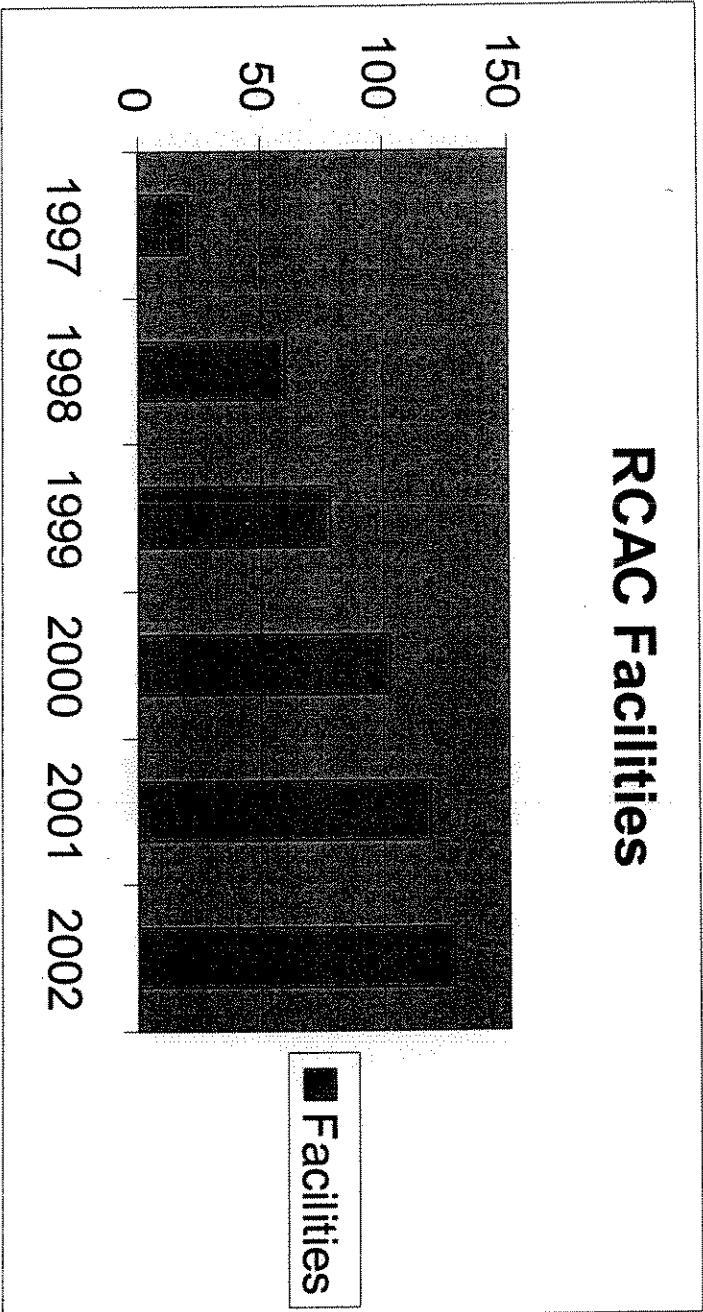
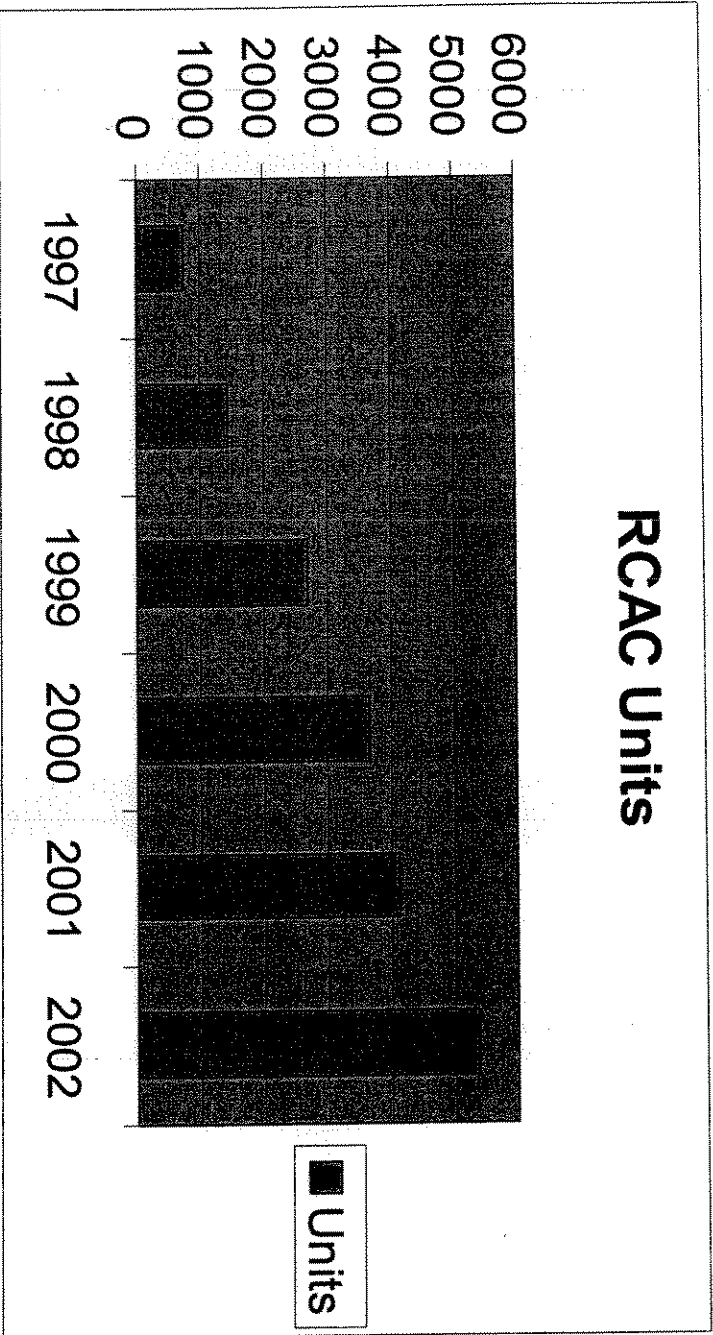


Att. 1.



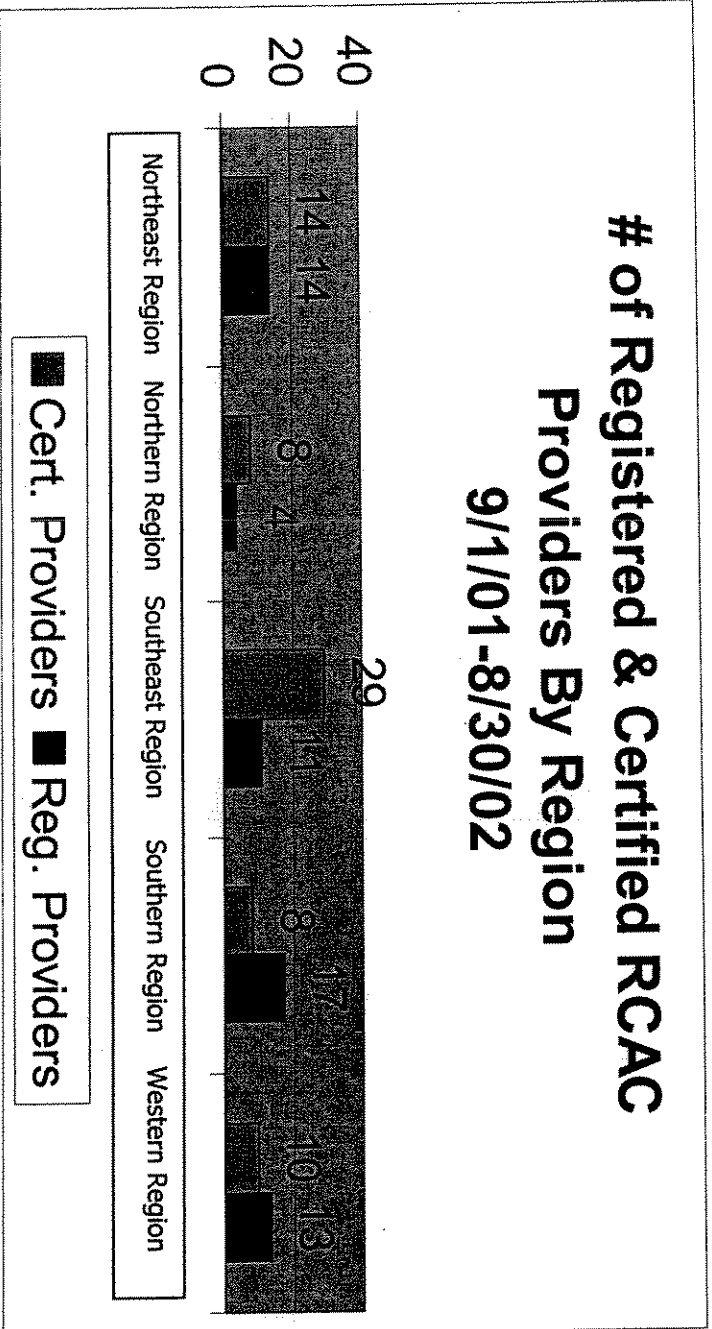
Source: Wisconsin Department of Health and Family Services

Att. 2.



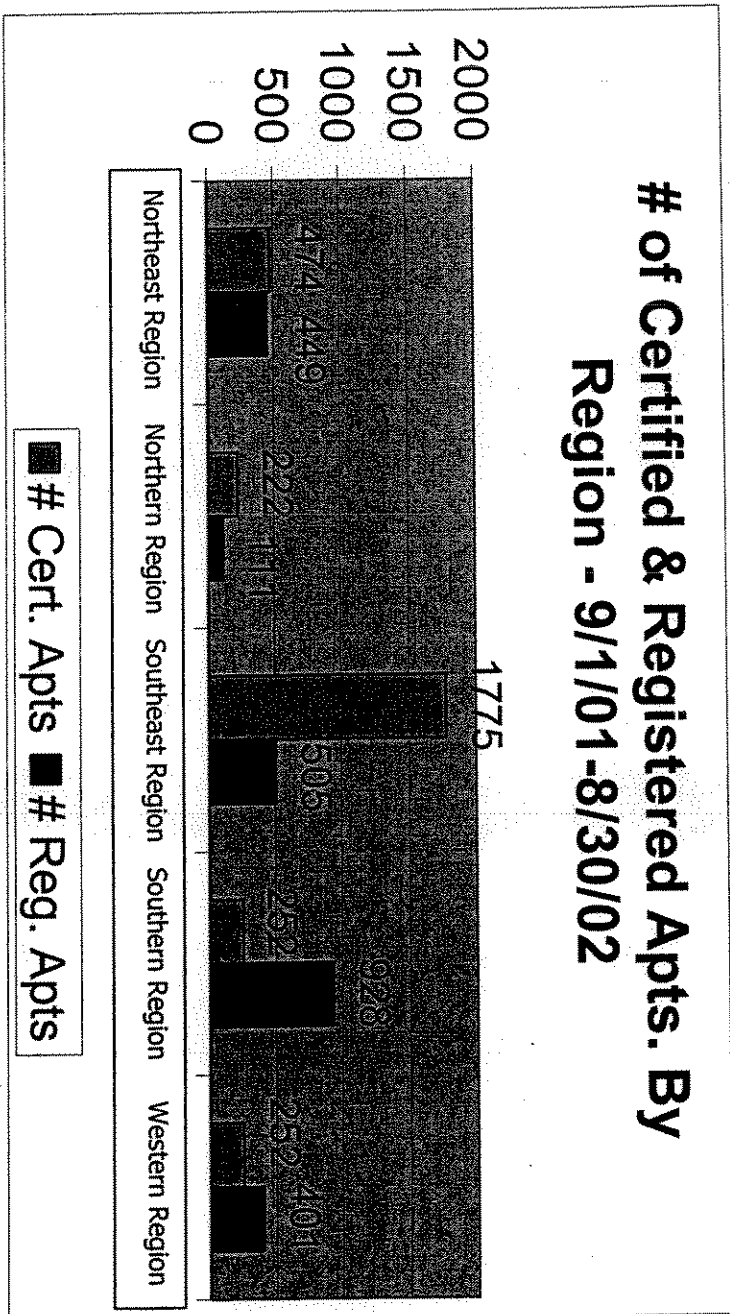
Source: Wisconsin Department of Health and Family Services

of Registered & Certified RCAC Providers By Region 9/1/01-8/30/02



Source: Wisconsin Department of Health and Family Services; Bureau of Quality Assurance

Att. 4.



Source: Wisconsin Department of Health and Family Services; Bureau of Quality Assurance



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George F. Potaracke

Testimony of George F. Potaracke
Executive Director of The Board on Aging and Long Term Care
Before
The Joint Legislative Audit Committee
5 Feb 2003

Good morning, co-chairs Roessler and Jeskewitz and members of the Committee. I am George F. Potaracke, Executive Director of the Board on Aging and Long Term Care. The BOALTC provides the Ombudsman Program that directly advocates for individual residents of long term care facilities to resolve problems arising from relationships and interactions with care providers, state government regulators, and others.

As participants who were interviewed as part of the Legislative Audit Bureau's preparation of this report, our agency extends sincere thanks to the State Legislative Audit Bureau, particularly Program Audit Division Director Kate Wade, for a job very well done. The conditions identified and the recommendations made will serve as a guide to the state in making certain that the elderly and disabled citizens who are cared for in long term care institutions are safe, comfortable and well-treated.

