

CONNECTICUT CONTINUING CARE ADVISORY COMMITTEE
State Capitol Building, Hartford, Connecticut
Minutes of the Meeting
Friday, April 19, 2013

Attendance

LeadingAge Connecticut President Mag Morelli presided and the following members were present: Billie Alban, Darrell Pataska, Jennifer Rannestad, Keith Robertson, Daniel Robinson, Rodney Rollet, Marjorie Sullivan, William Thompson, Jon-Paul Venoit, and Maureen Weaver.

Also present were Rich Wysocki, Principal Cost Analyst of the Department of Social Services, and Ed Lawlor from Meadow Ridge. The meeting was open to the public.

Minutes

The minutes of the January 18, 2013 meeting were approved as submitted.

Department of Social Services Representative

Rich Wysocki reported that the Department of Social Services (DSS) views this Committee's role to be advisory to the DSS. He reaffirmed the Department's request that the Committee address general issues germane to the statutory and regulatory responsibilities of DSS and not management and operational issues related to specific CCRCs. Mag Morelli suggested that residents with concerns about specific CCRCs raise those concerns within the CONNCRA group, and then members of CONNCRA who serve on the advisory committee can bring forward any appropriate general issues to the Advisory Committee.

Financial Accounting Standards Board (FASB) Update 2012-01

Darrell Pataska, a partner in the accounting firm of BlumShapiro presented a report entitled "Accounting for Refundable Advance Fees – Understanding the Financial Statements of CCRCs," copies of which were distributed to the members prior to the meeting. This was a continuation of the discussion regarding a statement (ASU 2012-01) issued by FASB in July of 2012. Darrell Pataska explained the meaning of the statement and the effect that it will have on the upcoming financial statements of CCRCs that utilize refundable entrance fees. He noted that the FASB Statement will affect how financial information is reported. Balance sheets will appear more conservative than they would have before the change, but the change will not affect the cash balances or overall assets.

He went on to suggest a number of factors that should be taken into account when reviewing the financial statements of a CCRC. Other members of the Advisory Committee offered the thought that the factors identified by him might be used as a screening device by DSS in reviewing the CCRC Annual Reports and Disclosure Statements.

The Committee agreed to have the members review the BlumShapiro paper with their constituencies and report back at the July meeting. The discussion of the concept of recommending a screening protocol or suggesting other ways in which the review process could be made more effective will also be continued at the next meeting.

There was discussion, but not consensus, as to the main objective of DSS review process. In commenting on the method of review of these documents by DSS, Rich Wysocki informed the Committee that the role of DSS is either to accept or not to accept the annual CCRC filings. He explained that DSS conducts a “very intensive” review of initial disclosure statement filings. After the initial filing, on a year to year basis, DSS requires that CCRCs submit a red-line version of the disclosure statement showing any substantial changes in the filing compared to the prior year and such changes were reviewed by DSS. He said the disclosure statements were required to be filed only if a change from the previous year had been made in it. He also noted that a consumer’s CCRC contract is considered an “investment” that the consumer is making and that this is stated in the disclosure statement.

Generally Accepted Accounting Principles (GAAP)

A discussion took place on a suggestion raised by a committee member to require that the audited financial statements filed with DSS conform to the Generally Accepted Accounting Principles (GAAP). It was decided that members be prepared to discuss this suggestion at the next meeting.

Medicare Rate Reductions

The Committee discussed the recent changes in Medicare reimbursement that have had a negative financial impact on many skilled nursing facilities. All were in agreement that these rate changes could have an impact on the CCRC owned skilled nursing facilities and that DSS should be aware of this concern.

Massachusetts’s New Legislation

Billie Alban circulated copies of Massachusetts’s Senate Bill 2139, a newly enacted law dealing with the rights of Massachusetts’s CCRC residents. The members were asked to review the measure in anticipation of a discussion of it at the next meeting.

Next Meeting

The next meeting of the Committee will take place at Ashlar Village in Wallingford, Connecticut.

Adjournment

After Mag Morelli asked for comments or questions from the visitors, the meeting was adjourned at 11:50.