

2017 State of the Association Report

James H. Gomez

CAHF CEO/President



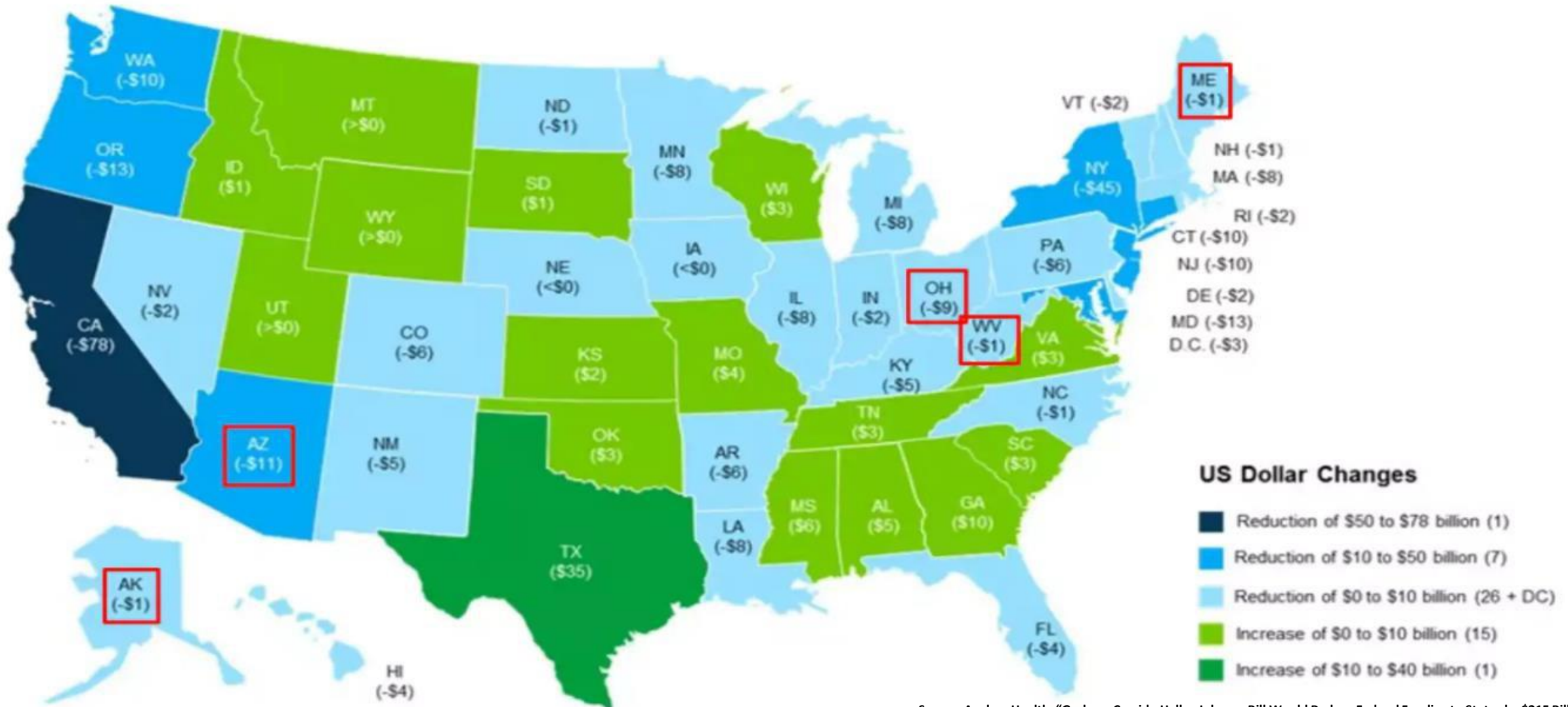
State Issues

- **3.62% rate increase**
- **\$90 million QASP in budget**
- **3.5/2.4 progress**
 - **3.7 – recruitment**
- **AB 859 – passed – vetoed!**
- **Consumer attorneys will be back**
- **Progress on accounts receivable**
- **Generator issue will be in 2018**
- **AB 1629 – 18/19
19/20 left on deal**
- **18/19 new deal**
- **Cash ↑↑**