Our agency concurs with the results identified in the report of the LAB, and we offer the following for your consideration.

As noted in the report, the Bureau of Quality Assurance is hard-pressed to adequately monitor and regulate all of the facilities for which it is responsible. The lack of adequately trained staff and need for cross-training of staff to survey differing provider types leads to ineffective regulation. A regulator should be expert in all of the minute

details of the rules applying to the facility type he or she is responsible for. The amount of information contained in any given set of rules applicable to a provider type is enormous. We court disaster when we expect the regulatory agency to function with inadequate resources in personnel and training. Adequate personnel resources within BQA are essential to the ability of this bureau to protect Wisconsin's vulnerable elderly and disabled facility residents. In our view, less than annual inspections of assisted living facilities is an unacceptable practice.

The report correctly notes, as have several studies released recently by other sources, that long term care facilities (particularly nursing homes) are faced with critical shortages of competent, committed professional and certified staff. There have been proposals made in Congress and here in Madison to address this crisis, yet more needs to be done if Wisconsin is to avoid the situation where health care is more dangerous than disease. The current requirements for staffing levels in nursing homes are terribly inadequate, even with the small adjustments the Legislature enacted a few years ago. A very large proportion of the citations issued against long term care operators can be traced directly to the numbers of qualified personnel on staff to care for the residents. Most responsible operators readily admit that if they tried to deliver services at the state mandated level of staffing hours, they would be unable to meet the real needs of their customers. This Legislature must be willing to tackle the workforce dilemma in long term care.

Finally, I want to again raise an issue of fairness for the residents of Wisconsin's newest long term care provider type; the Residential Care Apartment Complex. Although the original drafters of the RCAC concept expected to afford residents the benefit of direct advocacy by the Long Term Care Ombudsman Program, efforts to enable this service to operate in these facilities have been unsuccessful to date. Partly because of fiscal concerns, the Legislature has been unable to reach agreement on the necessary modifications to the BOALTC statutes that would permit extension of this service to a growing and increasingly concerned resident population. Major consumer organizations,

including the Coalition of Wisconsin Aging Groups and AARP, as well as the State Long Term Care Council are asking that the Board's Ombudsman services be expanded into RCACs. BOALTC has prepared a proposal to do just that without using additional GPR funds. Application of a per-bed fee to RCACs, in much the same way as the occupied bed fee is applied to nursing homes, would generate sufficient revenue to fund the needed additional Ombudsman staff to serve these residents. We believe this is a fair approach to allow the residents of RCACs to benefit from the same degree of effective advocacy given by the state to consumers in other long term care facilities.

BOALTC is willing to work with any members of the Legislature who are willing to move forward with these recommendations that will provide needed protections for our most frail citizens.

Thank you, and I will be pleased to answer your questions.

WISCONSIN STATE ASSEMBLY



PEGGY KRUSICK
STATE REPRESENTATIVE

TO: Members, Joint Legislative Audit Committee
FROM: Peggy Krusick
DATE: February 5, 2003
SUBJECT: Written Testimony on Audit of Nursing Home and Assisted Living Facility Regulation

The Legislative Audit Bureau is to be commended for its excellent evaluation of the regulation of Wisconsin nursing homes and assisted living facilities.

As primary requester of the audit, I am very pleased with the quality of the final report. The findings confirm the results of the August 2001 Milwaukee Journal Sentinel investigation of the state's long-term care system that prompted my asking for this audit. I thank the Committee for approving my request.

It's clear from the Audit Bureau's evaluation that big improvements are needed in the oversight of Wisconsin's nursing homes and assisted living facilities.

Therefore, I plan to work with the Audit Committee, DHFS, aging advocates, the long term care industry and all other interested groups on a reform package that addresses the serious issues raised in the audit. Of course, given state budget constraints, all reforms implemented right now will need a zero fiscal note. To meet this requirement, I am consulting with the Fiscal Bureau on funding options that are budget neutral (\$0 GPR).

The Audit Bureau's report, including its excellent recommendations, will form the framework for whatever statutory and rule changes are necessary to ensure that our most vulnerable residents get the quality care they deserve. Key measures being considered so far include:

- requiring more frequent and unannounced inspections of assisted living homes
- giving the state ombudsman the authority and resources to investigate complaints from residents of residential care apartment complexes
- increasing the number of inspectors for assisted living homes
- establishing minimum nursing qualifications for inspectors of assisted living homes
- establishing penalties for non-payment of nursing home forfeitures

In closing, I again thank the Audit Committee for approving this audit and appreciate the hard work the Audit Bureau staff put into preparing the final report. I am confident their effort will result in measures that ensure quality long-term care for Wisconsin residents, regardless of whether they live in a nursing home or assisted living facility.



State of Wisconsin
Department of Health and Family Services

Jim Doyle, Governor
Helene Nelson, Secretary

*Benjamin
with
emergency
response
phone # as staff
Responsibility of the Board?*

Testimony
Before the Joint Committee on Audits
The LAB Audit of the
Oversight of Nursing Homes and Assisted Living

By
Helene Nelson, Secretary
Department of Health and Family Services

February 5, 2003

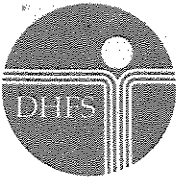
Good morning, my name is Helene Nelson, and I am the Secretary of the Department of Health and Family Services. Thank you for inviting us to provide comments on the LAB audit of the Department's regulation of nursing homes and assisted living. The Department continues its commitment to the effective regulation and oversight of nursing homes and assisted living providers under our jurisdiction. The findings identified significant improvements needed to assure the effectiveness of the regulatory processes for nursing homes and assisted living. Working with the Legislative Audit Bureau has further heightened the attention, both state and national, to the tremendous growth in our populations who are choosing to access community-based services over institutional care. This has increased the need for the Department to do its very best to assure the quality delivery of services to our vulnerable citizens.

The Department's mission statement includes a commitment to protecting vulnerable children, adults and families; we continue that commitment in these very challenging budget times. Our responsibility for insuring both state and federal regulations are followed and carried out by our regulated providers is critical to our mission.

Significant changes have already been made that are aligned with audit's findings. I am also pleased to report to you that our Bureau of Quality Assurance staff are actively working to address the recommendations. Sue Schroeder, Director of the Bureau of Quality Assurance, is here today to provide you with more detail.

On behalf of the Department, I look forward to working with you to provide a safe environment for Wisconsin's vulnerable citizens, no matter where services are delivered.

I would now like to introduce Susan Schroeder.



State of Wisconsin
Department of Health and Family Services

Jim Doyle, Governor
Helene Nelson, Secretary

Testimony
Before the Joint Committee on Audit
On the Legislative Audit Bureau Report on the
Regulation of Nursing Homes and Assisted Living

By Susan Schroeder, Director
Bureau of Quality Assurance

February 5, 2003

My name is Sue Schroeder and I am Director of the Bureau of Quality Assurance, located in the Division of Supportive Living, Department of Health and Family Services. The Bureau of Quality Assurance is the state agency responsible for the state licensure and federal Medicare and Medicaid certification of Wisconsin health care facilities. Our primary duty is public safety. We protect consumers of health care services by delivering obligations to health care providers. We want providers to be successful. We want them to deliver high quality, innovative, state of the art health care services to Wisconsin citizens.

The Legislative Audit Bureau report we are here to discuss today evaluates the Bureau's regulatory oversight of nursing homes and assisted living facilities. I will be reviewing several of the Legislative Audit Bureau's findings and discuss the disposition of each.

Nursing Home Forfeitures

The audit found nearly half of the forfeitures due from nursing homes from July 1999-June 2002 totaling \$2.6 million have not been paid. Overdue forfeitures are often the result of bankruptcy proceedings and pending appeals cases. The Department will report to the Legislative Audit Committee by March 1, 2003, the current status of all nursing home forfeitures. Please note once bankruptcy and appeals cases are resolved, forfeitures are eventually paid. For example, overdue forfeitures from '97-98 were paid up by May 2002.

*Bankruptcy
appeals
within 20
days*

We are ready to report the following information:

- Approximately \$957,000 is currently due from facilities that have filed bankruptcy.
- The status of state nursing home citations eligible for forfeiture and awaiting review (backlog) are as follows:

100% of serious violations issued between July 2000 and June 2002 have been assessed.

60%, 166 of 276 violations issued between July 2001 and June 2002, are yet to be assessed. 38 of these violations were issued between July 2001 and December of 2001.

72%, 109 of 151 violations issued between July 2002 and December 2002, are yet to be assessed.

Short term, we are reducing the backlog in several ways. Please note our internal standard is to issue forfeitures within 120 days. Our goal is to meet this standard for current violations and to maintain it going forward. Bureau efforts to reduce existing backlog include the following:

- Revising the forfeiture assessment process in order to issue the forfeitures more timely. Beginning when the Statement of Deficiencies is being written, Bureau of Quality Assurance forfeiture specialist staff are working closely with their field surveyor counterparts to better summarize and document serious violations that could result in forfeitures.
- Grouping types of citations together to ensure consistent review of similar materials.

Long term, we plan to stay current by:

- Using alternative sanctions to forfeitures, such as:
 - On-site monitoring by Bureau of Quality Assurance staff.
 - Utilization of the "conditional" license more frequently.
 - Imposing the "denial of new admissions" when statutory criteria are met. For example, when a violation is a serious threat to residents, the Bureau of Quality Assurance may restrict admissions until the non-compliance has been abated. We agree with the audit's recommendation the legislature amend s.50.05(4)(d), Wis. Stats., to allow the Department to restrict nursing home admissions in a more timely manner. "No new admits" may prove to be a more effective sanction in compelling rapid correction of violations than monetary forfeitures.
 - Placing a temporary manager in the facility under ch. 50.
 - Combining sanctions issued to providers when a pattern of ongoing non-compliance is occurring.
- Determining which other sanctions, and when to impose them, may be more effective than issuing forfeitures in bringing specific facilities back into regulatory compliance.
- Pursuing the Department's ability to retain a percentage of forfeitures paid based upon our costs to conduct the forfeiture assessment and issue the forfeiture. This will require a statutory change to allow the use of state forfeitures for administrative purposes. For example, during 2002, money paid to the Wisconsin State School Fund resulting from forfeitures issued to Nursing Home and Facilities for the Developmentally Disabled totaled \$1,065,467.49. Projected 2003 forfeitures to be paid to the school fund totals \$2,227,682.37. For the three-year period ending June 30, 2002, administrative costs totaling \$204,928.00

as used effectively in other states



APR
Problem

would have been 8.52 percent of all nursing facility forfeitures, which totaled \$2,406,301.00 for the period.

Determining sanctions to be imposed upon nursing homes violating state statutes and administrative code is highly complex, demanding and time consuming work. It has to be right. The Bureau of Quality Assurance has partnered with the Department's Office of Legal Counsel to revise and improve the Department's forfeiture assessment procedure in order to issue forfeitures more timely.

Assisted Living Forfeitures

The audit found the Department does not have written criteria in place to determine forfeiture amounts for assisted living facilities. The Department is developing written policy and criteria for assisted living enforcement including forfeiture assessments, as recommended by the audit. This will be completed and implemented by March 1, 2003. The Bureau will use these guidelines to revise and improve the forfeiture assessment process. Bureau-wide consistency in issuing assisted living forfeitures remains a top priority for the Department.

Nursing Home Informal Dispute Resolution

The audit found that only 32.5% of the Bureau's Informal Dispute Resolution reviews met its timeliness standard. Therefore, the audit recommended the Department of Health and Family Services report to the Joint Legislative Audit Committee by July 1, 2003, regarding these 3 items:

1. The impact upon timeliness resulting from returning responsibility for Informal Dispute Resolution reviews to regional managers.
2. The number of cases resolved through Informal Dispute Resolution.
3. The number of cases completing Informal Dispute Resolution review that were subsequently appealed.

Before the July 2002 retirement of the Bureau's Informal Dispute Resolution Coordinator, one individual was responsible for all Informal Dispute Resolution reviews. Frequently, as indicated by the audit, decisions were delayed or late in arriving. The Informal Dispute Resolution workload was too great for one individual to manage timely. Following the Coordinator's retirement, Bureau Regional Field Operations Directors were reassigned responsibility for conducting Informal Dispute Resolution reviews. To preserve the impartiality of Informal Dispute Resolution decisions, Regional Directors do not review Informal Dispute Resolution cases for nursing homes in their region (that is, homes surveyed by a Regional Director's subordinate staff). In a September 9, 2002, Bureau of Quality Assurance provider memo, we communicated these changes in the Informal Dispute Resolution process. The new process preserves impartiality and has much improved the timeliness of conducting Informal Dispute Resolution reviews. The Bureau will complete an evaluation of its revised Informal Dispute Resolution process on June 30, 2003, and will report its findings to the Committee shortly thereafter.

Nursing Home Appeals Process

The Legislative Audit Bureau found that from fiscal years 1998-2001, 79.1% of appeals filed with Division of Hearings and Appeal were closed before hearings were held.

We agree with the Legislative Audit Bureau recommendation that the Legislature modify ch. 50, Wis. Stats. to create a 60-day time frame for providers to file appeals after receiving Statements of Deficiency for state violations. The 60-day time frame would offer the Department and the provider an opportunity to resolve regulatory issues without undertaking costly legal proceedings. The Department would welcome this change.

Assisted Living Regulatory Process

The Department agrees with the Legislative Audit Bureau recommendation that if the Legislature is not satisfied with the current regulatory process for assisted living facilities, a number of options are available.

