

California skilled nursing providers are committed to delivering programs that bring value to people, allow choice, respect dignity and offer a sense of purpose, regardless of age or physical condition.





I am pleased to report California skilled nursing providers continue to make considerable progress in delivering quality care that is having a meaningful impact on the lives of tens of thousands of residents.

Whether it is cost-effective rehabilitation to allow people to return home quickly, or worth-while programs for longer-stay patients, California is a standout in a number of areas.

We are proud to report that federal regulators with the Centers for Medicare & Medicaid Services (CMS) rank California sixth best in the nation in reducing the unnecessary use of antipsychotic medication. This is a remarkable achievement considering the Golden State has four times as many skilled nursing facilities compared to the national average.

Each quarter, the federal government also measures the care we provide and our members continue to make improvements in this area. Today, we rank first, second or third in the nation in reducing depression and pain, preventing injurious falls and averting weight loss.

Our providers remain focused on implementing programs that deliver value and relevance. One of our most successful programs provides personalized music through iPods to hundreds of residents suffering from dementia and other cognitive disorders. More than 160 facilities are participating in CAHF's Music & Memory program in partnership with the California Department of Public Health and UC Davis Betty Irene Moore School of Nursing.

Another statewide program now in place in 60 facilities allows 1,000 residents the opportunity to make a personal contribution once a month by volunteering to prepare and serve a meal at a local homeless shelter.

Both of these programs highlight our ongoing commitment to bring choice, dignity and a sense of purpose to our residents, regardless of age or physical condition.

Looking ahead, while there is uncertainty in the healthcare sector and change in the political environment, I am confident our members will rise to meet the challenges in 2017.

James Gomez CEO/President

DELIVERING PERSONALIZED MUSIC TO PATIENTS WITH DEMENTIA



California Association of Health Facilities

More than 50 percent of skilled nursing residents suffer from Alzheimer's and other forms of dementia. These disorders create

confusion, anxiety and agitation as well as memory loss. For years, physicians turned to antipsychotic medication to reduce these symptoms.

hoto courtesy of Eskaton

power of personalized music to calm patients, re-ignite old memories, and reduce the need for dangerous drugs.

Then came the discovery of the

Music & Memory was born.



More than 2,400 residents in 164 skilled nursing facilities are now enjoying their favorite songs and musical performances thanks to the California Association of Health Facilities Music & Memory Project. This powerful program delivers personalized music through iPods to residents with dementia. Studies have shown that personalized music triggers a connection that enables the brain to resurrect happy events and memorable moments, especially in people who are no longer able to communicate.

The \$1.4 million project, which incorporates the nationally known Music & MemorysM program, is funded by a grant from the California Department of Public Health. Researchers from the UC Davis Betty Irene Moore School of Nursing are studying the impact of using music to reduce the use of antipsychotic medication as well as the best practices for sustaining the music program in nursing facilities.

According to family members, providing familiar music has been life-altering for some residents. Many participants who have lost the ability to speak begin to hum, sing and even talk. Others become animated and move to the rhythm of the music.

PARTICIPATING RESIDENTS

2,400 CURRENT GOAL 4,500

PARTICIPATING FACILITIES





Casa Coloma Music & Memory Volunteer

"As a newly retired teacher, I wanted to find an avenue to help others in a significant and personal way. I found this by volunteering at Sacramento's Casa Coloma's Music & Memory program, beginning several months ago. It has been an incredibly joyful experience for both residents and me.

The general atmosphere at Casa Coloma became more positive in many ways after the Music & Memory program was instituted there, an observation volunteered by a staff member. Indeed, 'Music soothes the soul.' It provides a benefit for everyone, residents, staff, families and volunteers." - Nancy Thurston

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ANTIPSYCHOTIC REDUCTION

The National Partnership to Improve Dementia Care, launched in 2012, challenged skilled nursing providers to reduce the use of unnecessary antipsychotic medication after studies revealed nearly one in four Medicare beneficiaries were receiving daily doses – in the absence of a diagnosis of psychosis.

Antipsychotics have been prescribed for the treatment of schizophrenia and bipolar disorders for decades, but physicians were increasingly ordering the off-label use of these medications for patients with dementia to reduce agitation.

The effort to reduce antipsychotics was also prompted by the issuance of a black box warning by the Food and Drug Administration indicating use of the drugs were associated with an increased risk of death in elderly patients with dementia.

