

MINUTES OF THE HOUSE KANSAS FUTURES COMMITTEE

The meeting was called to order by Chairman Carlos Mayans at 1:30 p.m. on January 23, 2001 in Room 526-S of the State Capitol.

All members were present except: Representative Gene O'Brien - excused

Committee staff present: April Holman, Legislative Research Department  
Lynne Holt, Legislative Research Department  
Amy Kramer, Legislative Research Department  
Lois Hedrick, Committee Secretary

Conferees appearing before the committee:

Linda Gray - Executive Director, Assisted Living Federation of America/Kansas Chapter (ALFA), Wichita  
Troy Florian - ALFA Board Member and General Manager, Senior Services for Brighton Gardens, Prairie Village  
Marla Lopeman - ALFA Division Vice President and Alterra/Sterling House HealthCare, Wichita  
John Gonzalez - ALFA Regional Director of Operations, Wichita

Others attending: See attached list.

The minutes of January 16 and January 18, 2001 were distributed and approved.

The Chairman noted that April Holman's memorandum, responding to an inquiry about the South Dakota Governor's Good House Program, had been distributed to committee members (Attachment 1).

Chairman Mayans reminded members that the passage of Senate Bill 8 in 1998 had the intent of providing alternatives to adult nursing homes and, as a result, created the assisted living issue. He stated today's meeting was to inform members about the assisted living industry.

Linda Gray described the objectives and services offered by the national/state organization of ALFA-KAN, and especially its offer to provide training sites for the state Department of Health and Environment's (KDHE) state surveyors who monitor assisted living centers; and is desirous of developing a liaison between its members and the Legislature. See testimony (Attachment 2). She also noted that California offers long-term-care insurance as part of their cafeteria-style insurance plan, and recommended that Kansas consider such inclusion. Noting that many assisted living facilities do not take Medicaid clients and many rural communities are without such facilities, the Chairman asked if ALFA had considered ways to overcome the situation. Ms. Gray replied that perhaps such services could be provided through community hospitals. She noted that currently there are 50,000 over age 85, and 65,000 over age 62 in Kansas. In response to Vice-Chairman Bethell's question regarding personnel training, she noted Kansas requires only 21 hours of study to pass the certifying state examination. ALFA-KAN plans to extend its course to offer an additional 20 hours to assist in preparing for the national certification. Currently, depending on the extent of services needed, costs to reside in a long-term-care facility range from \$900 to \$4,000 a month.

## CONTINUATION SHEET

MINUTES OF THE HOUSE KANSAS FUTURES COMMITTEE at 1:30 p.m. on January 23, 2001 in Room 526-S of the State Capitol.

Troy Florian described the Brighton Gardens facility as a 164-bed facility, with 25 Alzheimer's patients and 25 nursing beds. On questioning, he noted their staff is trained to handle dementia cases.

John Gonzalez stated his belief that the long-term-care industry needs increased state support, specially trained state surveyors with respect to Alzheimer's, and a pro-active outcome-based partnering of the state and the industry. KDHE indicates 98% of their surveys are complaint-driven. The challenge for long-term-care is to remain affordable in view of increased labor, insurance, utilities and fuel costs. Between 5 to 7% of Alterra residents (about 900 people) are Alzheimer's clients. There is a growing demand to provide services to low income seniors and provide needed funding. Also, there needs to be proactive partnering of the industry and KDHE to assure quality care through training, and a consistency by State surveyors in the application of regulations and citations.

Marla Lopeman described Alterra's operations to meet the challenges of the aging. She stated Joe Krull at KDHE has been asked to review their policies (especially relating to services being provided by long-term-care facilities) and making them proactive rather than punitive in nature. She stated the Medicaid payback to providers does not consider the high acuity needs of patients or the multiple services required to be performed by the facility. Alterra's base service rate is \$1,700-1,800 to \$3,000 a month. Alzheimer's care costs are higher. It is hard for providers to break even. She noted that most residents to these kinds of facilities come from within a 15-mile radius. Ms. Lopeman indicated she would provide an estimated projection of future costs for Alterra.

The Chairman asked if Alterra had considered educational and vocational partnerships to train immigrants and others for jobs in their facilities. Ms. Lopeman indicated they have cooperated in such a program in Kansas City for chefs and some have been hired.

Ms. Lopeman then presented a slide presentation of the Cooper's Study, displaying:

- 52.2% of assisted living residents have some level of dementia or Alzheimer's.
- There is increased need for LPN's and RN's due to increased acuity needs; thus a need for the higher educated nurse.
- Staying affordable is the real challenge with increased labor, insurance, utilities and food costs.
- Private pay costs will continue to increase Home-Community Based Services (HCBS) reimbursements. There are between 5 and 7% of HCBS residents in the state (about 900).