In responding to this recommendation we have:

- Continued revision of Wisconsin Administrative Code HFS 83 for Community Base Residential Facilities. This revision consists of a coordinated effort between the Bureau of Quality Assurance, providers, advocates and consumers to address changes needed to the current rule which address the changing needs of these consumers.
- Increased the number of staff assigned to inspect assisted living facilities through internal reassignment of nursing home registered nurse surveyor staff. As nursing homes continue to close, and assisted living facilities continue to open, the shift in utilization from nursing home care to assisted living services by consumers with ever increasing medical needs has been remarkable. Therefore, the Bureau must include the medical expertise of registered nurses among its assisted living survey staff.
- Continued pursuit of federal funding through the Medicaid waiver program for assisted living survey activities.
- Increased the Bureau's ability to develop training programs and provide technical assistance to better enable assisted living providers to meet state regulations.

Regulatory Consistency and Regional Variations in Nursing Homes Citations Issued

The audit presented various charts showing nursing home citation patterns across the Bureau's regions. The assumptions resulting from this information imply inconsistency exists within the Bureau. The Bureau acknowledges some inconsistency does exist from region to region, as it does in all regulatory environments. However, crucial statistics were not included in the information presented in the Audit Bureau's report.

In particular, the figures in table 9 (page 27) of the Legislative Audit Bureau report are misleading. The figures are not presented within the context of the number of facilities in a particular region, the number of licensed beds in the region, or the number of

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team*

During the 1999-2000 time period, the Centers for Medicare and Medicaid Services requested the Bureau of Quality Assurance take steps to improve the writing quality of its federal Statements of Deficiency. The period reviewed by the Legislative Audit Bureau was FY 1998-99 and FY 1999-2000.

We are pleased to report Bureau of Quality Assurance performance in the Federal Oversight and Support Survey system and the State Agency Performance Standards system have improved considerably since the 1999-2000 evaluation. Bureau of Quality Assurance Federal Oversight and Support Surveys are regularly scored in the range of 4.0 to 5.0 range, with 5.0 being the highest mark and rated as "extremely effective." As we indicated in the Department's written response to the audit, 18 on-site federal reviews, which includes evaluation of our writing Statements of Deficiency, resulted in an average score of 4.6. Additionally, the Bureau of Quality Assurance has received perfect scores on three of four Federal Oversight and Support Surveys conducted since completion of the Legislative Audit Bureau report. Clearly the federal government is pleased with the performance of the Wisconsin state survey agency.

Surveyor Team Demeanor

Although not evaluated by the audit, the issue of surveyor demeanor is one that the Department takes seriously. Staff are trained to be knowledgeable, respectful and professional in completing their duties. When this does not occur, we encourage facility staff to immediately report these situations to their Regional Field Operations Director, the Resident Care Review Section Chief, or the Bureau Director. We conduct a thorough investigation of all concerns of this nature. If substantiated, we work with the Department's personnel staff to determine the proper disciplinary action warranted based upon the seriousness of the substantiation. In October 2001, we issued a memo to all nursing home and assisted living facilities encouraging them to advise Bureau managers of any concerns regarding their survey, including surveyor demeanor.

Closing Remarks

The Bureau is committed to ensuring the health, safety and welfare of Wisconsin's most vulnerable citizens. We are also committed to performing our duties properly and with integrity. We look forward to working with you during this next year to effect change, including statutory revisions, to better ensure safe, high quality care for Wisconsin's elderly and persons with disabilities who live in nursing homes and assisted living facilities across the state. We must meet the challenges placed before us by the growth occurring in the assisted living community as well as the evolution occurring in the nursing home provider community. The long-term care service delivery system in Wisconsin, and across the nation, is at a crossroads. We all need to ask ourselves how we want Wisconsin's long-term care continuum to be in the coming years. The Department of Health and Family Services envisions safe, innovative, state of the art facilities your loved ones and mine will be proud to call home. And for the most part, Wisconsin nursing homes and assisted living facilities provide good care and embrace this same vision. Wisconsin is a recognized leader with a national reputation for delivering safe,

high quality, long-term care. Strong, credible regulatory oversight contributes to this result, as do strong, credible health care providers.

Thank you for hearing my testimony. Thank you for your interest in our work.

Regulating U.S. Nursing Homes: Are We Learning From Experience?

Nursing home regulation does not work very well, but we need to understand the reasons for its failings in order to improve it.

by Kieran Walshke

ABSTRACT: The quality of care in U.S. nursing homes has been a recurrent matter of public concern and policy attention for more than thirty years. A complex regulatory system of state licensure and federal certification is in place, but problems of poor quality and neglect and abuse of patients still appear to be endemic. This paper describes how the current system of regulation developed, examines its impact, and draws on the wider literature on regulation to outline some characteristics that may have detracted from its effectiveness and contributed to its disappointing results. Future regulatory reform should pay more attention to the lessons of regulation in other settings and make more use of research and formative evaluation.

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NURSING
HOME
REGULATION

FOR MORE THAN THIRTY YEARS the quality of care in nursing homes has been a recurring matter of public concern and debate in the United States. In the 1970s and 1980s researchers presented compelling evidence that the frail and vulnerable recipients of nursing home care were too often neglected, mistreated, or abused and that the system of nursing home regulation and licensure was largely ineffectual, failing to protect residents and to prevent quality problems.¹ In 1986 the Institute of Medicine (IOM) published an influential report that set out detailed recommendations for reforming the regulation of nursing homes, intended to bring about a major improvement in quality of care.² Those recommendations were largely accepted by Congress, enacted through the Nursing Home Reform Act as part of the Omnibus Budget Reconciliation Act (OBRA) of 1987, and have since been gradually implemented by the Centers for Medicare and Medicaid Services (CMS, formerly HCFA).³

It seems that the same quality problems that spurred calls for greater regulation in the 1970s and 1980s are still endemic in many

Kieran Walshke is a senior research fellow at the Health Services Management Centre, University of Birmingham, United Kingdom. At the time of this writing he was a Harbess Fellow in Health Care Policy at the University of California, Berkeley.

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nursing homes today.⁴ Nursing home regulation remains the constant subject of policy attention, most recently via the Senate Special Committee on Aging, the Clinton Administration's nursing home initiative, and the U.S. General Accounting Office (GAO), which has issued a stream of reports.⁵ The IOM has just revisited nursing home regulation as part of a wider review of long-term care and has concluded that while regulation has brought some limited improvements in nursing home care, further reform is still needed.⁶

This paper briefly describes how nursing home regulation has developed in the United States from 1986 to the present and summarizes what is known about the impact of regulation on nursing home care. It then draws on the wider literature on regulation and its impact to outline some characteristics of nursing home regulation that may have detracted from its effectiveness and contributed to its rather disappointing results. The paper concludes that fundamental regulatory reform is needed but that greater attention should be paid to the lessons of regulation in other settings, and more use should be made of research and formative evaluation to improve the effectiveness of nursing home regulation.

The Development of Nursing Home Regulation

More than 1.6 million Americans live in nursing homes, most of them elderly, frail, and vulnerable persons who are likely to live out the remainder of their lives there. Because of their physical or mental infirmity and their dependence on their caregivers, they are often not able to act as assertive, well-informed consumers. In 1999 the United States spent about \$90 billion on nursing home care (about \$55,900 per resident), and 60 percent of the cost was borne by states and the federal government through the Medicaid and Medicare programs.⁷ The great majority of nursing homes (93 percent) are operated in the private sector, 67 percent of them by for-profit organizations, including a growing number of large corporations whose facilities house thousands of residents.⁸

Concern about quality of care in nursing homes can be traced back at least to the 1950s. Before the establishment of Medicare and Medicaid in 1965, there were essentially no federal standards regulating nursing homes, regulation was left up to the states, and standards varied widely. Although federal regulations were enacted once Medicare and Medicaid began to pay for nursing home care, they were inadequate in design, poorly implemented, and often unenforced by the federal and state agencies that shared regulatory responsibility. A succession of studies in the 1970s and early 1980s highlighted continuing serious problems with nursing homes' quality of care and were one reason that Congress asked the IOM in 1984

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Article John Sauer referred to in his testimony

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to investigate and recommend reforms.⁹

The IOM's 1986 report outlined proposals for a comprehensive and radical reform of regulatory arrangements.¹⁰ The standards for nursing homes were to be revised to make them more focused on quality of care, more detailed and comprehensive in their coverage, and more explicit about the rights of residents. The survey or inspection process used to check compliance with the standards also was to be reformed, to make it less oriented toward paper records and structures and more focused on direct observation of care and communication with residents. A much broader range of enforcement mechanisms was to be introduced, including financial penalties, blocks on payment for new admissions or all residents, provisions to take over the management of failing homes, and ultimately termination of participation in Medicare/Medicaid. These reforms passed Congress with broad bipartisan support and were enacted as the Nursing Home Reform Act, part of OBRA 1987.

It took the CMS (then HCFA) three years to put into operation the regulations to implement OBRA 1987 and seven years to implement the regulations needed to put its regulatory enforcement mechanisms in place. Over that time political support for the OBRA 1987 reforms slackened, and although a number of proposals were brought forward in Congress in the mid-1990s aimed at repealing or weakening nursing home regulation, none were successful.¹¹ Even once the reforms were in place, a succession of GAO reports highlighted continuing quality-of-care problems in nursing homes and major flaws in OBRA's implementation and the management of nursing home regulation by the CMS. In response, the Clinton administration launched a nursing home initiative in 1998 aimed at improving the effectiveness of regulation.

The current regulatory arrangements are administratively complex but conceptually straightforward. The CMS is responsible for producing and maintaining federal regulations with which all homes that wish to participate in Medicare and Medicaid must conform. The state survey, licensing, and certification agencies are responsible for surveying or inspecting nursing homes to check their compliance with the regulations, investigating complaints, and reporting the results to the CMS. When deficiencies are identified, state agencies and the CMS regional offices share responsibility for taking enforcement action to make sure that nursing homes deal with the problems and come back into compliance. The CMS funds most of the costs of Medicare/Medicaid certification and oversees the performance of state survey agencies to make sure that the federal regulations are implemented appropriately. States also have their own licensing requirements, with which all homes (not just

those participating in Medicare and Medicaid) must conform. State regulations may parallel or exceed federal requirements and generally have separate provisions for licensing nursing homes, undertaking surveys or inspections, investigating complaints, identifying deficiencies, and taking enforcement action.

Impact Of Regulation On Performance

Although numerous studies have examined the implementation of nursing home regulation and the management of regulatory arrangements, these reports are of limited help in determining what impact regulation has had on nursing home performance and the quality of nursing home care.¹² The impact of regulation has not been much researched, in part perhaps because it presents several methodological challenges. First, the absence of any control or comparison group (since virtually all nursing homes are regulated) means that one can really only study changes in quality over time and attempt to determine whether those changes can be attributed to regulatory interventions.

Second, much of the data available on the quality of care in nursing homes are the product of the regulatory process itself, which means that changes in the process affect the data and are difficult to distinguish from underlying changes in quality. For example, changes in the deficiency rates found in nursing home surveys over time or variations in these rates across states may result from differences in the stringency, scope, or implementation of the survey process or from real differences in quality of care, and it is not possible to disentangle the two.¹³ Third, the reliability, validity, completeness, and timeliness of much of the routinely available data (such as the Minimum Data Set data collected on every nursing home resident and the Online Survey Certification and Reporting, or OSCAR, database of survey findings) have been questioned, and some caution is needed in using such data.¹⁴

■ **Residents' physical condition.** Nevertheless, there is some evidence that the quality of care in nursing homes has improved greatly in many areas over the past ten to fifteen years and that at least some of that improvement has been brought about by the OBRA 1987 regulatory reforms.¹⁵ For example, the inappropriate use of physical and chemical restraints has declined, as have rates of urinary incontinence and catheterization. Hospitalization rates also have fallen (which may be a good proxy for quality of care if poor care increases the risk of hospitalization). On the other hand, pressure sore rates have not changed; malnutrition, dehydration, and other feeding problems remain relatively common; and rates of bowel incontinence have risen slightly.

"The increasing dominance of the industry by major corporations may have been accelerated by nursing home regulation."

■ **Industry changes.** Nursing home regulation also may have had effects on the nursing home industry. For example, in other settings it has been found that regulation favors larger, multisite corporations over smaller, single-site, owner-operated businesses, because larger organizations can spread the fixed costs of regulation across a greater business volume and are more able to develop in-house skills in regulatory compliance.¹⁶ Over the past decade the nursing home industry has become increasingly dominated by major corporations, the largest of which control hundreds of nursing homes and many thousands of beds. This trend may reflect the economics of nursing home provision but also may have been accelerated by nursing home regulation.

