



2014 Annual Report

Mission:

To improve the lives and well-being of vulnerable adults through the support of adult family homes



This report includes:

- A letter from the Board Chair
- An agency assessment by the Executive Director
- A breakdown of how membership dues are invested
 - Plans for the future
 - Benefits of membership

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A Message from the WSRCC Board Chair

Greetings! To those of you I have not had the pleasure of meeting, my Name is Delbert Miles and I am the current Board Chair of WSRCC. I first served on the board as the Region 2 delegate for two years. This is my second year serving as WSRCC's board chair. My wife Cheryl and I have three private pay adult family homes in Yakima, and have been in business since 2001, and members of WSRCC since we started.



We have been very busy this last year. We had one great executive director who moved on to greener pastures and after an exhaustive search we hired John Ficker. Hopefully you have had a chance to meet him, he has been at the last two conferences, and attended many different chapter meetings. He could possibly be the most perfect person for the job. His high energy and background are a perfect fit for our unusual needs. We also hired Maria Chiechi as our Legislative Coordinator. You may recognize the name as she was our previous office manager. She comes from a long line of lobbyists in her family. She is a very well known and respected lobbyist on the hill in her own right. Replacing her in the office is Bryon Dahl. If you have called the office with questions you may already know him. Most recently we hired Susan Zarenski a much needed Membership Services/Education Specialist. I look forward for everyone to meet with her. She will be making her rounds to a local chapter meeting near you. I consider them all to be a true powerhouse for the WSRCC and expect several great outcomes from them in the very near future.

We also have two new amazing board members voted in by the membership. They are Jeannie Schmid from Region 5 and Daniela Micu as our Secretary and At Large position. We all look forward to supporting our current industry needs now and in the future.

We have come a very long way from where we started in this industry. We are much better educated and much more business savvy then we ever have been. We are working more closely with our business partners to help manage some of the changes to our industry. Some changes we agreed with some we didn't. We certainly do not always get what we want but we are at the table, not on the table and we are making a positive difference for our industry. Every day we become a much better choice for the long term care needs of the most vulnerable in our society. I look forward to meeting as many members as possible this year. So come out to our lobby days and make a difference legislatively or come to a conference. The conferences are a great way to make connections with fellow providers, get a bunch of CE's and catch up on any trends coming out of RCS. Thank You - Delbert Miles

The WSRCC Board of Directors

Region 1: Kim Erwin

Region 3: Vacant

Region 5: Jeannie Schmid

Region 7: Daniela Ionesi

At Large Delegate: Daniela Micu (Secretary)

At Large Delegate: Gene Nassen

Region 2: Delbert Miles (Chair)

Region 4: Dorothy Schlimme (Vice Chair)

Region 6: Patti Gray

At Large Delegate: Rey Aquinde (Treasurer)

At Large Delegate: Bonnie Bruce



The State of the Washington State Residential Care Council

The WSRCC has undergone significant changes over the last year. The most significant being the hiring of a new Executive Director. John Ficker comes to the WSRCC after serving for nearly 8 years as a program manager for DSHS. John held the position of Residential Program and Policy Manager for the Aging and Long Term Support Administration (ALISA). Before that, he was Deputy Director of Senior Service for South Sound, a private non profit company providing senior nutrition programs, a care giver registry, adult day programs, and operating senior centers in Thurston and Mason Counties. This combination of executive leadership and a sophisticated understanding of adult family home issues related to Medicaid and licensing rules makes John an excellent choice to lead the WSRCC. As the Executive Director, one of John's first tasks was to complete an assessment of the WSRCC to identify our strengths and potential areas of improvement. Here is a summary of those findings presented to you in the WSRCC's first ever annual report.

Executive Summary

The 5 P's of marketing are a way to analyze the various components of any business. Using this model, we can begin to see what the WSRCC has to offer its members.

Price: Dues of \$480 per home per year for a professional trade association are well within standards of rates for other similar associations. \$40 per month is equal to 1% of the average Medicaid reimbursement paid to an AFH provider monthly. Members who take advantage of WSRCC training opportunities and utilize WSRCC staff for support can easily recoup their investment within a membership year.