CALIFORNIA RANKS 6TH BEST IN THE COUNTRY IN REDUCING THE UNNECESSARY USE OF ANTIPSYCHOTIC MEDICATION

U.S. Rankings (as of Q3 2016)

State ranking for lowest use of antipsychotics



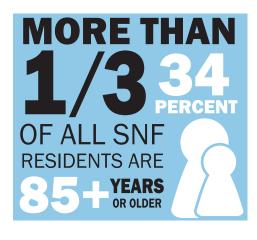
| STATE | TOTAL SNFs | RANK |
|-------------------------|------------|------|
| Hawaii | 46 | 1 |
| District of Columbia | 19 | 2 |
| New Jersey | 361 | 3 |
| Alaska | 18 | 4 |
| Michigan | 433 | 5 |
| California | 1217 | 6 |

Source: National Center for Health statistics 2015

The National Partnership to Improve Dementia Care set an initial goal of reducing antipsychotics by 15 percent, and later by 30 percent. California providers have been able to reduce their use by more than 41 percent over the past four years.

The antipsychotic reduction effort involves the continual education of families, staff, pharmacists and physicians who prescribe antipsychotics as well as the development of toolkits and new approaches to care and a systemic change in nurse management practices. California providers remain active participants in the national Partnership and continue to work to reduce antipsychotics usage.

FACTS





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FIVE-STAR QUALITY RATING SYSTEM

The Five-Star Rating System was created to help consumers, families and caregivers compare nursing home more easily. It is one of many information sources available to help select the right facility. Facilities with five stars are considered to have much above average quality compared to those with fewer stars.

The Five-Star rating is based on three sources of information:

HEALTH INSPECTIONS

includes the last three years of onsite inspections, surveys and complaints.

STAFFING HOURS

measures registered nurses, vocational nurses and certified nurse assistants.



QUALITY MEASURES

factors that determine how well caregivers are responding to physical and clinical needs.



THE PROPORTION OF

FIVE-STAR FACILITIES

IS GREATER THAN

43
OTHER STATES

The federal government cautions consumers that the Five Star Rating system is just one tool in deciding which nursing facility is best. Other considerations include proximity to family members and any specialized care needs. Personal recommendations are important as well as an on-site visit.

Source: Data.medicare.gov Based on 1200 facilities including hospital based skilled nursing facilities



QUALITY MEASURES

Each quarter, the federal Centers for Medicare & Medicaid Services (CMS) assigns a ranking to determine which states deliver the best service in 24 categories. California skilled nursing providers are top in the nation in a number of areas.



in the country in reducing depression among residents.



in the country in preventing pain and urinary tract infections.



in the country in reducing falls with injury, preventing weight loss and preventing a decline in daily activities.



in the country in reducing the use of antipsychotic medication.

THE VALUE OF GIVING

REDISCOVERING PURPOSE

Each month nursing home residents with dementia, vision impairment, stroke related trauma and many other physical and cognitive challenges do the extraordinary — they prepare a meal and serve more than 200 men, women and children at a local homeless shelter or soup kitchen in their community.

A resident unable to use their left arm teams up with someone who no longer uses their right arm. Together, with two good limbs, they feed cheese into a grater and turn the handle. Residents with Parkinson's disease use safety knives to chop chicken, lettuce and tomatoes for salads. Others fold napkins or bake cookies. It takes time, but it is meaningful work with a purpose.

More than 1,000 residents in 60 facilities operated by Rockport Healthcare Services are currently participating in the "Heart to Serve" program. The work helps them discover that they remain a valued part of society, and can contribute to a cause. Instead of always being on the receiving end, the activity allows residents to give and find their way back to a place where they can experience a sense of self-worth.

Provided with an opportunity to help others, residents often feel a deep sense of satisfaction. It has allowed them to experience the joy of having someone genuinely say, "thank you."











The Heart to Serve Program is a recipient of the 2017 CAHF Showcase Award

AHCA 2016 NOT-FOR-PROFIT PROGRAM OF THE YEAR





CHAPARRAL HOUSE

Chaparral House is the recipient of the 2016 Not-for-Profit Program of the Year from the American Health Care Association. The 49-bed facility is the only independent, nonprofit skilled nursing center operating in the city of Berkeley. Its robust volunteer program, called "Connecting Communities" has grown to more than 300 volunteers that provide 5,100 hours of service to residents each year. Visitors bring everyday life into the facility with schoolchildren and pets. Volunteers share live music, photography, painting classes and flower arranging skills to help residents experience a meaningful existence, regardless of their age, cognitive ability or state of health.