■ **Costs of regulation.** The costs of nursing home regulation are difficult to quantify. The CMS and the states spent \$382.2 million in 2000 on running the state licensing and certification agencies that implement both federal and state nursing home regulations. This is only 0.4 percent of all spending on nursing home care and equates to about \$22,000 per nursing home or \$208 per nursing home bed.¹⁷ However, these costs are probably only a small part of the overall costs of regulation, most of which fall on nursing homes themselves. First, nursing homes incur costs in dealing with the regulatory agencies, preparing for and hosting survey visits, gathering and providing data, responding to complaint investigations, and so on. Second, nursing homes incur costs when they are required to make changes to comply with the regulations. The experience of other sectors suggests that these interaction and compliance costs are probably greater than the regulatory agency costs outlined above, but there are no data available to allow these costs to be quantified.¹⁸

■ **Stakeholders' debate.** Most stakeholders in nursing home regulation—such as the CMS and state survey agencies, nursing home providers, consumer groups, researchers, and independent governmental evaluators—would concur that the OBRA 1987 reforms have brought some improvements in the quality of nursing home care, but beyond that, opinions fall broadly into two camps.¹⁹ Some think that because many quality problems still exist, regulation should be tightened with tougher standards and more aggressive enforcement, and they argue for more frequent inspections, more use of sanctions and penalties, and more uniform and rigorous application of existing regulations. Others believe that the current

regulatory burden is already too great and that regulation has created a punitive, adversarial climate that is hostile toward quality improvement. They argue that regulation should be simplified and reduced, focused mainly on a smaller number of "problem" nursing homes, and reoriented toward a model based on cooperation and partnership between regulators and regulated organizations. There is little consensus among stakeholders about whether the benefits of nursing home regulation over the past decade outweigh its considerable costs. The debate has become polarized and politicized and, in the absence of robust empirical evidence on the effectiveness of regulation, is likely to remain so.

Learning From Regulation In Other Settings

A substantial literature exists on the use of regulation in a wide range of settings outside health care, including manufacturing industries, financial services, public utilities, and government agencies.²⁰ Although much research on regulation has been specific to particular countries, industries, or settings, a generic understanding of regulatory issues has begun to develop that offers many transferable concepts, models, and ideas.²¹ However, it has been noted that most regulation tends to develop in isolation from similar regulatory initiatives or approaches in other settings, with little sense of a regulatory community able to share findings across sectors.

Over recent years a fast-growing literature has developed on regulation in health care, including the regulation of hospitals, managed care organizations, and the health care professions.²² It appears that there is scope to make more use of this wider literature on regulation in health care and in other settings, both to review the progress of nursing home regulation to date and to influence its future development. To that end, I draw on this literature to outline six major problems in nursing home regulation and to explore how regulatory reform could improve the effectiveness of regulation in assuring and improving quality.

Problems Of Nursing Home Regulation

■ **Deterrence, compliance, and responsive regulation.** Regulatory theorists often use two terms—*deterrence* and *compliance*—to describe the paradigms within which regulators work.²³ In brief, deterrence regulators see the organizations they regulate as "amoral calculators," out to get what they can and willing to break the rules if they need to and can get away with it. As a result, their approach to regulation is formal, legalistic, punitive, and sanction-oriented. In contrast, compliance regulators see organizations as fundamentally good, well-intentioned, and likely to comply with regulations if they

can. Their approach to regulation is generally more informal, supportive, and developmental, and they use sanctions only as a last resort. Each approach has different advantages and disadvantages.

For example, deterrence regulation is likely to achieve change more quickly and may be more suited to situations in which the regulator is dealing with large numbers of heterogeneous organizations. However, it is usually more costly and can provoke defensive behavior by regulated organizations, which subverts the objectives of regulation. On the other hand, compliance regulation is cheaper, may achieve more change in the longer term, and may work better when dealing with a smaller number of more homogeneous regulated organizations. However, it can be easily undermined or circumvented by regulated organizations if they are determined to do so.

In practice, regulators often make use of a mixture of deterrence and compliance approaches. Robert Kagan and Lee Axelrad argue that regulation is very much a product of the political, social, and economic environment and that approaches to regulation vary considerably among countries.²⁴ The United States is perhaps the foremost proponent of deterrence regulation and uses this approach in many fields in which other countries use compliance approaches successfully.²⁵ Kagan and Axelrad characterize the American tradition of deterrence regulation as "adversarial legalism" and assert that it has high costs, a divisive and corrosive effect on relationships between organizations, and few compensating benefits.

Before 1987, American nursing home regulators were much criticized for doing too little to deal with persistent poor performance and widespread, long-standing quality problems. While approaches varied from state to state, many used a compliance model in which education and persuasion were seen as the main tools for improvement.²⁶ As a result, it was argued, some nursing homes flouted the regulations with impunity, regulators did not have sufficient powers to deal with such offenders, and so the whole process of regulation was brought into disrepute. Since the implementation of the OBRA 1987 reforms, nursing home regulation has developed most of the features of deterrence regulation, with great stress placed on developing and applying formal, written regulations; undertaking inspections or surveys; recording deficiencies and issuing citations; and enforcing regulation through the use of sanctions such as civil money penalties, denials of payment, or decertification. It is therefore not surprising that it suffers the problems of deterrence regulation, such as strained relationships between the various players in regulation, a defensive and uncooperative response to regulation from nursing home providers, and high regulatory costs. Despite its overt deterrence orientation, U.S. nursing home regulation still seems

"Responsive regulation might not reduce regulatory costs overall, but it would be a much better use of resources."

to be ineffective at dealing with many problems of persistent poor performance. It is interesting to note that nursing home regulation in other countries is generally less deterrence oriented, as is the regulation of other types of health care organizations in the United States.²⁷

A number of regulatory theorists have argued in recent years for a more contingent or adaptive approach to regulation, and their ideas may have some relevance to the regulation of nursing homes. Called "responsive" or "smart" regulation, this approach seeks to find a more effective regulatory paradigm that combines some of the benefits of both deterrence and compliance regulation.²⁸ The main principle of responsive regulation is that regulatory methods and approaches should be adapted in response to the behavior of individual regulated organizations. A broad, graduated hierarchy of regulatory interventions and enforcement actions is used, and while most regulation takes place at lower levels, the regulator has the capacity and the will to use higher-level interventions and actions if need be. In this way, most of the benefits of compliance regulation—such as cooperation, information sharing, negotiated agreement, and low regulatory costs—are retained, but the powerful incentives and sanctions of deterrence regulation are still available.

At present, nursing home regulation exhibits few, if any, of the features of responsive regulation. Nursing homes are surveyed annually and treated similarly, regardless of whether they are good or poor performers—a "cookie-cutter" approach that neither adequately rewards good-quality care nor deals forcefully enough with poor-quality care. Nursing home regulators have little scope to use their discretion and professional judgment in applying the highly prescriptive regulations and are actually prevented by the regulations from giving nursing homes advice or assistance. It seems that there is considerable scope to make use of the ideas of responsive regulation to create regulatory arrangements for nursing homes that would be less focused on deterrence, more capable of monitoring and discriminating between nursing homes on the basis of their performance, and more able to tailor regulatory interventions to the performance needs of individual nursing homes. This might not reduce regulatory costs overall, and would mean investing more in regulating poor-quality nursing homes, but it would be a much better use of regulatory resources.

■ **Regulatory fragmentation.** Regulation is sometimes fragmented, with different agencies responsible for different functions or performance areas and even some direct overlap of oversight. Regulatory fragmentation may result in duplication, an increased regulatory burden and higher regulatory costs, and some conflict or confusion between the requirements of different regulators. It also may weaken regulatory oversight, because no one agency has either all of the information needed to assess performance or complete responsibility for dealing with performance problems.²⁹

The regulation of nursing homes is fragmented in three ways. First, although federal responsibility rests with the CMS, it is split between the central agency and its regional offices, which deal separately with developing and promulgating regulations and setting guidance for state survey agencies, on the one hand, and with financing, contracting with and overseeing state survey agencies, and enforcing regulations, on the other. These responsibilities are only brought together at the level of the CMS administrator, and there is good evidence that this fragmentation causes communication problems and reduces the effectiveness of regulation.

Second, regulatory responsibility is split between the CMS and the state survey agencies, and the relationship does not appear to be an easy one, marked more by bureaucratic direction and dissonance than by real interagency dialogue or collaboration. The CMS sets out in excruciating detail in its *State Operations Manual* what it expects state agencies to do, but those agencies struggle to fulfill their mandate in the real world within the resources that the CMS allocates to them.³⁰ State survey agencies have a dual accountability—to the CMS and to their state government—so conflicts can and do arise. The CMS is meant to oversee the performance of state agencies but has done little to monitor them and in any case has limited powers to do anything about performance problems.

Third, there is really not one system of regulation, but two—federal certification and state licensure—running side by side. This results in some duplication, occasional conflicts, and considerable confusion. For example, when state survey agencies find a deficiency at a nursing home, they may choose to pursue it through state or federal enforcement mechanisms, or both.

The current level of fragmentation creates unnecessary complexity for regulators and for nursing homes, probably reduces the effectiveness of regulation, and certainly increases its costs. These regulatory structures are an accident of history; they reflect the gradual and piecemeal development of state and federal regulatory arrangements since 1965. A simpler regulatory structure with one regulator would probably be much more efficient and effective. However, im-

provements could be made to the current system of regulation by simplifying and bringing together responsibility within the CMS and taking steps to develop a more proactive and productive relationship between the CMS and the state survey agencies.

■ **Clarity and priority of the regulatory mission.** While some regulators are agencies established for the purposes of regulation, others undertake regulation as one of a number of related activities. There can be some benefits to integrating the regulatory function with other responsibilities, but the main disadvantage is that the clarity and priority of the regulatory mission may be compromised when the agency trades off regulatory objectives against other objectives. Regulatory organizations for which the regulatory mission is not clouded by a host of other competing nonregulatory objectives (such as the Food and Drug Administration or the Occupational Safety and Health Administration) may be more likely to be effective regulators because they can focus on a clear regulatory mission.

Nursing home regulation is only one responsibility among many for the CMS and for the state government departments in which the state survey agencies are located. It competes for attention with a multitude of other policy priorities, and it tends to be seen as a rather unexciting, unglamorous, and low-profile function. In these circumstances, it is likely that nursing home regulation will always struggle to secure resources and gain sustained policy attention unless it is forced up the policy agenda by external influences such as pressure from consumer groups or independent evaluators.³¹ This problem of prioritization may be one of the reasons why the implementation of the OBRA 1987 reforms proceeded so slowly (with the CMS taking seven years to introduce some regulations). Reorganizing responsibility for nursing home regulation within the CMS could help to provide greater clarity of mission, but putting nursing home or long-term care regulation in the hands of a separate agency would probably be the most effective way to ensure that the issue gets the attention it deserves. The same problems may exist at the state level, especially when nursing home regulation is one relatively small function of a much larger entity. It might not be feasible to have a separate state agency for nursing home regulation except in the largest states, but it would be possible to reorganize responsibility for nursing home regulation to give it greater visibility and policy attention.

■ **Balancing independence and accountability.** Regulators have to be held accountable for what they do, and public regulatory agencies are generally made accountable by reporting, directly or indirectly, to an elected legislative body. However, regulators sometimes need to take actions that may be politically unpopular or that may arouse the opposition of important stakeholder groups, and in

these instances they need some degree of freedom to act without interference. In any case, a regulator's credibility with stakeholders may depend upon its perceived independence from sectional interests and its ability to act as a nonpartisan "honest broker." Regulatory governance arrangements therefore need to provide a balance of accountability and independence.

Nursing home regulation has become highly politicized, and various stakeholders attempt to influence the regulators and to shape the legislative framework for regulation. For example, nursing home providers have made large political contributions; in some states nursing home providers are prominent in the local political party hierarchies; and some state and federal legislators have substantial financial interests in nursing home care. On the other hand, there are powerful, well-organized national and state consumer and citizen groups that often run influential campaigns. Legislators at both the state and federal levels have taken a close interest in the work of nursing home regulators, held hearings and commissioned reports from evaluators, and sought to influence both, either directly through new legislation or indirectly by controlling the resources made available to run the regulatory agencies. While this kind of attention may be an inevitable result of the political process, it does not necessarily make for effective regulation. Regulators working in the glare of political and public attention tend to be highly cautious, risk-averse, and overinfluenced by the likely political and public response to their actions. Although it is perfectly legitimate and desirable that providers, consumers, legislators, and other stakeholders should be involved in shaping the regulatory process, nursing home regulators need to be freed up to do their jobs without undue interference.

Regulatory accountability is also an important guard against having the regulatory process be "captured" by any one sectional group or interest, most commonly the organizations that are being regulated. However, it can be argued that nursing home regulation has been captured, not by the providers but by the payers for nursing home care. The CMS and state governments act both as regulators of nursing homes and as funders (through Medicare and Medicaid) of 60 percent of the costs of nursing home care. If the CMS, as regulator, makes changes in the regulations that will cost money to implement, then the CMS, as funder, comes under pressure to increase reimbursements. The current debate about whether federal regulations should be amended to set minimum staffing ratios for nursing homes is an illustration of this problem. Some estimates suggest that federal minimum staffing ratios could increase the costs of nursing home care by \$3-\$15 billion a year, depending on where the mini-

"Regulatory alignment might be improved if measures were taken to increase competition on quality grounds."

imum staffing level is set, and the nursing home industry has been quick to assert that Medicare and Medicaid should be ready to increase reimbursement levels accordingly.³² While affordability is an important issue, and the costs and benefits of any regulatory changes should be carefully analyzed, it is probably unhealthy for the regulatory process to be so completely in the hands of a single interest group. A more balanced model of regulatory accountability might involve the separation of regulatory and funding responsibilities in state and federal government agencies and the provision of a formal role for a wider range of stakeholders such as consumer groups, provider associations, educators, and researchers in holding nursing home regulators accountable for their performance.