She continued, there is a philosophical debate about health care and it places the industry in the middle of it. Most aging want to age in place. One of the challenges specifically in Kansas is to attain proactive partnering with KDHE to deliver quality care. There is a need for consistency in the application of regulations and citations, and to develop a policy for informed resolution of disputes.

Representative Sloan asked what were Alterra's projections of costs for assisted living care for the next 20-30 years and if they have determined how to deal with the aging rural population. Ms. Lopeman stated she would provide a response. Rural service is a problem in that most people are at a lower income level, have less education, and staff members desire to work near their own home. She indicated there is a program in Wichita to train Latinos for some jobs in the facilities.

The next meeting is scheduled for January 24, 2001.

KANSAS FUTURES COMMITTEE  
GUEST LIST  
JANUARY 23, 2001

[PLEASE PRINT YOUR NAME]

[REPRESENTING]

Patricia Maben

KPHE

Linda Gray

ALFA-KAN

Troy J. Florian

ALFA-KAN

Darwin Hirsch

KDOA

Julie Numrick

Federico Consulting

Harry A. Wutz

Spencer Glasscock staff

BUD BURKE

ALFA-KAN

Doug Smith

Ks Center for Assisted Living

Marianne Deagle

SRS

Umbi Allen

Ks Center for Assisted Living

January 15, 2001

**To:** Representative Bonnie Sharp

**Office No.:** 273W

**From:** April Holman, Research Analyst

**Re:** The Governor's House Program in South Dakota

In response to your inquiry about an innovative plan whereby prison inmates build housing for the elderly, I have found the following information. The Governor of South Dakota created the Governor's House Program in 1996 by executive directive. The program uses inmate labor to build houses which are delivered in one piece to qualified purchasers. Under the original eligibility criteria, the purchaser of a Governor's House was required to be 62 years of age or older and live in a community of 5,000 people or less or a rural area. This purchaser criteria was subsequently changed to include disabled persons of any age and extended to qualified persons living anywhere in the state. Last year, in response to concern by the private home builders in the state and a desire to help those in need, the criteria for participation in the program was changed to be based entirely on income.

The State of South Dakota provides the following information to prospective buyers:

**Qualifications:**

- Household income cannot exceed \$28,000;
- The house is to be used as the homebuyer's primary residence;
- Net worth must be less than \$100,000 or less than \$70,000 in liquid assets; and
- The house may be placed anywhere in South Dakota.

**House Features:**

- 2" x 6" exterior wall construction with R-19 insulation;
- Vinyl lap siding;
- Vinyl windows with insulated glass;
- Oak kitchen and bath cabinets and oak finished trim and doors;

HOUSE KANSAS FUTURES

1-23-01

Attachment 1

- Choice of an electric forced air or gas forced air furnace (dual heat is an added option);
- Electric water heater; and
- 1/2" sheet rock on all interior walls; 5/8" sheet rock on ceilings—all walls are taped, textured, and painted.

House Price:

- 768 square foot house—\$22,000 plus excise and sales tax; or
- 960 square foot house—\$25,000 plus excise and sales tax.

Homebuyer's Responsibilities:

- Provide the lot;
- Purchase the building permit;
- Provide the foundation;
- Utility hookups and fees; and
- Floor coverings and appliances.

Of the \$25,000 purchase price for the 960 square foot house, it is estimated that materials for each house cost an average of \$14,700. Inmates working on the houses earn \$.25 per hour, while the remainder of the purchase price goes to delivery and installation. According to the South Dakota Governor's office, 617 houses have been sold through the program since 1996.

I hope this information is helpful to you. Please do not hesitate to contact me if I can be of further assistance.

AH/aem

# The GOVERNOR'S HOUSE

## The Governor's House



Here's the basic house on site in Gettysburg

## Take a Virtual Tour of the House!

*"A Housing Solution for income qualified persons"*

The Governor's House	
Income qualified (see below)	Affordable
Primary Residence	\$22,000 or \$25,000 (Includes Delivery & Placement)
Independent Living	Lower Taxes/Energy Efficient
Less Maintenance	768 and 960 Square Feet sizes

### What Are The Advantages?

- The Governor's House provides reasonably sized affordable homes.
- These homes may be placed individually or in groupings to provide a community environment.