AHCA NATIONAL QUALITY AWARD PROGRAM

The AHCA National Quality Award Program provides a pathway for long-term care providers to journey towards performance excellence. The program is based on the core values and criteria of the Baldrige Performance Excellence Program. Initially facilities are provided with tools and resources to implement performance improvement. Later they learn to develop effective and lasting approaches to improve overall performance and health care outcomes.

2016 SILVER LEVEL RECIPIENTS

The Pines at Placerville Healthcare Center
Van Nuys Healthcare Center
Windsor Gardens of Los Angeles
The Stratford, San Mateo

2016 BRONZE LEVEL RECIPIENTS

Vienna Nursing and Rehabilitation Center, Lodi
Community Convalescent Center of San Bernardino
EmpRes Post Acute Rehabilitation, Petaluma
Santa Teresita Manor, Duarte
Ventura Convalescent Hospital
Brookdale Carmel Valley, San Diego
ACC Care Center, Sacramento
Windsor Elmhaven Care Center, Stockton
San Luis Transitional Care, San Luis Obispo
Carmel Mountain Rehabilitation & Care Center, San Diego
Evergreen Arvin Healthcare
Flagship Healthcare, Newport Beach

New Hope Post Acute Care Center, Tracy
Brookdale Fountaingrove, Santa Rosa
Golden Living Center-Hillcrest, Fresno
Twin Oaks Post Acute Rehab, Chico
Katherine Healthcare, Salinas
Evergreen Bakersfield Post Acute Center
Del Amo Gardens Care Center, Torrance
Evergreen Lakeport Healthcare
Brookdale San Juan Capistrano
Vista Pacifica Convalescent, Riverside
Courtyard Care Center, San Jose

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LITTLE MUNCHKINS'

Ararat Nursing Facility day shift employees and visitors were invited to bring their children and grandchildren to the facility to play and spend time with residents and more than 70 children participated. The day included entertainment and balloon play with a clown, dance classes from an instructor, nutritious snacks and a fun lunch. Older children read to the residents and spent time with them in small groups. The goal of the event was to bring a sense of spontaneity, excitement, and fun to the lives of the residents through the presence of children and to acclimate children to older adults with disabilities. As a result, more children are now visiting the facility and many attendees asked about volunteer opportunities.

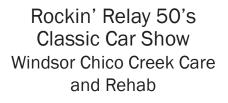
The Showcase Awards recognize facility, company, chapter or regional efforts that promote the positive image of long-term care. CAHF's Showcase Awards are presented at the Spring Legislative Conference in Sacramento each year. Winners are recognized for publicizing and participating in community events.



INTERNATIONAL BUFFET

Healthcare Centre of Fresno hosted a buffet fundraiser to raise money for the families of the Marjaree Mason Center. MMC is a local organization dedicated to assisting women and children who have been the victims of domestic violence and abuse. The buffet consisted of the facility's team putting together an array of specialty dishes that are native to their respective ethnicities in celebration of our diversity. There were dishes from Persia, Japan, Mexico, Italy and East India to name a few. About 200 people, including family, friends, vendors and healthcare partners attended. The goal of the event was to raise money to purchase Christmas gifts for the children who are presently residing at the MMC.

Honorable Mention



The Santa Maria Elks
Rodeo and Parade
Country Oaks Care Center,
Santa Maria









NURSING HOME LEADER ACADEMY OF EXCELLENCE



Embracing Fresh Ideas

Now in its third year, the nationally recognized Nursing Home Leader Academy of Excellence challenges administrators and directors of nursing to take their skills to a higher level. The academy uses a proactive approach that relies on data collection to improve the quality of care, quality of life and quality of services to residents in skilled nursing.

Participants select an improvement project they would like to implement at

their facility, collect data, analyze barriers, implement changes and evaluate facility performance over a nine-month period. As a result, a variety of new approaches are now in place including programs to reduce falls, reduce turnover and improve staff satisfaction. The academy model, featured in *Provider Magazine* and adopted by other states, has attracted more than 70 professionals who seek to gain new competencies and professional expertise.

DISASTER PREPAREDNESS APP

Providing Quality Care in an Emergency

Skilled nursing centers provide ongoing staff training in an effort to deal with a facility emergency without compromising the delivery of quality care.

With the help of a national grant, CAHF created a Disaster Preparedness App, to deliver emergency information to nursing home



leadership via smartphones, tablets or computers in the event of a facility disaster.

The app allows the user to follow customized social media posts and contains general emergency response information regarding fires, floods and earthquakes. It also allows facilities to upload vital facility-specific information, including contact lists, floor plans, and policies and procedures for use in an emergency.