■ **Regulatory alignment.** Regulation is most effective when the requirements or objectives of regulatory agencies are aligned with other influences on the behavior of regulated organizations. For example, regulatory compliance with environmental health standards among food producers is generally good, because the producers recognize that any major food-related disease outbreak can result in great harm to their commercial interests, such as loss of market share and damage to their public image and reputation. Alain Enthoven argues for a "procompetitive" approach to health care regulation in market situations, in which, as far as possible, the regulatory regime is designed to reinforce or complement existing market incentive structures or influences on regulated organizations.³³

However, for nursing homes, the pressures of the marketplace are not well aligned with the objectives of regulation.³⁴ While nursing home regulation attempts to promote high quality of care, the market does not seem to reward nursing homes that provide such care. First, restrictions on nursing home developments have weakened competition by constraining supply in many areas, even though occupancy statistics now suggest that there is some excess capacity overall.³⁵ Second, nursing home consumers (potential residents, their families, and caregivers) are poorly equipped with information to compare quality among nursing homes. Thus, their choices are often driven mainly by the proximity of the home to family members. Once they are residents of a home, their dependence on it makes it difficult to speak out about quality problems, and it is difficult for them to move if the quality of care does not meet their expectations. Third, the financial pressures on nursing homes from

low rates of Medicaid reimbursement have driven many to reduce their spending to sustain their profits.

When regulatory objectives and market pressures collide, as they do for nursing homes, organizations will often attempt to reconcile the conflicting pressures, but ultimately the stronger market pressures are likely to prevail. For nursing homes, regulatory alignment might be improved if measures were taken to increase competition on quality grounds and to provide greater financial incentives to provide good-quality care. Regarding competition, initiatives that offer nursing home consumers much more information about the facilities when they are making their initial choice would be helpful, and some examples already exist. It also would be useful to make it easier for residents to change nursing homes. Regarding incentives, some measures of quality need to be incorporated into the complex prospective payment system for Medicare and Medicaid so that a proportion of reimbursement is dependent on the quality of care. This is not an easy task, but it is disappointing that past experiments with quality-based reimbursement have never been implemented widely, despite their promising results.³⁶

■ **Regulatory tripartism.** The relationship between a regulator and a regulated organization is not simply bilateral. Many other stakeholders have an interest or involvement in the organization's performance, and it has been argued that regulatory arrangements should be designed to make use of or co-opt these other groups for the purposes of regulation—an approach that is called *tripartism*. For example, workers in a manufacturing firm have a strong self-interest in good workplace safety arrangements, and so occupational safety and health regulations often require manufacturers to have some kind of formal employee involvement and representation in workplace safety structures and processes. In this way, workers and their representatives are brought into the regulatory process, where they can be an important source of information to the regulator and can help to promote regulatory compliance. Regulatory agencies have very limited resources in comparison with the organizations they regulate, and even the most intensive approaches to regulatory oversight are unlikely to involve regulators in inspecting more than a small proportion of the activities they oversee. Tripartism provides a mechanism by which regulators can extend their oversight by using other stakeholders as informants and can secure greater regulatory compliance by using those stakeholders to pressure regulated organizations to change.

Many formal and informal nursing home stakeholders have an interest in the regulatory process. Residents and their families hold perhaps the greatest stake in assuring good quality of care, but

consumer and citizen groups, staff unions and associations, provider groups (including nursing home associations and corporate owners of chains or networks of nursing homes), and other health care organizations and professions (such as hospitals, social workers, and physicians) also interact with nursing homes, and a federally funded network of long-term care ombudsmen oversees nursing home care.³⁷

Current nursing home regulatory arrangements are mainly structured bilaterally around the relationship between the regulator and the nursing home, and they make relatively little use of these other interest groups. While nursing home regulators do interview residents and staff as part of their regular surveys and will respond to and investigate complaints from any source, there is no formal regulatory requirement for any other stakeholder involvement. Regulators could make more use of tripartism by requiring nursing homes to have strong resident and family councils and providing more support for them, by providing more resources for the admirable but chronically underfunded long-term care ombudsman program and doing more to link it up with resident and family groups in nursing homes, by requiring nursing homes to have forums in which workers can raise quality problems and by safeguarding "whistleblower" employees who express legitimate concerns about quality, and by incorporating more extensive consultation with stakeholders into the nursing home survey process.

NURSING HOME REGULATION IS CLEARLY NECESSARY, but not all regulation is good and effective. It seems that although the OBRA 1987 nursing home reforms have achieved some important quality improvements, there is too little evidence to be able to determine whether the benefits justify the costs. The current regulatory arrangements could be improved, and regulatory experience in other settings may offer some valuable insights. Even so, there is clearly a need for more research aimed at developing a better understanding of the costs and effects of different regulatory methods and so informing regulatory policy.

For the future, further regulatory reform for nursing homes is probably inevitable. The IOM has recently recommended a number of changes, including a greater focus on providers that are chronically poor performers (by using more frequent surveys and increasing penalties); more CMS monitoring of the regulatory process to ensure that regulations are applied consistently; and more research into whether regulation has sufficient resources.

However, it can be argued that more fundamental reforms to the current regulatory arrangements are needed that are less focused on

changing the regulations and more concerned with reforming the regulators themselves and changing the culture of the regulatory process. For example, future reforms could include a shift toward a more responsive approach to regulation; changes to the structure of the CMS and the state survey agencies to reduce fragmentation; focus their regulatory mission, and improve regulatory governance; the alignment of regulatory and other incentives for nursing home providers; and the incorporation of a wider range of stakeholders into the regulatory process. Whatever changes are made, it is important that they be properly evaluated.

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Coordination Of Care

PROLOGUE: Alice is a ninety-year-old woman living in a small midwestern town, dwelling independently in a house she shares with her daughter and son-in-law. Over the past ten years, since the death of her husband, she has maintained her ability to live on her own, even after having suffered a broken hip and having had two knee replacement procedures, diabetes, and other recurring ailments. She has emphasized to her family that when the time comes, she wants the decision to enter supportive housing or nursing care to be hers. She frowns as she relates the story of her friend Sarah, whose nephew decided last year that it was time for her to move to a nursing home and placed her there against her will. In the late summer of 2001 Alice started telling her relatives that she thinks she will be ready to move to her chosen nursing facility the following spring.

In our fragmented system of supportive care for chronic illness and disability, Alice is fortunate to be in a position to make those decisions for herself, and to have managed her finances over the years so that she will be well cared for in the facility of her choice. Many of her peers have not fared as well. Often elderly persons will push themselves well past the point at which it is healthy for them to live on their own, because adequate, affordable options for long-term care simply do not exist.

The papers in this section highlight the need to integrate the U.S. approach to long-term care with its well-developed system of acute illness care. First, Gerard Anderson and James Knickman trace three distinct paths in the U.S. long-term care system: those followed by persons with chronic illnesses, functional limitations, and disabilities. A truly responsive system, they assert, must find ways to integrate services regardless of which path(s) a person is on. Next, Robert Master and Catherine Eng focus on high-cost populations and several promising initiatives that have developed in response to those populations' needs. Alan Weil adds a Perspective to the paper by Master and Eng, in which he enumerates some of the administrative barriers that block the path toward improving our system.

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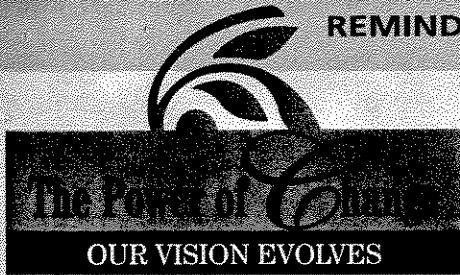


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Scott Haumersen, Managing Partner, Wegner LLP CPAs & Consultants, Madison, Wisconsin

Joanne Holland, Manager, Wegner LLP CPAs & Consultants, Madison, Wisconsin

Session Synopsis: Accounting and financial reporting systems represent a significant tool that can help business leaders to control costs and increase profits. We learned from the Enron scandal that personal integrity and internal control are essential for an organization's survival. But it takes more than that to generate an optimal level of profitability - leaders need tools to get them there. Among the tools that Scott will discuss are: Benchmarking - measuring performance against budget and industry standards; Exception reporting - internal reports that identify significant positive and negative performance; and Cost accounting - reporting revenue and expenses in a more meaningful way.

CEO FORUM 3: PROFITABILITY, QUALITY, SECURITY: HOW RELIABLE, REPEATABLE AND MEASURABLE ACTIONS REDUCE RISK, INCREASE RESIDENT AND EMPLOYEES SATISFACTION WHILE INCREASING PROFITABILITY.

Carol Robinson, CEO, Morning Glory Healthcare Management, Glastonbury, Connecticut

Session Synopsis: This session will guide CEO/CFO's through an interactive discussion and case analysis that addresses the creation of Best Practices that are Reliable, Repeatable and Measurable and will reduce Risk and Liability, Increase Resident and Employees Satisfaction, Increase Quality of Care, provide more "resident contact" without increasing staff, while at the same time increasing Profitability. This session is designed for CEO/CFO's of organizations with 50 or more residents of which at least 25 are receiving Assisted Living Services.

No additional charge - see registration form.

NEW THIS YEAR

OPTIONAL PRE-CONFERENCE RCAC PROVIDER ROUNDTABLE

Tuesday, March 25
12:30 – 4:30 p.m. at the Alliant Energy Center
All RCAC license holders welcome

Tuesday's optional pre-conference RCAC Provider Roundtable will provide a forum for RCAC providers to share systems and operations on the new interpretations of RN's roles in medications, health monitoring, and expectations for an RCAC survey. There are many changes afoot for RCACs and you will want to hear the latest. This pre-conference event is open to employees of all licensed RCACs. All attendees will be asked to bring copies of their forms and systems with them to share in roundtable discussions.

The forum is designed to be an informative and fast paced intensive to provide the information you need today. Come prepared to share, listen and learn. Due to the amount of information to be covered, please plan to eat your lunch before you arrive.

All RCAC license holders welcome. RCAC Provider Roundtable attendees are not required to register for the entire conference but are encouraged to do so.

OPTIONAL PRE-CONFERENCE NETWORKING DINNER

Tuesday, March 25
5:00 – 7:30 p.m. at the Madison Club

Separate fee for this event - see registration form.

WALA's 2003 Madison Club Pre-Conference Dinner is a must-attend event. Network with Assisted Living leaders and those who serve the industry in an elegant venue overlooking Lake Monona.

The 2003 pre-conference lecture and networking event will be held at the beautiful Madison Club overlooking Lake Monona on Tuesday evening, March 25, 2003. This event is co-sponsored by Plunkett Raysich Architects, dinner sponsor, and PDC Midwest, keynote sponsor.

The Networking Dinner assembles the most distinguished providers from the state's leading assisted living organizations to explore the hottest trends in the industry with colleagues and vendor partners. With lots of networking time, no-host cocktails and dinner, this is a great way to begin the conference.

In addition, you will have an opportunity to get up close and personal with Paul Willging, ALFA's President & CEO, our dynamic leader from Washington, DC. Where is the industry heading? Are federal regulations looming? What is ALFA doing to help me in my state?

The highlight of the evening will certainly be the remarks made by popular radio personality, Dr. Zorba Paster, a favorite of audiences around the state. His talk will be:

THE LONGEVITY CODE: YOUR PERSONAL PRESCRIPTION FOR A LONGER, SWEETER LIFE

Session Synopsis: Your Longevity Code is not your genetic code. If it's environment vs. genes, environment wins hands down. The only relevant question to ask is, "What is it that can make a difference." We all know that diet, exercise, seat belts, and smoking cessation play a crucial role in health but longevity is much deeper and broader than that. He will present his theory on the 5 spheres of wellness - Physical - Mental - Family & Social - Spiritual and Material showing how they impact on your life and health. Anyone interested in a life that's long and sweet will surely enjoy the presentation.

Table hosting opportunities are available on the Sponsorship Form available on the website at www.ewala.org or call the WALA office.

Register now to receive the early bird rate! Seating is limited!



The Power of Change – Our Vision Evolves

Wisconsin Assisted Living Association
8th Annual Spring Conference

CONFERENCE AGENDA WEDNESDAY, MARCH 26, 2003

Nursing Home Administrators credits applied for.

7:30 - 8:30 a.m.

OPENING RECEPTION AND BREAKFAST

Sponsored by: Grace Management, Inc.

New Members – Learn more about WALA and meet the WALA Board

Meet the Exhibitors (Wednesday only).

8:30 – 9:15 a.m.

WELCOME AND OPENING REMARKS

Jim Murphy, Executive Director, WALA, Wisconsin Assisted Living Association, Madison, Wisconsin

Cindy Senke, President, WALA, Wisconsin Assisted Living Association, and Vice President,

Towne Realty, Madison, Wisconsin

SPONSOR RECOGNITION AWARDS

Jim Murphy, Executive Director, WALA, Wisconsin Assisted Living Association, Madison, Wisconsin

9:15 - 10:00 a.m.

KEYNOTE ADDRESS

ALFA'S FUTURE IS NOT NEGOTIABLE

Sponsored by: Our House Assisted Living

Paul Willging, President/CEO, ALFA, Assisted Living Federation of America, Fairfax, Virginia

Session Synopsis: As a state affiliate of the Assisted Living Federation of America (ALFA), WALA is honored to begin our conference with the new President/CEO of ALFA. Paul Willging has been in the long-term care industry for decades but brings fresh energy and dedication to ALFA. Paul's leadership at the federal level, on Capitol Hill and with the Assisted Living Workgroup is setting the tone for the future of our industry. Paul is a powerful and focused bearer of the changes in ALFA and in assisted living. Don't miss this kick-off session.

10:00 - 10:45 a.m.