### What Are The Qualifications?

- Purchaser household income cannot exceed \$28,000



- The house is to be used as homebuyer's primary residence
- Applicants net worth must be \$100,000 or less with \$70,000 or less in liquid assets\*
- May be placed anywhere in South Dakota

\*Unless approved by the application review committee

## House Features:

- 2" X 6" exterior wall construction with R-19 insulation
- Vinyl lap siding; all vinyl windows with insulated glass
- Oak kitchen & bath cabinets and oak finished trim and doors.
- Choice of either electric baseboard heat, an electric forced air or gas forced air furnace. (Dual heat is an added option)
- Electric hot water heater is included.
- 1/2" sheetrock on all interior walls; 5/8" sheetrock on ceilings. All walls are taped, textured and painted.

**Learn more about the details and the quality materials used.**

## House Price:

- 768 square foot house: \$22,000 plus tax. Price includes delivery & placement
- 960 square foot house: \$25,000 plus tax. Price includes delivery & placement

## Homebuyer's Responsibilities:

Purchase a lot, building permit, set-up costs including foundation, utility hook-ups & fees, landscaping, floor coverings and appliances. SDHDA will provide technical assistance for set-up of home.



Owners can customize by adding on (as in this two-car garage).

For more information contact Michael Keating at (605) 773-4132 or email at: [michael@sdhda.org](mailto:michael@sdhda.org)

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(785) 272-0839

Linda K. Gray  
EXECUTIVE DIRECTOR

**Founding  
Board of Directors:**

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Shirley Allenbrand  
*The Sweet Life at  
Shawnee*  
Shawnee, KS

**VICE PRESIDENT**  
Gary Aull  
*Assisted Lifestyles of  
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Troy Florian  
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Marla Lopeman  
*Alterra*  
Wichita, KS

B.J. Reed  
*EPOCH Assisted Living  
of Overland Park*  
Overland Park, KS

Elaine Riley  
*Sedgwick Plaza*  
Wichita, KS

**Kansas Future: A Strategy for Demographic Change  
Committee meeting**  
January 23, 2001

**ALFA-KAN Overview**

For additional information contact:  
Linda Gray, Executive Director  
785-272-0839  
ALFA-KAN@kscable.com





## **ALFA-KAN The Kansas Affiliate of Assisted Living Federation of America (ALFA)**

The Assisted Living Federation of America (ALFA) represents over 7,000 for-profit and not-for-profit providers of assisted living, continuing care retirement communities, independent living and other forms of housing and services. Founded in 1990 to advance the assisted living industry and enhance the quality of life for the approximately one million consumers it serves, ALFA broadened its membership in 1999 to embrace the full range of housing and care providers who share ALFA's consumer-focused philosophy of care.

### **ALFA Ethics/Mission Statement**

ALFA members are dedicated to providing excellent care that meets their residents' needs in an ethical and responsible manner. To this end, ALFA members have adopted the following general statement of principles to guide their actions. While recognizing that the needs of seniors are unique and that no uniform 'standard of care' can be developed which embraces or addresses the needs of all residents, ALFA members believe these general principles provide a basic framework of our mission to the communities we serve and our entire society.

TO OUR RESIDENTS AND THEIR FAMILIES WE PLEDGE:

#### **To enhance the lives of our residents...**

- Encourage residents to achieve and maintain their maximum level of independent function.
- Provide choices and options, through risk management programs and other means, to meet resident's needs and encourage them to continue to be actively involved in decisions about their care needs.
- Preserve each resident's dignity and privacy.

#### **To nurture our residents...**

- Assess each resident's needs and reassess appropriately.
- Provide appropriate and cost-effective services.

#### **To provide safe environments and caring, competent staff...**

- Ensure staff have appropriate background, skills, experience and ensure that they receive necessary training to support the services offered.

#### **To inform residents and families about services provided...**

- Detail services available, related costs and policies relating to charges, including any changes in charges.
- Explain thoroughly the criteria or parameters for changing the level of service, including policies relating to transfers from the residence.
- Where appropriate, provide family members access to all of the information about services and involve them in decision making.

- Identify other services available through arrangements with the provider or independently.
- Disclose existence of financial relationships with affiliated or independent providers of ancillary services.

#### TO OUR COMMUNITY WE PLEDGE:

- To coordinate care with other providers when necessary.
- To help the public & policymakers understand assisted living.
- To maintain a responsive attitude to evolving care needs of residents and respond proactively and cooperatively with other groups to best serve the needs of residents.

### **ALFA's 10-Point Philosophy of CARE**

ALFA members subscribe to a 10-point philosophy of care:

1. Offering cost-effective quality care that is personalized for individual needs
2. Fostering independence for each resident
3. Treating each resident with dignity and respect
4. Promoting the individuality of each resident
5. Allowing each resident choice of care and lifestyle
6. Protecting each resident's right to privacy
7. Nurturing the spirit of each resident
8. Involving family and friends, as appropriate, in care planning and implementation
9. Providing a safe, residential environment
10. Making the Assisted Living residence a valuable community asset

### **ALFA's Mission**

ALFA's primary mission is to promote the interest of assisted living, senior housing and care providers dedicated to enhancing consumer choice and quality of life.