Nationally recognized with a *Power of A* Award from the American Society of Association Executives, the app is being used by more than 200 skilled nursing facilities, providing an additional layer of disaster response assurance for 20,000 nursing home residents. Using the CAHF template, other states and disaster response agencies have developed their own emergency application. The disaster app is available free-of-charge to any skilled nursing center in the state.

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WORKFORCE & INFRASTRUCTURE

BUILD, STRENGTHEN, UPDATE

CHALLENGE

Without any new mandates or programs, the Office of Statewide Health Planning and Development estimates an additional 23,000 certified nurse assistants (CNAs) will be needed by 2022 to care for California's aging population.

SOLUTION

In order to sustain quality care, a stable direct care workforce is a necessity for our aging population. There is tremendous need for programs and career ladders to attract and retain a qualified workforce for skilled nursing facilities. CAHF introduced AB 1656 (Burke) to be a key part of the solution.

AGE OF SKILLED NURSING FACILITIES

88%34 YEARS OLD

50% 50 YEARS OLD

SKILLED NURSING CENTERS BUILT SINCE 2007



THE AVERAGE CALIFORNIA SKILLED NURSING FACILITY WAS BUILT IN 1969.

CHALLENGE

Everyday, 1,100 people turn 65 in California and one third of the state population is enrolled in Medi-Cal. The California Healthcare Foundation predicts the demand for skilled nursing beds in California will exceed the supply by 2020. Moreover, because of regulatory and financial constraints, California's skilled nursing growth and facility updates have remained stagnant.

SOLUTION

Allow owners who primarily care for Medi-Cal residents to obtain low interest loans to update or build new facilities. This will allow the state to provide better health care for current and future residents. CAHF introduced AB 1026 (Dababneh) to be a key part of the solution.

SERVING THE NEEDS OF CALIFORNIA'S LONG-TERM CARE RESIDENTS

Skilled-nursing facilities (SNFs) provide nursing care on a 24-hour basis. Intermediate-care facilities (ICFs) provide regular medical, nursing, social and rehabilitative services in addition to room and board for individuals not capable of independent living.

FACILITY DEMOGRAPHICS

- There are approximately 1,240 licensed nursing facilities in California (SNF and ICF, including long-term care units of acute hospitals, known as distinct parts).
- California's licensed long-term care facilities employ more than 141,000 employees with payroll & benefits exceeding \$5.6 billion annually.
- Nursing facility occupancy rates in California are approximately 88 percent.

RESIDENT POPULATION

- As many as 370,000 Californians are cared for annually in licensed long-term care facilities.
- On average, 61 percent of residents are female and 39 percent are male.
- The average length of stay in today's long-term care facility is less than three months for 84 percent of the resident population. Just six percent of all residents remain in the facility for one year or more.

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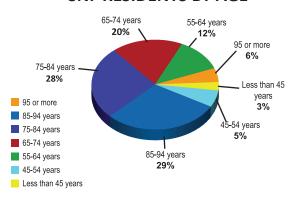
PATIENT HEALTH CHARACTERISTICS

Activities of Daily Living (ADLs)

Percentage of residents needing assistance

| Bathing | 98% |
|------------|-----|
| Dressing | 96% |
| Feeding | 69% |
| Toilet Use | 94% |
| Transfer | 92% |

SNF RESIDENTS BY AGE

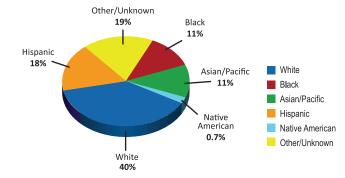


Other Health Characteristics

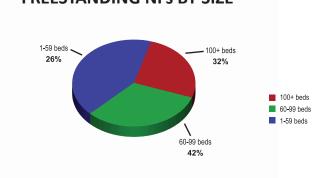
Percentage of residents requiring special treatment

| Bladder incontinence | 55% |
|-------------------------|------|
| Dementia | 37% |
| Chairbound | 70% |
| Bedfast | 4% |
| Ambulatory w/assistance | 35% |
| Ambulatory | 6% |
| Physical restraints | 1.8% |
| Dialysis | 3% |
| Hospice | 4% |
| Tube feeding | 9% |
| Respiratory care | 13% |
| Suctioning | 3.4% |
| IV therapy | 2.2% |
| Tracheostomy | 3% |

SNF/ICF RESIDENTS BY RACE



FREESTANDING NFs BY SIZE





California Association of Health Facilities



EOCHFE

HEALTH FOUNDATION