BREAK & EXHIBITS (Exhibits Wednesday Only)

Sponsored by: Sysco Foods of Baraboo

Refreshments available in the Exhibit Area

10:45 – Noon

MEDICATION MANAGEMENT: TRENDS AND ISSUES

Regulatory

Josh Allen, RN, Senior Resources & American Assisted Living Nurses Association, San Marcos, California

Doug Engelbert, Pharmacy Practice Consultant, Bureau of Quality Assurance, Madison, Wisconsin

Session Synopsis: Join nationally recognized medication management expert Josh Allen, RN of the American Assisted Living Nurses Association (AALNA) as he helps you fine-tune your medication management practices. Areas to be addressed include policy development, quality improvement, staff training, clinical evaluations, and systems implementation. We have also invited BQA Consultant Pharmacist Doug Engelbert to be available to answer your specific local meds issues.

CONCURRENT SESSIONS:

HEALTHCARE GARDEN DESIGN

Operations

Wayne Becker, Ph.D., Coordinator of Certificate Programs, The School of the Chicago Botanic Garden, Glencoe, Illinois

Martha Tyson, Landscape Architect, The School of the Chicago Botanic Garden, Glencoe, Illinois

Session Synopsis: Martha Tyson, landscape architect and author of The Healing Landscape, will discuss how gardens and other landscaped areas can positively affect the health outcomes and satisfaction of patients and clients, promote the well-being of visitors and staff, and contribute to the marketing and business success of healthcare organizations. She will share examples of working gardens in a variety of settings including assisted living environments. Wayne Becker will outline the Chicago Botanic Garden's new Healthcare Garden Design program and explain how this innovative educational opportunity will benefit the assisted living professional.

HIGH STAKES WHEN THE CHIPS ARE DOWN: BUILDING CENSUS IN A TROUBLED COMMUNITY

Marketing

Moraine Byrne, Senior Vice President of Marketing, Health Dimensions Group, Minneapolis, Minnesota

Session Synopsis: This session will focus on proven techniques for team building, using the team as a catalyst for internal operating systems that support census development and for networking with external stakeholders. Topics will include: understanding the special problems and issues related to building census, including the "domino effect" and how to avoid it; learning proven teamwork dynamics and operating systems to maximize census; and understand the importance of public relations and methods for keeping in touch with all publics and customers.

DEALING WITH THE TROUBLED EMPLOYEE

HR Management

Ann Mazur, HR Consultant, Stueber Consulting, West Bend, Wisconsin

Veralee Gregg, Vice President, Sienna Crest Assisted Living, Oregon, Wisconsin

Session Synopsis: Whenever you hire new employees, you do so with the greatest of hopes and expectations. But the world of employee relations can become a rocky road indeed. This session will address the tough issues that impact the process of dealing with a troubled employee. Items to be covered include: What can you do to avoid problems for your staff and yourself? How to avoid worst case scenarios? And, if necessary, How to better prepare for termination? A panel discussion on real life case studies will be used.

Noon - 12:30 p.m.

BREAK & EXHIBITS (Exhibits Wednesday Only)

Sponsored by: Westra Construction

Refreshments available in the Exhibit Area

12:30 - 2:00 p.m.

LUNCH AND KEYNOTE ADDRESS

Sponsored by: West Bend Insurance/National Specialty Insurance & Klein Insurance Group

KEYNOTE ADDRESS

A NEW DAY IN WISCONSIN - THE LATEST INITIATIVES FROM DHFS AND BQA

Sponsored by: Reinhart Boerner Van Deuren

Helene Nelson, New Secretary of DHFS (Invited), Division of Health and Family Services, Madison, Wisconsin

Kevin Coughlin, Chief, Assisted Living Section, Bureau of Quality Assurance, Madison, Wisconsin

Session Synopsis: With a new governor comes new changes in the administration. We have invited Helene Nelson, the new Secretary of the Department of Health and Family Services, to join Kevin Coughlin, the new Assisted Living Section Chief at BQA. New policies and the budget deficit will impact everyone and every program in the state. The Governor is making radical changes, as must DHFS. The Bureau of Quality Assurance has already initiated many new programs, including the development of the new AL section and the addition of many new nurse consultants.

2:00 - 2:30 p.m.

BREAK & EXHIBITS (Exhibits Wednesday Only)

2:30 - 3:45 p.m.

DIALOGUE WITH BQA

Regulatory

Kevin Coughlin, Chief, Assisted Living Section, Bureau of Quality Assurance, Madison, Wisconsin

Session Synopsis: This session is always one of our most popular. Join Kevin Coughlin, Assisted Living Section Chief, in a dialogue on the issues that impact you at the operations and regulatory level. Moderated by Sue Seegert, this session will give you an opportunity to chat with the man in charge of the new Assisted Living Section in BQA. Bring your questions to this interactive session - Kevin will have the answers.

CONCURRENT SESSIONS:

TURNAROUND OF TROUBLED FACILITIES

Financial

Moraine Byrne, Senior Vice President of Marketing, Health Dimensions Group, Minneapolis, Minnesota

Mike Collins, President, Collins Realty Group, Sun Prairie, Wisconsin

Session Synopsis: This session will focus on identifying the symptoms of a troubled facility including a thorough review of key factors that signal problems. Participants will learn to identify the symptoms of a troubled project before it's too late and the key components of a successful turnaround, as well as learning how to assure on-going success.

THE SKY IS THE LIMIT

Operations

Helen May Olsen, Resident, Riverside Terrace RCAC & Hobo Society Member, Beloit, Wisconsin

Session Synopsis: When individuals move into assisted living, they don't have to lose their identity... even if they are hobos! Each person's experiences and personalities are unique, and we believe that Assisted Living offers services catering to the individual. Helen May Olsen, or "Maybasket", as she is known to her fellow hobos, is a shining example of what we mean. She is a resident of Riverside Terrace RCAC and has been a member of the Hobo Society since 1988. She will discuss how she got involved, talk briefly on the history of hobo culture, memorabilia, signage, and the Hall of Fame. This heartwarming and entertaining session will remind you of the most important part of assisted living: the residents!

WORKING SUCCESSFULLY WITH HOSPICE

Operations

Mary Runge, Multi-Regional Director, Visiting Nurses Association of Wisconsin, Milwaukee, Wisconsin

Session Synopsis: This session will discuss how to establish the best working relationship between hospice and assisted living to achieve the best outcomes for the resident. Mary Runge will present suggested protocols of interaction and coordination by discussing how the various regulations affect what each party can and cannot do and by presenting a sample hospice agreement.

3:45 - 4:15 p.m.

BREAK & EXHIBITS (Exhibits Wednesday Only)

Refreshments available in the Exhibit Area

4:15 - 5:30 p.m.

TRENDS IN BUYING AND SELLING IN ASSISTED LIVING

Financial

Brent Holman, Vice President, Cambridge Realty Capital Companies, Chicago, Illinois

Session Synopsis: The assisted living market is volatile right now and properties are changing hands at a record rate. The market has changed dramatically and that change brings unprecedented opportunities. This session describes the capital requirements to participate in these opportunities. Additionally, it provides you with tools to assess the changes in the market and to find the opportunities for you and your company to meet the challenges of those changes in the economy given census and financing.

CONCURRENT SESSIONS:

DEMENTIA CARE: POINT – COUNTER POINT

Operations

Sharon Roberts, Gerontologist, Health Department and Community Health Center, Waukegan, Illinois
Darby Morhardt, Clinical Research Social Worker and Interim Director, Northwestern Alzheimer's Disease Center, Chicago, Illinois

Session Synopsis: A point-counter point session that looks at old and new ideas and their pros and cons in dementia care. This presentation will examine the commonly used dementia care techniques and the surprising conclusions of two national experts.

RISK MANAGEMENT

Operations

Thomas Godar, Managing Partner, Michael Best & Friedrich, Madison, Wisconsin

Session Synopsis: This session will review significant areas where employment related risks may arise, and discuss practical and legal responses to reduce or eliminate those risks. In the context of an employment relationship, these risks arise at the level of soliciting applicants, the application process, hiring an applicant, the orientation of a new employee, the evaluation and/or discipline of an employee, the promotion or transfer of an employee, the termination or layoff of an employee, and post-employment activities. This presentation will focus on risk elements and responses at each step of the process.

RCAC SURVEY RESULTS – HOW DO YOU COMPARE?

Regulatory

Marjorie Kozich, Product Development Officer, WHEDA, Madison, Wisconsin

Wendy Fearnside, Policy Analyst, BALTCR, Division of Health and Family Services, Madison, Wisconsin

Session Synopsis: In January 2003, all RCACs were asked to complete a comprehensive survey of their facility, operations, costs and residents. The results will be tabulated for this session and will be available for your review. If you are an RCAC, we hope you filled out the survey. Attend this session and see how you fare with other RCACs statewide.

5:30 – 7:00 p.m.

RECEPTION

The best part of any conference is meeting the other attendees and vendors in an informal setting. Many friendships and business relationships have started at WALA social functions. Join us!

Dinner On Your Own - See your registration packet for a sampling of the area's restaurants.

CONFERENCE AGENDA THURSDAY, MARCH 27, 2003

7:30 – 8:30 a.m.

REGISTRATION AND CONTINENTAL BREAKFAST

8:30 – 9:45 a.m.

GENERAL SESSION - INTRODUCTIONS

Jim Murphy, Executive Director, WALA, Wisconsin Assisted Living Association, Madison, Wisconsin

KEYNOTE ADDRESS

COMMUNICATION - HOW TO ENTHUSE AND ENERGIZE STAFF

Sponsored by: Collins Realty Group

Mari Jo Grace, Executive Vice President, Grace Management, Minneapolis, Minnesota

Session Synopsis: WALA is overjoyed to present Mari Jo Grace for you on Thursday morning. She is a huge stack of dynamite in a small package and will help you find creative and successful ways to motivate your staff. With strong and caring staff, better care is provided to your residents – not to mention that your training and turnover costs are reduced. This session will also enthruse and energize you!

9:45 – 10:00 a.m.

Networking Break

Sponsored by: Autumn Winds of Oakland

10:00 - 11:15 a.m.

GENERATIONS

HR Management

Mari Jo Grace, Executive Vice President, Grace Management, Minneapolis, Minnesota

Session Synopsis: There are now four generations in the workforce. Different backgrounds, values and attitudes make for interesting challenges – and opportunities. How are they so different and why? You enjoyed Mari Jo Grace as the keynoter, now experience her boundless energy up close and personal. Explore with Mari Jo the value of generational perspectives and the depth it can provide you and your residents.

CONCURRENT SESSIONS:

SMALL CENTERS, BIG PROGRAMS

Operations

Peggy Baldwin, Independent Certified Activity Consultant, Madison, Wisconsin

Session Synopsis: This session offers hands-on activity programming opportunities for universal workers and their supervising staff, including concrete programming plans. The ideas presented extend each activity from a "twosome" event into an appropriate program for large group involvement. The emphasis is on practical application of materials presented – take it home and put it to immediate good use.

CUSTOMER SERVICE: MANAGING YOUR BOTTOM LINE

Marketing

Sarah Stanton, President, Stanton Healthcare Management, Waukesha, Wisconsin

Session Synopsis: This session describes the multiple benefits in using customer service as a financial tool. All topics center around the negative impact on dollars in an organization where there is a lack of, or a diminished, customer service program. Topics for presentation include: lost incoming revenue; loss in recruitment/retention dollars; decrease in productivity; lowered staff morale; and ineffective marketing planning and implementation.

HFS-83 TRAINING: HOW TO MAKE IT WORK FOR YOU

Operations

Barb Mack, Owner, Appletree Enterprises, Cambridge, Wisconsin

Session Synopsis: What is expected from the BQA regarding training? How can you make training timelines and dollars work FOR you? What is available out there to help you: systems, materials, outside resources (trainers)? Barb Mack, Apple Tree Enterprises, will help clarify the questions and give you tips on meeting your training goals and BQA's expectations.

11:15 – 11:30 a.m.

Networking Break

Sponsored by: Wangard Partners

11:30 – 12:45 p.m.

HFS 12 & 13 - IT DOES NOT HAVE TO BE A MYSTERY

Regulatory

Susan Larsen, Supervisor, Bureau of Quality Assurance, Caregiver Regulation and Investigation Section, Madison, Wisconsin

Shari Busse, Bureau of Quality Assurance, Caregiver Regulation and Investigation Section, Madison, Wisconsin

Session Synopsis: The revised versions of HFS 12 (Criminal Background Checks) and HFS 13 (Abuse Reporting) have now been in effect for over four years and many of you are probably still confused. Join the staff of BQA's Caregiver Regulation and Investigation Section and learn the tricks of the trade to meet the state's requirements while researching your caregiver's backgrounds without driving yourself nuts! This session will also cover allegations and reporting requirements for abuse, neglect and misappropriation. There is still too much misunderstanding and confusion. Come prepared with your questions and learn the answers you need.

**CONCURRENT
SESSIONS:**

COMMUNICATING WITH THE MEDIA: AN INSIDER'S ADVICE

Marketing

Kelli Donley, Editor, Assisted Living Success Magazine, Phoenix, Arizona

Veralee Gregg, Vice President, Sienna Crest Assisted Living, Oregon, Wisconsin

Session Synopsis: This energetic presentation will give an overview of the most appropriate methods of communicating with the media. It includes a primer on AP Style, writing a press release, taking a press photograph and getting noticed by the media.