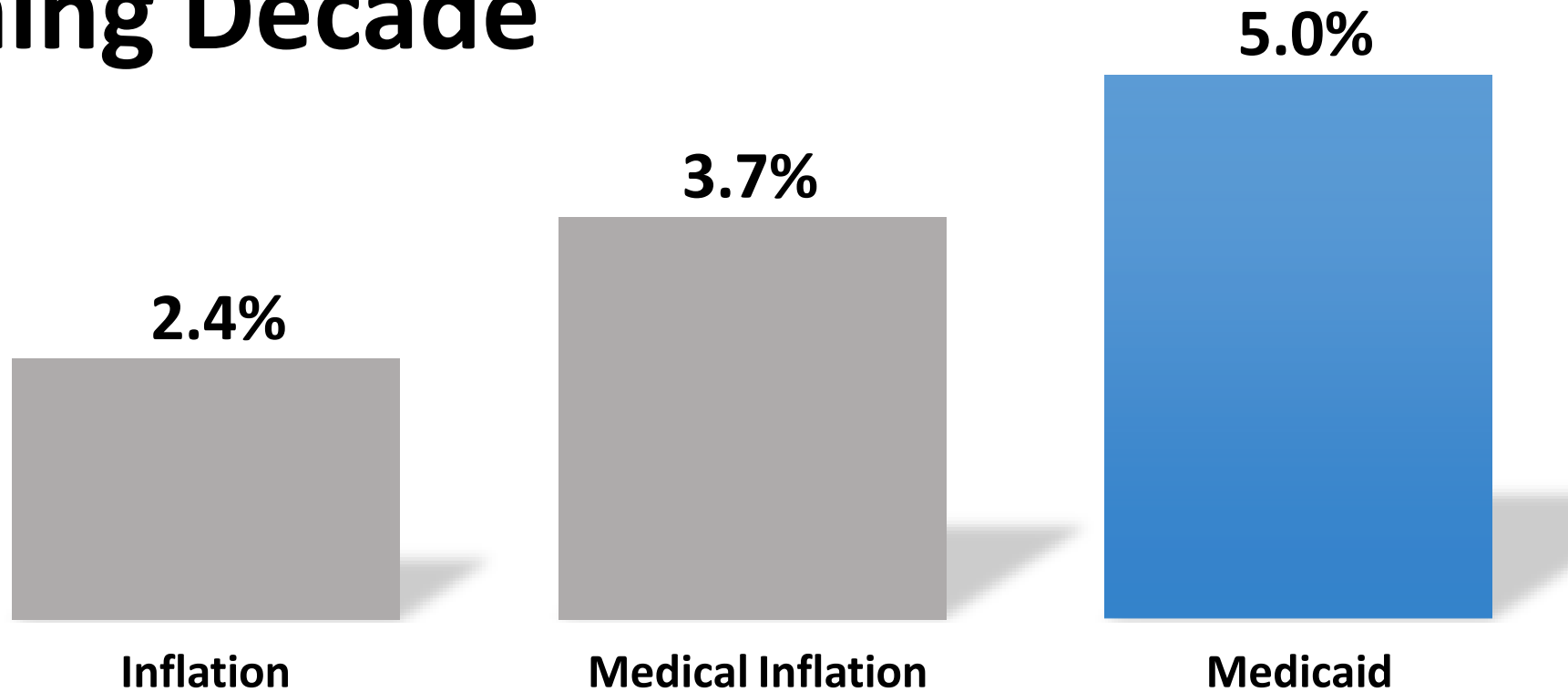
Federal Issues

- **Repeal and Replace**
- **Medicaid Reform**
- **Per Capita Grants – Provider Taxes**
- **ROP status**
- **Disaster issues (Generators)**
- **Payment Reform / RCSI**

Changes in Federal Funding 2026 (in Billions)



Projected Average Annual Growth Rate Over the Coming Decade



One-Year Impact When Fully Implemented At 4.0 Percent

State	Tax Rate	Annual Impact Per Building (Federal Share Only)
Alabama	6.00%	(\$384,912)
Arkansas	6.00%	(\$285,096)
California	6.00%	(\$149,126)
Colorado	5.56%	(\$64,754)
Connecticut	5.77%	(\$134,207)
Delaware	6.00%	(\$278,129)
District of Columbia	5.50%	(\$471,072)
Florida	6.00%	(\$307,429)
Georgia	6.00%	(\$360,726)
Idaho	4.70%	(\$80,505)

My Background

- **Thanks to my wife**
- **Two children + Four grandchildren**
- **Work – 12 years – Social Service – Five jobs**
 - Six years – Corrections**
 - Two years – DEO – Santa Clara**
 - Six years – Director of Corrections**
 - Six years – DEO (COO) of CalPERS**
 - 16 years – CAHF CEO**

State of CAHF

	2002	2017
Cash	\$150,000	\$11,400,000
Debt	\$1,800,000	\$0
Reserves	Three weeks	19 months
Value of Building	\$2 million	\$4 million
Membership	53,000 beds	85,000 beds
Reputation	Unstable – Two CEOs fired	Very stable
Quality Metrics	Last quartile	Top 3-4 in nation

Leadership Matters

- **Board Leadership – Pictures**
- **Staff of CAHF – Pictures**
- **What has it accomplished?**

What has CAHF Leadership Done?

- New reimbursement system
- Provider tax
- Four Reauthorizations of AB 1629
- Five-year deal
- QASP program - \$90 million
- Quality Symposium
- Rated 3rd best in nation on quality

What has CAHF Leadership Done?

- **Two Leadership Academies**
- **A national leader in Disaster Preparedness**
- **Four major grants – Workforce, Disaster, Music & Memory and Dietary**
- **Turned QCHF from a money loser to breakeven**

What has CAHF Leadership Done?

- Raised over \$8 million in PAC contributions
- Created a CEO conference to connect with Multis
- Created an I/O conference to continue to support I/Os
- Two dues increases in 16 years

Change in the Industry

Sun

Beverly

Country Villa

Fountain View

Kindred

Golden Living

Horizon West

Skilled Healthcare

LifeHOUSE

Helios

Evergreen

Occadian Health Care

Plott Homes

Shea Family Homes

Chase Homes

Braswell Family

Mary Baker Buildings

Vista Cove Properties

Brighton Health Alliance

Moyle Family

Alliance Nursing Centers

Riverside

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My Two Greatest Accomplishments

Future

- **Great demographics**
- **High demand for services**
- **Few new buildings**
- **Major deal in 18 or 19**
- **National concerns on Medicaid**
- **Optimism**
- **THANK YOU FOR THIS OPPORTUNITY**