Place: WSRCC's state office is located in Olympia, Washington, a short drive from the state capitol and DSHS headquarters. This is the right place for your association to be located. Additionally, there are 11 chapters around the state located in areas with high population of adult family homes. We do however have many areas of the state where AFH providers are not located near a local chapter. For those providers we are also looking at how the WSRCC can improve its presence through online training opportunities, informational webinars, and access to information via email and telephone support.

People: The WSRCC currently has four full time staff members who work in the Olympia office. (An Office Manager, Executive Director, Legislative Coordinator/Executive Assistant and Member Services/Education Specialist) As the office receives anywhere from 20-30 phone calls a day from members seeking assistance with a variety of questions, those four are working at capacity.





People (cont.): In addition to the paid staff, the WSRCC has 11 volunteer board members and a multitude of chapter leaders around the state. These volunteers are all AFH providers with competing demands for their attention. In many cases, the same people who volunteer for the state board of directors are the same people organizing the local chapter meetings. These positions are all elected by members. The people working as staff or volunteers for the WSRCC are committed and responsible to the membership. However, the WSRCC needs more. The WSRCC's newest staff person is the Member Services/Education Specialist. This position will be responsible for ensuring chapter leaders have the resources and support needed to successfully deliver training, information and networking opportunities to all members. Additionally, the WSRCC will work to recruit and retain new volunteers to support WSRCC programs. This is a member driven organization. Your participation can help direct our efforts to support the adult family homes of Washington.



Product: The product WSRCC has to offer is **support** for its membership. There are many ways the WSRCC is currently supporting members.

- Local chapter meetings for networking
- Free continuing education opportunities
- Sample forms/documents
- Monthly newsletters
- Fall and Spring Conferences
- Advocate for provider issues to DSHS
- Review of RCS findings
- Attend informal dispute resolutions
- Consultation with WSRCC staff
- Listing on the WSRCC AFH locator
- Legislative advocacy
- Collective bargaining for Medicaid rates

This sample of services provided are largely dictated by the needs of WSRCC members. This product is our ability to respond to the various needs of adult family home providers across the state. This product also includes the ability to inform adult family providers of trends, best practices and issues related to AFH operations. There is more we can do to ensure we are reaching all of our members. Quarterly best practice guides, inspection readiness check lists and success in improving Medicaid rates are a few things that, based on provider's request, the WSRCC intends to add to this list.

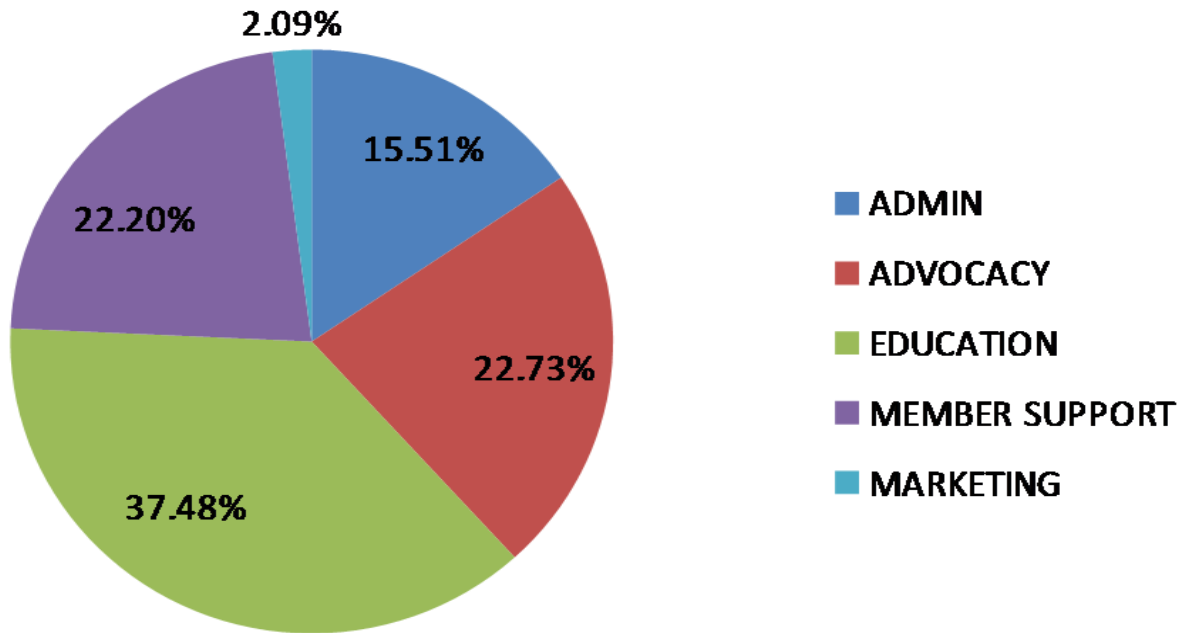
Promotion: The WSRCC needs to do a better job making sure all members understand the services available through their association. This can be accomplished through better outreach, reports like this one, and improving communications between the state office and the local chapters. This is a primary goal of the WSRCC currently.