AFFORDABLE INTEGRATED MASTER PLANNED NEIGHBORHOODS

Development

Chuck Heath, President, Horizon Development Group, Verona, Wisconsin

Session Synopsis: Tremendous growth in the senior population across the United States will fundamentally change the living patterns of seniors in our immediate future. In response to this rapid growth and trends representing ever changing needs, both communities and professionals will be challenged to create innovative living options that meet seniors' needs and weave senior living into the fabric of everyday living. Affordable master planned neighborhoods integrating senior living with the full continuum-of-care facilities and services are envisioned to be the future of senior living.

HIPAA - WHAT DOES IT MEAN FOR YOU?

Regulatory

Burt Wagner, Managing Partner, Reinhart Boerner Van Deuren, Madison, Wisconsin

Lynn Lane, Owner and Operator, Premier Care Centers, West Allis, Wisconsin

Session Synopsis: Did you know that HIPAA privacy regulations, the Health Insurance Portability and Accountability Act of 1996, could have implications for even the smallest assisted living facility? We all tried to ignore it, but it did not go away. HIPAA is now right around the corner and it could impact you! The speakers will provide an overview of the key concepts of the HIPAA Privacy Rule and first hand information about how to get started. Information concerning who is covered by the Privacy Rule, the required legal forms, patient's rights and administrative responsibilities will all be introduced. This session includes useful handouts to do a simple evaluation of your operations. More detailed analysis handbooks and CD ROMs with easy-to-use forms will be available for additional purchase. Note: this workshop will just get you started. We highly recommend you contact your attorney to make final evaluations and changes in your operations.

12:45 – 2:30 p.m.

LUNCHEON AND KEYNOTE ADDRESS

**KEYNOTE
ADDRESS**

FEDERAL INITIATIVES IN HEALTH CARE

Congresswoman Tammy Baldwin (Invited), Congresswoman, 2nd District, State of Wisconsin, Madison, Wisconsin

Session Synopsis: Please join WALA in welcoming U.S. Congresswoman Tammy Baldwin (invited), as she provides WALA members with insight to upcoming federal healthcare initiatives. As Wisconsin's first Congresswoman, Tammy Baldwin continually demonstrates her commitment to Wisconsin's seniors and their ability to access quality healthcare. Tammy Baldwin began her career in elective office as a member of the Dane County Board of Supervisors from 1986-1994. In 1986 she also served briefly on the Madison, WI City Council. In November 1992 she was elected to the Wisconsin State Assembly.

Thanks for joining us - see you next year.

All sessions subject to change.

WALA thanks the following sponsors whose generosity and leadership helps us to provide year round quality programming for you:

SPONSORS

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Call the WALA Office NOW for Sponsorship Opportunities available at these and other levels.

WALA STAFF:

Jim Murphy, Executive Director
Erin Esser, Office Manager

**Conference Exhibitors provide the latest information you need!
PLAN TO VISIT THE FOLLOWING EXHIBITORS ON WEDNESDAY, MARCH 26, 2003**

Assisted Living Information Systems
Computerized Management Systems
Centec Security Systems (2 booths)
Burglar/Fire alarms/Access Control/
CCTV/Personal Alert Systems
Direct Supply Healthcare Equipment
The nation's leading supplier of
healthcare equipment and
e-commerce systems to the
Eldercare profession.
Duraframe by Kwalu
Manufacture indestructible chairs,
seating and case goods.
Grace Management, Inc.
Specialized Management
and Marketing
HealthReach Rehabilitation Service Inc.
Physical, Occupational &
Speech Therapy
HomeFree
Resident Monitoring Systems
Horizon Development Group
Senior Housing Development
Horty Elving & Associates
Architecture, Engineering, Interior
Design, & Construction Services
Lifeline Systems
Emergency Call Systems
Maintenance Warehouse
Maintenance, Repair & Operations
MJ Care
Rehabilitation Therapy and
Consulting Services
Nasco (2 booths)
Catalog of activity products
and resources

Pathway Health Services
Healthcare Consulting Group
PDC Midwest
Architecture, Construction,
Interior Design
Plunkett Raysich Architects
Architect
Scherrer Construction
Construction
The Minnesota Chemical Company
Laundry Supplies
Westra Construction, Inc.
Construction

Thanks to The Power of Change – Our Vision Evolves Committee members:

COMMITTEE CHAIR:

Jean Dueterbeck,
Golden Years of Walworth
Veralee Gregg,

Sienna Crest Assisted Living

And the dedicated Committee:

Mark Burish, Our House Assisted Living
Beth Christie, Laureate Group
Charlene Everett,
Renaissance Rennes Group
Penny Godfrey Graff,
Autumn Winds of Oakland
Mary Hanson, Braeburn Court
Barb Mack, Apple Tree Enterprises
Delores Moyer, Harbor Senior Concepts
Frieda Pulkowski,
Beloit Memorial Hospital
Sue Reese, Sienna Crest Assisted Living
Pam Rische, Fairview Senior Homes
Cindy Senke, Towne Realty Company

As a conference attendee, you are invited to attend all sessions, luncheons, and the industry trade show. We offer you this opportunity to register early and save!

You can register now at reduced pricing for this unique conference. Simply take a moment to complete the registration form and fax or mail it back to us before February 28, 2003. Registration forms are also available online at www.ewala.org.

Small providers with a total of twenty beds or less get an additional discount!

Fee includes: The registration fee is per person and includes continental breakfasts, lunches, the reception and all general and concurrent sessions. No discount for partial attendance. Attendance at concurrent sessions is limited to room capacity. The pre-conference RCAC Provider Roundtable and the Optional Dinner on Tuesday, March 25 are an extra fee.

Accommodations information:

Travelers must make their own travel and lodging arrangements. A limited number of rooms for WALA conference attendees are being held at the Sheraton of Madison at the same low discounted rate of \$83 per night for single or double rooms. Call 608/251-2300 to make reservations. Rooms will be held at this rate until February 28, 2003. The Sheraton is just across the street from the conference location, and has a free shuttle service to the Alliant Center.

Parking:

As a service to our attendees, WALA is providing free parking at the Alliant Center (a \$4 value). Simply identify yourself as a WALA participant at the parking entrance gate. Go to the EXHIBITION HALL (the rectangular building, not the dome building).

Directions to the Alliant Energy Center for the Optional Pre-Conference RCAC Provider Roundtable, March 25, and for the 2003 Spring Conference, March 26 & 27:

The Alliant Energy Center is located on the southern edge of Madison, just off the Beltline Highway (Hwy 12 & 18), on John Nolen Drive between Olin Avenue & Rimrock Road. Go to the EXHIBITION HALL (the rectangular building, not the dome building).

From the north on I-90/94:

Where 90 and 94 split, stay on I-90 South to Chicago and Janesville. After 4 miles, take exit 142A onto Hwy 12/18 (Beltline) West to Madison. After 5 miles, you'll see the white dome roof of the Coliseum building on your right; take the John Nolen Drive exit.

From the south on I-90: Exit 142 A onto Hwy 12/18 (Beltline) West to Madison. After 5 miles, you'll see the white dome roof of the Coliseum building on your right; take the John Nolen Drive exit.

From the east on I-94: At Madison, get onto I-90 South to Janesville and Chicago. After 4 miles, take exit 142A onto Hwy 12/18 (Beltline) west to Madison. After 5 miles, you'll see the white dome roof of the Coliseum building on

your right; take the John Nolen Drive exit. **From the west:** Get onto the Beltline, Hwy 12/18 going East, exit at Rimrock Road or John Nolen Drive.

Directions to the Madison Club for the Optional Networking Reception and Dinner on Tuesday, March 25, 5:00 pm – 7:30 pm.

Directions to Madison Club at 5 East Wilson in downtown Madison (608/255-4861). Located near Monona Terrace Convention Center.

From West Washington Avenue turn right onto Fairchild and go two blocks. Turn left on Doty and go three blocks. Turn right on Pinckney, then right onto Wilson.

From East Washington Avenue turn left onto Blair Street (Hwy 151). Turn right at the traffic signal at Wilson Street.

From the Airport take International Lane to the end. Turn left onto Packers Avenue and follow it to First Street. Turn left at the traffic lights onto First Street. Turn right onto East Washington Avenue.

From the Beltline (Hwy. 12/18) take John Nolen Drive into town and drive along Lake Monona. Turn left onto Wilson Street.

Parking is available at the Hilton Hotel next door. You may park in Madison Club reserved spots at the public rate of \$1.00/hr. Parking also available at the Doty St ramp just East of the Madison Club at Doty and Pinckney Streets.

Space is limited for this splendid evening. Plan to join us!

WALA MEMBERSHIP FORM

MARK ONLY ONE

PROVIDER MEMBER - Any company or individual that owns, manages, or operates an assisted living facility or similar type of residence. Provider benefits include membership in ALFA. Dues are \$16.00 per licensed or certified bed. Please calculate your dues based on total number of licensed or certified beds and return this form along with your payment to the address listed below. To insure accurate and timely communication, be sure to include:

- A current list of your facilities, with the licensed or certified capacity of each;
- Name of resident manager and each facility's address, phone, fax, and email so both WALA and ALFA can update our mailing lists. Please include the county so your facility can be listed correctly on the WALA website for consumer access.

Total facilities: _____ Total Beds _____ x \$16 = _____ Total 2003 Dues
(minimum \$150.00 per facility)
Payment plan options available – contact the WALA office.

ASSOCIATE MEMBER - Any company or corporation, proprietary or nonprofit, that is developing an assisted living facility, has an interest in or is involved in the assisted living industry but does not own, operate or manage an assisted living facility. Note: Associate members are WALA members only. Separate membership in ALFA is required to attend or exhibit at ALFA events as an Industry Partner. Call ALFA at 703/691-8100, for information.

Associate Member Fee Structure

- _____ \$475/year for companies with annual gross receipts less than \$1M
 _____ \$675/year for companies with annual gross receipts more than \$1M

Type of Business or Service (25 words or less)

Please indicate the category in which you wish to be listed in your free listing on the WALA website:
 Check only one:

- | | |
|---|---|
| <input type="checkbox"/> Architect, Build, Develop, Construct, Interior Design | <input type="checkbox"/> Insurance |
| <input type="checkbox"/> Consultant, Marketing, Training, Research, Management | <input type="checkbox"/> Law and Legal Services |
| <input type="checkbox"/> Employment, Pool Labor, Temporary Services | <input type="checkbox"/> Pharmacy, Medical Supplies, Group Purchasing |
| <input type="checkbox"/> Financier, Accountant, Lender, Bank, Real Estate, Investor | <input type="checkbox"/> Residential Services |
| <input type="checkbox"/> Furniture and Furnishings | <input type="checkbox"/> Other Association Services |

SUPPORTING PARTNER - Nonprofit organizations and associations involved in long-term care. Or an individual having an interest in the assisted living industry. This category does not include membership with ALFA. WALA dues: \$100/year.

GOVERNMENT - Government agencies involved in or having an interest in the assisted living industry and long-term care. Also, college or university professors engaged in assisted living industry research. This category does not include membership in ALFA. WALA dues: \$100/year.

FOR ALL MEMBERSHIP TYPES: Complete this application and return to WALA at the address below with your registration form and payment. Copy and complete a page for each facility.

PLEASE PRINT:

Parent Company Name: _____

Facility Name (if different): _____

Contact Person: _____

Address: _____

City/State/Zip: _____

Phone: _____ Fax: _____

E-mail: _____ Website: _____

County for each facility: _____

Enclosed is a \$ _____ check or money order payable to WALA.

Please charge \$ _____ on my credit card VISA MasterCard

Name _____ Card # _____

Exp.Date: _____ Cardholder Signature: _____

2003 WALA CONFERENCE CONFERENCE REGISTRATION FORM

Pre-conference RCAC Provider Forum: Tuesday, March 25
 Optional Networking Dinner: Tuesday, March 25
 Conference: Wednesday, March 26 & Thursday, March 27
 CEO Forum: Wednesday, March 26
 Industry Trade Show: Wednesday, March 26

Alliant Energy Center – Madison, Wisconsin

**Discount Deadline:
February 28, 2003**

*Nursing Home Administrators
credits applied for.*

STEP 3 Method of Payment (Must accompany registration)

Payment by
 Check VISA MasterCard
(Please print neatly)

Card Number _____

Expiration date _____

Card Holder's name _____

Card Holder's signature _____

Are you a WALA member?
*(Members receive conference discount.
Must be current in 2003)*

Yes
 No

STEP 4 Fax or Mail with Payment to:

TOTAL AMOUNT: \$ _____

WALA

Wisconsin Assisted Living Association
 2875 Fish Hatchery Road
 Madison, WI 53713-3120
 Phone: 608 / 288-0246
 Fax : 608 / 288-0734
 e-mail: wala@execpc.com
 website: www.ewala.org

For additional registrants, please
photocopy this form.

**Note: If you have a disability that
requires accommodation to participate
or special dietary requirements,
please call 608/288-0246.**

Cancellation/Refund Policy

Please notify us of any cancellations by February 28, 2003, as no full refunds will be made after that date. Substitutions are permitted. However, if a cancellation is made after February 28, a voucher for future WALA educational events will be issued minus a \$50 administration fee. RCAC Provider Roundtable cancellations after February 28 will be issued a voucher for future WALA educational events minus a \$25 administration fee. Substitutions for the RCAC Provider Roundtable, if needed, are permitted and encouraged if they are also a RCAC license holder. No refunds are permitted for the Optional Networking

STEP 1 (Please complete the following information)

Name _____

Title _____

Parent Company _____

Specific Facility (if different) _____

Total Facilities in the company _____ Total Residents served by the company _____

Mailing address _____

City _____ State _____ Zip _____

Phone (day) (_____) _____ Fax (_____) _____

Email _____ Website _____

All RCAC license holders are welcome to attend optional Tuesday, March 25 RCAC Provider Roundtable. If attending, please provide your RCAC license number _____

STEP 2 WALA Conference Fees

PACKAGES

Includes all sessions, industry luncheons March 26 & 27, Wednesday evening networking reception (cash bar), and trade show. Pre-conference RCAC Provider Forum has an extra fee (see below) as does the optional Networking Dinner Tuesday, March 25, at the Madison Club.

