But such exceptions are rare and are principally confined to the for-profit sector of the CCRC industry.

Recent failures at Glenmoor CCRC and University Village Tampa, both in Florida, or at Sears Methodist Retirement System in Texas, are attributable either (1) to inadequate capitalization (many nonprofit CCRCs operate with liabilities greater than their assets, meaning the resident entrance fees are used to avoid cash insolvency); or (2) to inept or unscrupulous management; or (3) to executives who lack the financial involvement that residents have

with their entrance fees. That's why NaCCRA is strongly committed to capital adequacy, provider integrity, and resident empowerment.

We want to shield you from the distress that occurs when failure arises. And it can come quickly, as in the case of one CCRC in California, which went from a strong balance sheet in 2014 to cash insufficiency in 2017. We're not at liberty now to name the CCRC though it is commonly known among industry providers.

## **A Commitment to Transparency.**

One NaCCRA advocacy aim is a call for greater provider transparency in sharing financial information and for inclusion of residents in business decisions. The Bible calls on us to be careful when we advocate behavior for others that we do not follow ourselves in our own lives. The Biblical teaching is, "...first take the log out of your own eye, and then you will see clearly to take the speck out of your brother's eye."

This tenet requires that NaCCRA be as transparent as what we expect of providers. Accordingly, we have almost been obsessive about transparency for NaCCRA, sometimes to the discomfort of NaCCRA leaders.

## **Technology to Enable Transparency.**

That commitment to candor, transparency, and openness extends to NaCCRA's Board deliberations. NaCCRA is continuously considering new technologies and new approaches to ensure that you, NaCCRA's members can be fully engaged and that you have the opportunity to interact with the volunteer leaders.

For the recent General Meeting in Virginia, and the ensuing Board Meeting, we experimented with video streaming live through the internet. Now you may not yet be fully comfortable with such advanced technology, but we want you to know that NaCCRA is there with the technology in place when you are ready and able to take advantage of it. You can volunteer with NaCCRA to the full extent that you are willing and able. We need as many of you as are able to work with us to ensure the peace of mind that we seek in our CCRCs.

## NaCCRA's April 5, 2017 Board Video Conference.

NaCCRA's newly installed Board will meet by Video Conference this coming Wednesday, April 5 at 1:00 PM Eastern Time, which is 10:00 AM Pacific time, and may differ depending on your time zone.

The Board meeting will be accessible for all members who wish to participate. You can access the agenda and learn how to link into the meeting by clicking on the button below.

[Click Here for the Agenda and Access Information for the April 5, 2017 NaCCRA Board Video Meeting](#)

Supporting documents can be read by double clicking on the links embedded in the agenda.

### Resident Technology.

An increasing number of CCRCs are allowing residents to enter meal orders; ask for maintenance; sign up for activities; etc. online. My own CCRC has been using the [touchtown](#) service, which has limited interactive capabilities, but recently it was announced that a system called [Resident Communicator](#) will soon be introduced here.

As you can imagine, I was very interested when residents at Goodwin House took the stage at the General Meeting to present a program they use, also called "Resident Communicator." How this was accomplished there provides a paradigm for how providers can build value in their organizations by collaborating with residents.

It seems that years ago... more than a decade ago... residents at Goodwin House approached management about launching a resident website. Management gave them a budget to hire a professional webmaster and the website at <http://ghbcresidents.org> grew from there.

Take a moment to look at the website. You won't be able to go everywhere since matters involve individual concerns or privacy are password and security protected. Still, you will be able to get a good sense of just how far Goodwin House has advanced.

One of the questions raised during the presentation was how Goodwin House has managed to get technology-resistant residents on board. The response was that they counsel all such residents to buy an iPad.

They have found that the iPad is intuitively simple for new users to master. Moreover, by homing in on a single device there is a widening network of residents who help other residents. Of course, all computers work with the

website, but the iPad has proven to be the best choice to introduce novices to the wonders of online services.

### Speaking of Technology.

While we're on the topic of technology, we should mention another area with which NaCCRA is experimenting. Many members have long asked to have an online capability to simplify their dues payments. Now we are working to try to make that a reality.

We should caution from the outset that this is still in the very early stages. We have an outside developer working with Partners in Association Management to improve our member services while reducing our administrative overhead.

We know that many members will not be ready for such technology, though local leaders in your CCRC may be willing to help you to take advantage of the benefits of online membership services. NaCCRA depends on willing volunteers.

NaCCRA will continue to have some form of manual processing for those who need to write checks. It may be necessary to charge a small processing fee to cover the added cost of manual processing. By managing our costs effectively, we can avoid dues increases for now.

### Have Questions?

Basil Pflumm, NaCCRA's President, sees education for both providers and residents as key to our advocacy. For instance, a certification program to qualify prospective resident directors as highly capable for contributing to management, might help overcome provider resistance to resident directors.

If you have questions, feel free to email them to [registrar@naccrau.com](mailto:registrar@naccrau.com). We will do our best to answer them quickly and without charge. Of course, if something extensive is needed, NaCCRA may have to charge for the service, but initial inquiries are part of your membership.

Education and information have been NaCCRA strengths. NaCCRA will be strengthening its educational offerings over the coming months. Let us know how we are doing.

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