The WSRCC is also interested in advertising the Adult Family Home option as an important part of long term care. There are many TV, radio and printed commercials advertising placement agencies and assisted livings facilities. We are working to increase public awareness of adult family homes as a viable option for those in need of care, by directly reaching out to known referral sources and by strategically advertising the adult family home option for care.





How Does the WSRCC Invest my Membership Dues?

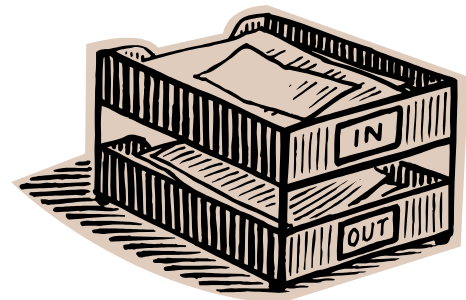


Above is a breakdown of the WSRCC expenses and anticipated expenses from July 1, 2013-June 30, 2014. This represents the annual dues from more than 1,600 adult family homes. As you can see this breaks down WSRCC expenditures into five basic categories. As you go through this report we will outline in greater detail what is included in each category.

Administrative Costs 15.51%

Generally, the WSRCC is pleased to find the vast majority of our investment is returned to members through educational opportunities, direct member support, and advocacy. Administrative expenses are a part of doing business and in the case of the WSRCC costs include items such as:

- Rent for the office in Olympia
- Utilities/Phone/Internet
- Equipment leases
- Administrative staff
- Accounting services
- Insurance
- Office Supplies



We have already made adjustments to our current budget and will carry forward improvements intended to reduce our administrative expenses. For an organization like WSRCC, 15% administrative costs should be our goal. Many national surveys indicate the average administrative percentage for nonprofit organizations is closer to 27%.



Advocacy Expenses 22.73%

Advocacy for Adult Family Home providers is the primary function of the WSRCC. This advocacy takes many forms. For the purpose of this report, we are focusing this section on two distinct areas, collective bargaining and legislative advocacy.

Collective Bargaining

The collective bargaining agreement (CBA) between the WSRCC and the State of Washington protects adult family home providers from unwarranted cuts to rates and unfunded requirements. For example, Three Cedars Adult Family Home in Tacoma and The Sean Humphries House in Bellingham are two adult family homes that serve exclusively individuals living with HIV/AIDS. They received notice from the state that the contracts they had in place since 1999 would be ending, beginning in 2014. WSRCC demanded to bargain the issue because the state is obligated to discuss matters of compensation before taking action. The negotiation process ended with DSHS withdrawing their plan to end these contracts.



The CBA also provides the opportunity for the WSRCC to negotiate Medicaid reimbursement rates. Unfortunately, the right to collectively bargain came as our state and nation entered into a significant economic recession. No significant gains were made through this process. However, the CBA did protect against additional rate decreases in 2011 and 2012.

This summer we will enter in to a new round of bargaining. The results of these negotiations will take effect 7/1/15. Medicaid rates are currently 4%-6% below the rates suggested for fiscal year 2009. Obviously costs and requirements for AFH providers have continued to rise since 2009, while the value of the home has likely dropped with the decline in the housing market. The WSRCC is prepared to fight for significant increases in the Medicaid daily rates. This means expenses and investments in legal fees, arbitration costs and staff time. In next year's budget there will likely be an increase in the total investment in this category.

