

Notes and News from **NaCCRA**

Get Ready, Get Set.

NaCCRA will be meeting on March 18th at Goodwin House CCRC at Bailey's Crossroad Virginia. Come join us. If you can't attend in person, we're going to try an experiment and, if it works, you'll be able to be there virtually.

This is a little ticklish. Success will depend on the reliability of the upstreaming wi-fi capability at Goodwin House, and we won't know about that until we attempt it. But we hope you'll give it a try, and if all goes as expected, you'll be able to participate as if you had made the trip to Virginia.

Here's how to participate. We will be using a video streaming service called Zoom, which you can find at <http://zoom.us>. Long before our meeting, whenever you have time, sign up with Zoom and download the little app that enables the connection. If you use a tablet or smartphone, you will need the Zoom app, found in the App Store. Once you've done that you'll be all set to join us in Virginia (fingers crossed).

[The agenda for the meeting is on Page 10 of the latest Lifeline which you can access by clicking on this sentence.](#)

Remember that all times are Eastern, so you'll have to adjust the schedule to your time zone.

To connect to the live stream of the meeting, at the meeting time, enter <https://zoom.us/j/669925400>. For tablets and smartphones, at meeting time, choose "Join" and then enter the meeting ID 669 925 400. Telephone access is also possible for audio only: Dial: (408)638-0968 or (646)558-8656 and enter the meeting ID: 669 925 400. Both numbers work the same.

Your Chance to Vote.

The same Lifeline issue with the agenda for the March 18th meeting also introduces the candidates for NaCCRA's Board. The candidates and their qualifications are shown on Page 4 of that issue.

We encourage you to vote, if you haven't already. You can vote at <http://naccra2017.com>. There is also a sur-

vey to help NaCCRA in its advocacy work. Why the survey? Providers tend to view entrance fees differently from the way residents view them. Meeting of the minds is a legal essential for a valid contract. The survey will reveal whether that mutuality exists when provider-prepared Residence Agreements are signed. Please help us by indicating your response to the survey.

Your Chance to Volunteer.

NaCCRA is a volunteer organization; Partners in Association Management only provides limited administration. As we reinvigorate NaCCRA as an effective voice for residents we need help in many areas of expertise. Please let us know if you are willing to help.

We will be formalizing a volunteer database after the March 18th and 19th meetings, but let us know of your skills anytime by emailing NaCCRA or by communicating through the website at <http://naccra.com>. Click on Contact. We're eager to hear from you.

We want to know about you – your particular interests, and your background and experience. The following Committees have been suggested: Capital Adequacy; Communications; Membership Development; Fellowship; Congressional Legislation; State Regulation; Governance and Compliance; Litigation; and Legislative Action. Other committees can be formed as needed. Let us know how you would like to serve. We need you and your talent.

A New Age.

In our last *Notes and News*, we described several of the advocacy advances for which NaCCRA has been pivotal. The incoming Directors are determined to take such advocacy to a new level.

Some of you are familiar with controversy that has arisen recently in Florida. NaCCRA has played a central role to support the Florida resident organization (FLiCRA) to achieve well-reasoned, merits-based CCRC regulation in that state. The hope has been that Florida might be a lead state for the nation. So far, as the discussions are unfolding, it appears that progress has been made in

bringing public, regulatory, and legislative attention to some of the issues. The solutions have been more elusive, but NaCCRA continues involved and optimistic.

CCRC issues are not confined to any one state. Although individual CCRCs are very local, the CCRC industry is nationwide and requires national, uniform legislation and regulation, so that everyone everywhere can know what to expect when they invest an entrance fee in a continuing care contract.

Not only do residents need to know what to expect, but they also need to know that the commitments on which they are depending will be fulfilled, and that their entrance fee investments will be used as contracted. Many entrance fees are now diverted for other corporate purposes, often outside the state in which your CCRC is situated.

NaCCRA is working to bring standards of capital adequacy and provider integrity to CCRCs everywhere. This effort supports you in your belief that your needs will be met when and as you need assistance. It can be devastating to learn at an advanced age that a community is failing financially. It is more devastating still to learn, as has happened on occasion, that the care operations are shutting down and that the residents are to be relocated.

New Directors mean fresh thinking and NaCCRA's newest Directors are astute people from varied backgrounds who will be working tirelessly to assure that promises made to you will be promises kept. We need your support, your energy, and your wisdom to meet these challenges.

Repeal and Replace.

Lately we've been hearing the words "repeal and replace" as though that alliterative phrase made some kind of sense. It doesn't. It's no more than an activist phrase intended to advance political agendas.

We'll talk in a moment about healthcare, but for now let's take a quick look at the premises of CCRC legislation in those states that now have such legislation (amazingly, many states have no regulation).

Without delving into the history, many nonprofit providers view entrance fees as money to be used like the equity in a home to secure needed debt financing, much as home equity secures mortgage financing. That means that entrance fees are at risk if the CCRC becomes impaired.

Moreover, indications are that more than a quarter of CCRCs have accounting liabilities greater than their assets, so they depend on entrance fees to pay their debt requirements. That consumes resident entrance fees just as a drop in home values consumes homeowners' equity.

Nonprofit providers had a major say in how today's CCRC laws were enacted. Many of today's CCRC laws focus on ensuring that the provider has sufficient entrance fee commitments to be able to support debt obligations. The law, for instance, may require that "at least 10 percent of each depositor's applicable entrance fee have been placed into escrow for each phase for at least 50 percent of the number of residential living units to be constructed."

Such a requirement is not demanded of developers, say, of a normal rental apartment building, because developers are expected to use their own capital to secure any needed debt financing. Most residents don't know that their entrance fees are used to give nonprofit providers ownership at the residents' expense.

Clearly, there is a need to change the operative principle behind such laws to focus on residents. Here is where repeal and replace might make sense. Repeal laws that favor debt providers over residents, and replace with new laws to give residents peace of mind.

Looking at "repeal and replace," though, as it is now used for healthcare, substituting one "plan" for another, is not quite the same as taking a principled approach to our national healthcare challenge.

Per person annual U. S. expenditure is much too high. Here are the latest (2015) available numbers: US, \$9,451; Germany, \$5,267; Canada, \$4,608; France, \$4,407; UK, \$4,003; Mexico, \$1,052. We need nonpartisan solutions to provide quality healthcare at reasonable cost.

NaCCRA is committed to addressing healthcare by starting with shared American values and principles to foster a uniquely American approach to this national challenge. We believe that it's better to create opportunities for initiative than to mandate one plan after another. We, NaCCRA members, have much work to do together.

***Notes and News from NaCCRA** appears from time to time, whenever there is a need to keep NaCCRA members informed about current developments. Thank you for supporting NaCCRA. Our mission is to serve you.*