(Check applicable boxes)

Paid Registration received:

WALA Member *(Must be current in 2003)*

Before 2/28/03 After 2/28/03

Provider or organization with 21 beds or more \$200 \$225
(Includes Provider, OLTC, Associate, SP, vendors and business related members)

Small Provider Member \$160 \$185
WALA member with total of 20 beds or less

Non-member

Provider or organization with 21 beds or more \$240 \$265
(Includes non providers, vendors and business related attendees)

Small Provider Non-member with total 20 beds or less \$220 \$245

Government/Regulator

State, County, Federal, Local, etc. \$240 \$265

Nursing Home Administrator Credits

Yes, I wish to apply for NAB nursing home administrator credits.
 \$25 fee for NAB application \$25 \$25
(This applies for NAB credits and is not needed for yearly HFS-83 training requirements.)

CEO Forum - Wednesday, March 26 *(Must pre-register)*

No additional charge, but this special high-level track is available to the major decision maker in assisted living in your company. Different companies are operated differently, so your title may not be CEO. But if "the buck stops here" - on your desk- you may attend these sessions. To join the CEO Forum, you should be one who makes the major acquisition, development, operations and management decisions in your company. Space is limited and these sessions are designed for the CEO of assisted living providers, not for associate members or vendors. The provider CEO's will have access to the exhibit area.

Optional Pre-Conference RCAC Provider Roundtable -

Tuesday, March 25, 12:30 – 4:30 p.m., Alliant Energy Center.

All RCAC license holders welcome. We will send you information in advance so we must have an email or fax number for all participants. This will be an interactive session so please come prepared to share in the Roundtable sessions. Due to amount of information to be covered, please plan to eat your lunch before you arrive. Attendees are not required to register for the entire conference but are encouraged to do so.

All RCAC license holders invited. \$40 \$80

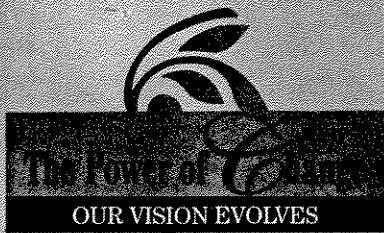
Optional Networking Dinner at the Madison Club - Tuesday, March 25, 5:00 – 7:30 p.m.

(Note table-hosting opportunity on the Sponsorship form)

WALA Member: # _____ @ \$50 \$75

Non Member: # _____ @ \$75 \$100

TOTAL DUE: \$ _____



2003 TRAINING

WALA is extremely pleased to present our training and seminar schedule for 2003. Our hardworking committee has done themselves proud. A few things to plan for:

January 23
HIPAA - What Does it Mean For You?
Brochure was mailed in December

February 6 & 20
LPN, RN & Team Leader
Refresher Intensive
8:00am - 4:30pm in the Oak Hill Terrace
Training Center. Contact WALA for
information. Also May 6 & 20 and
September 6 & 20.

Feb 11 & 12
Administrators and Managers Intensive -
Two day Intensive
Held at Extendicare in Milwaukee
Brochure was mailed in early January

March 25
RCAC Provider Roundtable -
pre-conference seminar

April/May
How To Get Ready for a Survey
Information gleaned from BQA's enforce-
ment actions with tips on gearing up for
the new state oversight. Presented in
numerous locations around the state

May
Sales and Marketing Intensive -
Two day Intensive
With Mari Jo Grace (the human energizer)
and Rae Schweer

May 6 & 20
LPN, RN & Team Leader Refresher Intensive
1:00pm - 9:30pm in the Oak Hill Terrace
Training Center. (For second shift staff)
Contact WALA for information.

Sept 6 & 20
LPN, RN & Team Leader Refresher
Intensive
8:00am - 4:30pm in the Oak Hill Terrace
Training Center. (For weekend staff)
Contact WALA for information.

October
Fall Symposium

Cancellation/Refund Policy
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mitted. However, if a cancellation is made
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minus a \$25 administration fee. Substitutions
for the RCAC Provider Roundtable, if needed,
are permitted and encouraged if they are also
a RCAC license holder. No refunds are permit-
ted for the Optional Networking Dinner at the
Madison Club.



The Power of Change - Our Vision Evolves March 26 & 27, 2003

Alliant Energy Center
Madison, Wisconsin

Discount Registration Deadline:
February 28, 2003

Just a reminder - February 11 & 12, 2003 is WALA's Administrator's and
Management Intensive.

For the last 3 years, WALA was pleased to present the Administrators and Managers
Intensive to sold-out groups of 70 attendees. In 2003, we have strengthened the
agenda and again have high-powered presenters. Don't miss this third opportunity
to take part in the program.

In the world of Assisted Living, well-trained administrators are vital to the success
and well being of an assisted living community! Designed for the entry-level
Administrator, as well as the experienced veteran, this course will provide the tools
necessary to manage the diverse needs encountered daily. Developed from the
ALFA University Training System, this overview provides leadership skills that will be
utilized while working with employees, residents, and within the community.

Our high-powered team will enlighten, delight and challenge you. Their high-
energy approach to learning will make sure you stay focused and have practical
take-home tactics. In 2003, the intensive will be held in Milwaukee at Extendicare
on Tuesday, February 11 & Wednesday, February 12, 2003. Space is limited!
More information is also available at www.ewala.org or by calling WALA at
608/288-0246.

Vision Statement of WALA

WALA is uniquely qualified:

- to be the premier association in assisted living;
- to establish standards of quality care;
- to provide valuable member services to
diverse assisted living providers.

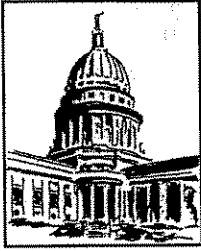
Membership in this organization is indispensable.



WALA
Wisconsin Assisted Living Association
2875 Fish Hatchery Road
Madison, WI 53713-3120
608 / 288-0246 • Fax: 608 / 288-0734
e-mail: wala@execpc.com
website: www.ewala.org

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Jim Murphy



WISCONSIN STATE LEGISLATURE

Joint Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

For Immediate Release

February 7, 2003

For More Information Contact:

Senator Carol Roessler
Representative Suzanne Jeskewitz

(608) 266-5300
(608) 266-3796

Joint Legislative Audit Committee Considers Recommendations for Long Term Care Facilities

(Madison) The Joint Legislative Audit Committee met Wednesday and held a public hearing on the Legislative Audit Bureau's audit released in December 2002 relating to the Regulation of Nursing Homes and Assisted Living Services. This was the first meeting of the newly appointed 2003-2004 committee under the leadership of the new co-chairs Senator Carol Roessler (R-Oshkosh) and Representative Suzanne Jeskewitz (R-Menomonee Falls).

Wednesday's hearing focused on regulatory oversight to ensure quality care in assisted living facilities and nursing homes. Members of the Joint Audit Committee reviewed the number of citations issued to both nursing homes and assisted living facilities. "Quality of care has to be the most important focus of all long term care facilities," simply stated Jeskewitz. All of those testifying concurred, however those working in the field cited frustrations over inconsistencies in inspections and current levels of funding.

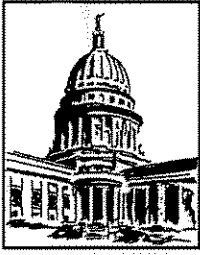
The Department of Health and Family Services reported on initial action they have taken due to the findings of the Audit Bureau. "With a new department Secretary, this is a perfect time for a change in the way that long term care facilities are regulated," reasoned Senator Roessler. "We directed the department to further address the recommendations of the audit and the committee members concerns. Further, we directed DHFS to meet with providers and advocates and report back to the Audit Committee in July with suggestions for improvement."

The Joint Audit Committee receives audit requests and directs the Audit Bureau to audit those state agencies and services, which are approved by the Audit Committee. The Audit Bureau then prepares a scope outline of the proposed audits, which are under committee consideration for approval. "With the current budget crisis, audits are great tools to delve into programs to highlight both efficiencies as well as areas that need improvement," said Jeskewitz. At the hearing, the bi-partisan committee voted unanimously to approve three future audits. The first audit deals with the Department of Natural Resources' Air Management program and the way that air emission permits are issued. The second calls for an audit of the Department of Transportation's major highway programs. Finally, the last audit will review administrative expenditures in the University of Wisconsin System. All of these audits should be completed by the end of 2003 and once completed, the audits are released to the public.

###

SENATOR ROESSLER
P.O. Box 7882 • Madison, WI 53707-7882
(608) 266-5300 • Fax (608) 266-0423

REPRESENTATIVE JESKEWITZ
P.O. Box 8952 • Madison, WI 53708-8952
(608) 266-3796 • Fax (608) 282-3624



WISCONSIN STATE LEGISLATURE

Joint Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

February 17, 2003

Ms. Helene Nelson, Secretary
Department of Health and Family Services
1 West Wilson Street
Madison, Wisconsin 53707-7850

Dear Ms. Nelson:

The Department of Health and Family Services offered testimony regarding prior authorization for therapy and other services at the Joint Legislative Audit Committee hearing on December 19, 2002. A number of concerns were raised by parents and advocates at the hearing, and it appears that these groups will continue to seek additional changes to the prior authorization process. Therefore, we ask that you provide the Audit Committee with information regarding any improvements to the prior authorization process that you plan to implement and request that you apprise us of developments related to prior authorization and the Department's efforts.

If you have questions or concerns, please contact our offices.

Sincerely,

Senator Carol A. Roessler
Co-chairperson
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz
Co-chairperson
Joint Legislative Audit Committee

cc: Senator Gary George
Senator Joseph Leibham
Janice Mueller, State Auditor



WISCONSIN STATE LEGISLATURE
Joint Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

February 17, 2003

Ms. Helene Nelson, Secretary
Department of Health and Family Services
1 West Wilson Street
Madison, Wisconsin 53707-7850

Dear Ms. Nelson:

Thank you for your testimony to the Joint Legislative Audit Committee on February 5, 2003. The information provided by you and your staff was helpful to committee members in understanding nursing home and assisted living facility regulation issues identified by the Legislative Audit Bureau in its December report (report 02-21).

As you know, the audit report contained recommendations requiring follow-up by the Department of Health and Family Services. In addition, committee members made additional requests for information during the public hearing. The purpose of this letter is to communicate the specific information we ask the Department to provide the Joint Legislative Audit Committee, and to establish a timeline for these deliverables.

It is our expectation that on or before March 1, 2003, the Department will provide the Committee a written report containing:

- the number and percentage of FY 2000-01 and FY 2001-02 state nursing home citations eligible for forfeiture and awaiting review (report 02-21, page 46);
- the percentage of a forfeiture that represents a reasonable estimate of the Department's administrative costs related to assessing forfeitures (report 02-21, page 46);
- the total amount of revenue the Department received from federal civil money penalties in FY 2000-01 and FY 2001-02, and the purposes for which these funds were used in each fiscal year; and
- the distribution of the Department's long-term care regulatory staff (central office staff, regional staff, assisted living facility inspectors, and nursing home inspectors) as of February 1, 2003.

It is our expectation that on or before July 1, 2003, the Department will provide the Committee a written report containing:

- the effect on timeliness of returning responsibility for informal dispute resolution decision-making to regional-managers (report 02-21, page 60);
- the number of cases resolved through informal dispute resolution (report 02-21, page 60) in FY 2000-01, FY 2001-02, and the first six months of FY 2002-03;
- the number of cases resolved through informal dispute resolution (report 02-21, page 60) in FY 2000-01, FY 2001-02, and the first six months of FY 2002-03 that were subsequently appealed;

- the use of admission restrictions as a tool for compelling nursing home compliance in other states;
- the Department's current and planned efforts to target nursing home enforcement activities on historically non-compliant homes and the Department's assessment of the possibility of implementing such a process;
- the Department's position on maintaining both state and federal regulations for nursing homes;
- the Department's assessment of best practices in assisted living facility regulation in other states;
- the status of the rewrite of HFS 83, Wis. Adm. Code, and its anticipated effects on the regulatory environment for community-based residential facilities; and
- the status of discussions between the Department, assisted living facility providers, and other interested parties, regarding recommended improvements to the regulatory system for assisted living facilities.

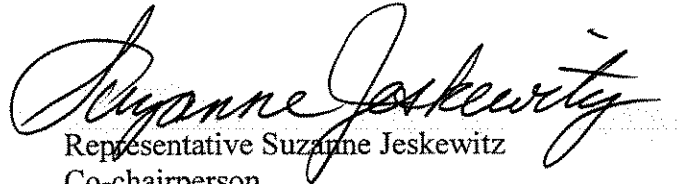
Based on the information contained in these reports, we expect to invite you to appear again before the Joint Legislative Audit Committee in July or August 2003 for further discussion of these issues.

Thank you for your cooperation in these matters. Please contact our offices with any questions or concerns.

Sincerely,



Senator Carol A. Roessler
Co-chairperson
Joint Legislative Audit Committee



Representative Suzanne Jeskewitz
Co-chairperson
Joint Legislative Audit Committee

cc: Janice Mueller
State Auditor