History of Medicaid rates in Adult Family Homes		
Fiscal Year	Adjustment to Rate	Reason
FY08	3.2%	Vendor Rate Increase
FY09	Change to 17 level care system	
FY10	-4%	Vendor Rate Decrease
FY11	N/A	N/A
FY12	\$2.01	Training Increase
FY13	\$0.63	Increase in Licensing/ Training
FY14	\$0.14	Increase in Licensing

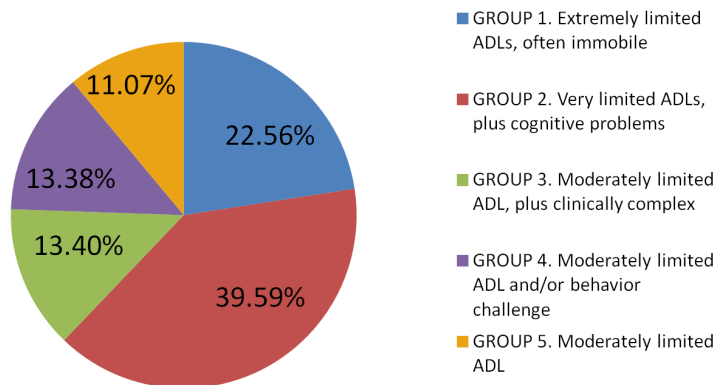


Legislative Advocacy

Even with our collective bargaining rights, the final responsibility to develop a budget and allocate funds for long term care programs is that of the state legislature. We will need to work together to ensure the legislature funds the appropriation that supports increased Medicaid rates. In the short 2014 legislative session, the WSRCC worked to educate legislators about issues facing AFH providers. The first thing we always point out to legislators is the fact that adult family homes serve the highest acuity clients of any home and community based service provider. As you can see from the chart below, nearly 62% of residents served in AFH's fall into the highest acuity categories, compared to other settings such as assisted living (AL, EARC) and in home care (AP, IP).

Who is served in an AFH?

% of residents served in Adult Family Homes by acuity (6299 LTC Medicaid clients)



The legislature has taken a greater interest in how the state provides care to the aging and disabled. In fact, in 2013 the legislature appointed a Joint Legislative/Executive Committee on Aging and Disability to examine how the current long term care system works. The governor's office held an "Aging Summit" in October of 2013 to review the state's infrastructure for providing support to the aging and disabled population around our state. The House Appropriations Subcommittee on Health and Human Services held a special hearing in November of 2013 to better understand assisted living and adult family home rates. The WSRCC was present at all of these meetings and more.

The interest in these issues has been brought to the forefront because of changes related to the Affordable Care Act which may give our state the opportunity to potentially refinance portions of the long term care

	% Served in AFH	% Served in AL	% Served in EARC	% Served by AP	% Served By IP
Group 1	22.56%	0.31%	4.54%	2.57%	5.20%
Group 2	39.59%	7.11%	17.78%	17.33%	30.65%
Group 3	13.40%	10.70%	13.62%	24.85%	28.06%
Group 4	13.38%	17.69%	24.29%	26.02%	21.11%
Group 5	11.07%	64.19%	39.78%	29.23%	14.97%

system and receive an enhanced match from the federal government. This enhanced match could allow the state to reinvest savings into strengthening current Medicaid programs.

The other reason these issues are being explored is what some call the "Age Wave" or the "Silver Tsunami." State census and demographic indicators inform us that in the near future one in five or 20% of Washingtonians will be over the age of 65 (see chart on next page). While not all of these individuals will require care, this shifting demographic will likely put strain on the existing long term care system. As the number of individuals seeking care grows, and Medicaid programs expand, the adult family home system should be growing. Unfortunately, we have seen a decrease in the number of new adult family homes opening, and an increase in closures. The WSRCC is committed to working with the legislature to ensure going forward, there is sufficient infrastructure to provide care, and adult family homes are a vibrant and viable option for those seeking care and services.