To accomplish this, ALFA is committed to providing:

- **Information.** To provide an organization in which Assisted Living providers throughout the United States can unite, exchange information, and interact with peers.
- **Expertise.** To encourage and promote the development of high standards for the Assisted Living industry.
- **Representation.** To promote the concept of Assisted Living facilities with public and private agencies and other professionals.
- **Public Education.** To educate the public and increase national awareness of Assisted Living.
- **Guidance.** To help Assisted Living providers address relevant issues and challenges as they arise in this emerging industry.
- **Leadership.** To be the leading, recognized source of information, education, and advocacy for the industry.
- **Responsiveness.** To respond promptly, responsibly, and confidentially to each member of the Federation, consumer Assisted Living services, or any individual or organization seeking information or assistance related to Assisted Living.

- **Dependability.** To have, and maintain fiscally responsible policies and procedures to ensure financial stability and independence.

## **Kansas Statistics\***

Assisted living	90 Facilities	Resident capacity 4,101
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(There were 86 facilities with a capacity of 3,948 just four months ago. That is a new facility opening each month! Obviously, Kansas does not have the population to sustain this continued level of development. Although, Secretary of Aging, Connie Hubble reported last week that there are 39 Kansas Counties without Assisted Living.)

Residential Health Care	51 facilities	Resident capacity 1,596
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Board and Care	42 facilities	Resident capacity 256
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Home Plus	39 facilities	Resident capacity 167
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Adult Day Care	12 facilities	Resident capacity 312
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\*This information is as of Thursday January 18, 2001.

## **ALFA-KAN**

This past fall Kansas providers, who were members of the Assisted Living Federation of America decided to form a Kansas Assisted Living Association affiliated with ALFA. As a result, ALFA-KAN was Incorporated on November 7, 2000.

ALFA-KAN Founding board members are: Chairperson, Shirley Allenbrand, The Sweet Life at Shawnee; Vice Chairperson, Gary Aull, Assisted Lifestyles of Kansas; Secretary, Judy Fleetwood, Alterra; Treasurer, Troy Florian, Brighton Gardens of Prairie Village; Vicky Gooch, Elm Grove Estates, Hutchinson; Marla Lopeman, Alterra; B.J. Reed, EPOCH Assisted Living of Overland Park; and Elaine Riley, Sedgwick Plaza, Wichita. I was hired and started to work in December serving as Executive Director for the association.

Some of you may recognize some of those I named from their efforts to get Senate Bill 8 passed. I might add that the people I talk to are very pleased with that piece of Kansas legislation because it allows the flexibility to meet seniors' needs as individuals – not a some homogenous group. I occasionally hear frustrations concerning interpretation of how the law is enforced, but I think with good communication and education most of those problems will get resolved.

## **AKFA-KAN Objectives**

### **Education**

#### **For Providers**

- Learning is absolutely central for healthcare professionals. Ten percent of their knowledge base becomes obsolete each year.



- One of ALFA's education arms, ALFA University, is constantly developing new curriculum for assisted living.

### For Consumers

- To help them make an informed choice when considering senior housing options
- To become informed of their rights as assisted living residents
- To help them become aware of what assistance is available to them

### Peer to Peer Services

- To help developers consider areas they may not have thought about
- To help new facilities with the fundamental groundwork so they get off to a good start by having the systems in place to provide excellent care and comply with regulations
- To help troubled facilities get back into compliance and providing quality care

### Liaison between members and State of Kansas

#### Legislature

- To keep our members informed about legislation that will impact their profession
- To help you make informed choices when you are considering legislative changes.

#### Departments

- Have offered member facilities as training sites for KDHE surveyors and other staff.
- To be a source of referral to KDHE when providers call in and need assistance

My dream for Assisted Living in the future is that no provider is giving just custodial care, or average care, or even good care but that Kansas elders can look forward to superb care; meeting both their psychosocial and physical needs

Finally, I'd like to extend an invitation to each of you to visit an assisted living facility near you. I will be more than happy to arrange individual or group tours.

ALFA-KAN may be contacted at (785) 272-0839; e-mail to [ALFA-KAN@kscable.com](mailto:ALFA-KAN@kscable.com). Or write to ALFA-KAN at PMB 318; 6021 SW 29th St., Suite A; Topeka, Kansas 66614.