Legislative Advocacy (cont.)

Some of the specific issues the WSRCC is taking up with the legislature are intended to promote the success of the adult family home model. These issues include:

Change of Ownership

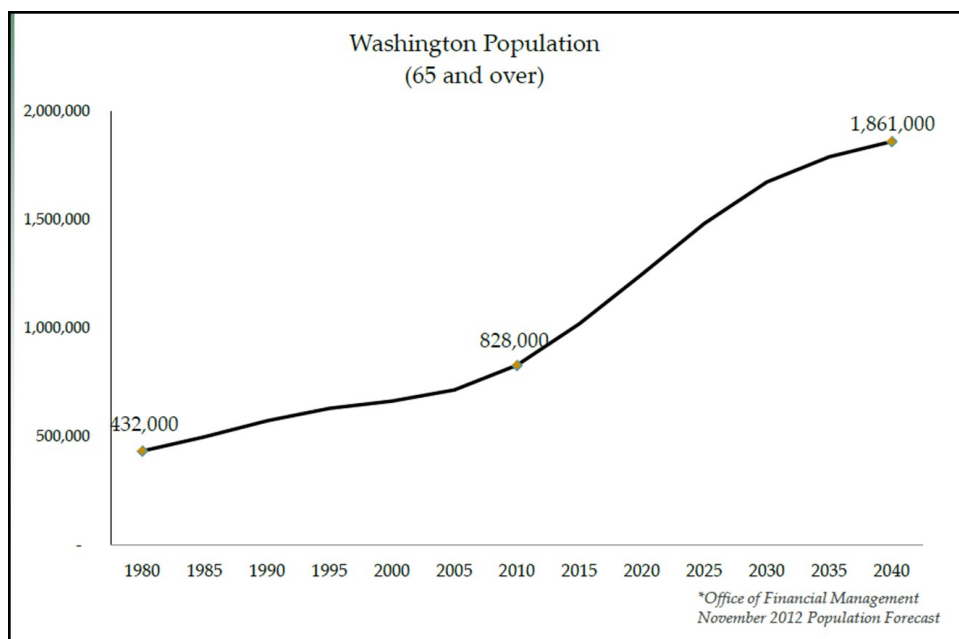
In order to maintain the stability for AFH residents, we are requesting a change in statute to allow DSHS to provide an exception process to application fees. When exceptional circumstances, such as the death or incapacitation of a provider require the home be re-licensed, the department would be able to consider a request for a reduction or waiver of the \$2,750 licensing fee. This would not impact the client's right for notification of new ownership or change the requirements of the new licensee.



Also for providers who are converting a business structure from a sole proprietorship to a limited liability company (LLC), there is a need to update their licensure. We are advocating for a rate less than the initial cost as the activities DSHS needs to conduct are less, and therefore the application fee should be reflective of the work involved.

Specialized Dementia Care Program in Adult Family Homes

Aging and Long Term Support Administration has successfully implemented a specialized dementia care program for assisted living facilities. In this program, providers serve only residents with a diagnosis of dementia and provide specific, often evidence based programming and environments. This model demonstrated increased lengths of stay, decreased/delay in nursing home placement, and greater satisfaction from residents and families. The WSRCC recommends extending this program to adult family home providers.



Increases in Licensing fees:

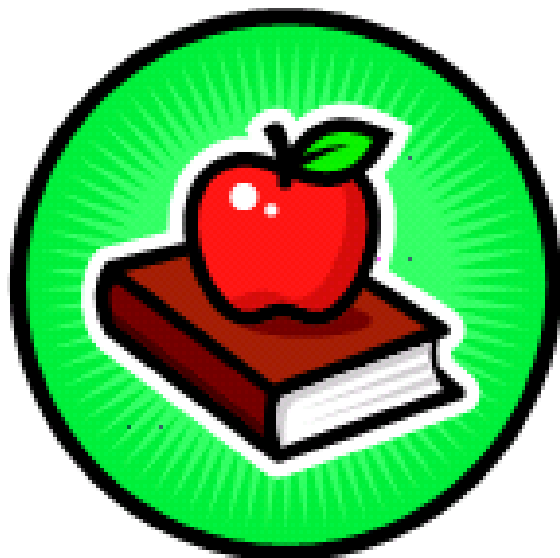
It is likely the state will, again, look to increase AFH licensing fees. Since our state has been unable and unwilling to increase revenue through taxes, fees become an easier way for the legislature to raise new money. AFH fees have increased exorbitantly over the last 5 years. While fees increased, DSHS has decreased the services and support they provide to AFH providers and increased their ability to cite and fine providers. The WSRCC is committed to stopping this trend.

WSRCC's legislative expenses include but are not limited to, lobbyist fees, lobby day activities, educational materials, and staff time.



Education Expenses 37.48%

The WSRCC has made significant investments to ensure members have access to affordable, quality training opportunities. We will continue to look for ways to improve and expand upon the delivery of training to ensure providers are able to remain in compliance with all training requirements. In addition to meeting those requirements we want to ensure members have access to best and reliable practices in all aspects of operating an AFH. Some of the ways members are supported on training issues include:



Helping Members meet the Continuing Education Requirements

Free continuing education credits are available through local chapter meetings. Each chapter is asked to provide a minimum of 12 credits each year. The WSRCC is working to expand the library of training materials and potential trainers available to support local chapters. Additionally, we hope to work with chapters to provide additional opportunities outside of regularly scheduled meetings to deliver training to WSRCC members. For members who are not near a chapter meeting

the WSRCC is testing our options for online training. By establishing a network of training partners, the WSRCC will provide discounts and access to additional training including CE, specialty training and basic requirements.

WSRCC Conferences

WSRCC conferences offer an opportunity to receive 10 credits in two days while networking with other providers and vendors. We are examining our conferences to expand the total credit hours available, appropriate locations, frequency and duration.

Understanding Training Requirements

Daily, the WSRCC assists members with questions about training requirements and connects them with approved, qualified training programs.

Become a Training Program

The WSRCC will help you and your adult family home become approved to train your own staff. The WSRCC will help members navigate the DSHS application process and support members with training materials on a variety of subjects.

The WSRCC can do more to support members through education. We welcome your input and feedback.

These expenses include payments for training facilities, trainers, training materials, staff time, travel and conference expenses. Additionally a portion of the membership dues are sent to local chapters to support ongoing local education efforts.



Member Support

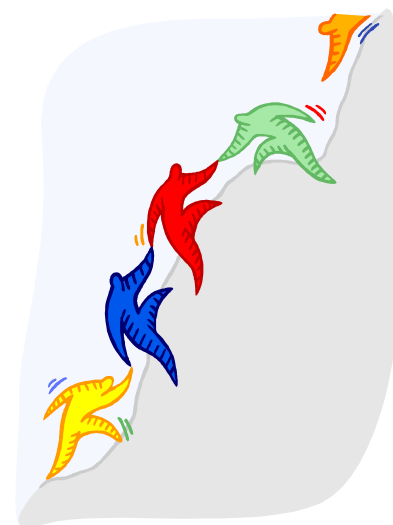
The WSRCC is a member driven organization. All WSRCC activities could be categorized as Member Support. For the purpose of this report however, we will focus on a few specific ways in which the WSRCC supports its membership.

Regulatory Support

DSHS has made it clear their regulators will not provide advice or consultation to adult family home owners. They see their role strictly as ensuring facilities are in compliance with appropriate laws and regulations. Unfortunately, we know when dealing with the care of vulnerable adults issues may not always be black and white. The WSRCC provides consultation to members who are seeking clarity on an issue. We will discuss your unique situation and share what we know about applicable laws and regulations, best practices, common citations related to your issues, and work with you to devise a plan to best serve your resident and ensure compliance with regulation. Currently the WSRCC is also working on a pre-inspection training. This training will help providers audit their own homes to ensure they are in compliance before an inspection occurs.

If your home is cited for a deficiency in compliance, the WSRCC will review the findings from the state. If you feel the issues do not warrant the citation, the WSRCC can assist in your appeal. Through the informal dispute resolution (IDR) process, the WSRCC will help you to organize your thoughts into facts to be presented at the IDR. As able, the WSRCC will attend these hearings with you. If you are appealing your case to an administrative hearing the WSRCC can also support you in the same ways.

If the issues in your particular case are complex or warrant additional review the WSRCC has access to appropriately trained and experienced attorneys to review your case and guide us toward options.



In addition to this direct support with members, the WSRCC meets at least quarterly with the leadership in Residential Care Services (RCS). These meetings are an opportunity to discuss issues relevant to all AFH providers, discuss patterns in citations, changes in policies and other issues that may come up. This informal setting allows the WSRCC to communicate concerns to RCS.



Member Support

Medicaid Support

Many members work with DSHS through the Washington State Medicaid program contracts. The WSRCC can assist you in understanding the state's CARE assessment tool. The assessment tool measures each resident's care needs and classifies each resident into a category that determines the daily rate. Understanding how to read the assessment and ensuring its accuracy is the responsibility of each provider who accepts Medicaid funded clients.

Additionally the WSRCC supports members in understanding the state's payment system. We have assisted providers in correcting payment errors, misapplied overpayments, and retrieving back payments when authorization errors had occurred.

**Coming together is a beginning;
keeping together is progress;
working together is success.**
~Henry Ford

The WSRCC routinely reviews management bulletins to state social workers to understand the policies and protocol for assessing and authorizing services for residents. We will continue to work to advise members of these changes through updates at chapter meetings, newsletter articles, and email.

Business Support

The WSRCC is always looking for additional ways to support members. The WSRCC is building resource lists for each community to identify businesses and partners who understand and work with adult family homes. The WSRCC is also building a forms library on our web site to allow WSRCC members access to documents ranging from sample policies to compliance checklists. Members will be able to access and download these documents whenever they need.

The WSRCC office is open Monday through Friday from 8am to 5pm to assist you or answer questions you may have. We receive questions via email, phone, and fax. If we cannot answer your question we will work to find the right resource and get back to you in a timely manner.

Serving our members is job one for all of us working at the WSRCC. The WSRCC staff welcomes your questions, comments, feedback, and input. All of us at the WSRCC hope you find this report useful and membership in this organization beneficial.



WSRCC's Affiliate Business Partnerships

The WSRCC honors businesses through our Affiliate Business Partnerships. This partnership is designed for those companies that share a genuine interest with WSRCC in promoting the quality of adult family home care and are dedicated to the success of this unique long term care profession. Over the years we have learned that affiliate businesses are proud to support programs and services that bring about improvement in long term care and help to create strategies to deal with a variety of profession-related issues including training, regulatory issues, staffing, Medicaid, nursing, pharmacy, systems development, implementation and quality.

By partnering with WSRCC they gain exposure for their businesses, and build powerful alliances with leaders in the adult family home profession. WSRCC supports this constituency group by providing:

- Critical and timely adult family home information
- Key networking and member access opportunities
- Member discounts and value added services
- Involvement in advocacy and grassroots programs



Code of Ethics for Adult Family Home Providers

This Code of Ethics for Adult Family Home Providers has been developed as a guide for carrying out provider responsibilities in a manner consistent with professional values and moral standards which define the essentials of honorable behavior for the Adult Family Home Provider.

As Adult Family Home Providers we want the public to acknowledge us as professionals. Part of this process is to develop a system of ethical codes of conduct and standards of practice that incorporate our principles and values regarding quality care. We need to have an open review process that includes substantive critique and modifications to develop our final ethical code. Please participate in this endeavor by reading the following and e-mail your opinions and suggestions to info@wsrcc.org.

1. An Adult Family Home Provider recognizes and respects the dignity of residents without consideration for race, religion, gender, sexual orientation, social or economic status.
2. An Adult Family Home Provider, while honoring the residents' rights to self determination, will promote and protect the rights of all their residents.
3. An Adult Family Home Provider is responsible and accountable for their individual practice and determining how they deliver optimum care to their residents.
4. An Adult Family Home Provider acknowledges the responsibility to protect their own integrity, maintain competence in their field, and continue their personal and professional growth.

Through their Associations and working with fellow members Adult Family Home Providers will promote their profession with continued education and political action in shaping the WACs and rules that govern their profession.