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North Ridge Center for Assisted Living

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INDEPENDENT REGULATORY
REVIEW COMMISSION

8/12/08

Kim Kaufman, Executive Director
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

To Whom It May Concern:

I am writing in response to the proposed "assisted living regulations" ALR 2800. Allow me to first introduce myself. My name is Craig Zendt, my wife and I own and operate North Ridge Center for Assisted Living, a 24-bed personal care facility that was built new in 2000. My wife is a Registered Nurse, who after working in home health for several years, felt that our area needed something new and different in personal care services for the elderly. I spent 16 years in full-time Christian ministry before coming to work full-time at our facility four years ago. The cost to build North Ridge Center was just shy of a million dollars. Not the kind of money that our family, "just had laying around". We borrowed from a few well to do friends and found a friendly bank for our project. Our facility is quaint, well run and offers a home like atmosphere that makes our elderly feel very comfortable and quite at home, so we have been able to average over 95% occupancy for the past several years. And I will add that the salaries we take from North Ridge Center are far less than what we could earn had we continued to work in our professional fields. Meaning, we do not have a hidden pot of gold around here. We have made the conscious decision to provide quality care for a specific segment of our population, the elderly who can no longer live in their own homes.

Which brings me to the purpose of my letter. The proposed ALR 2800 will seriously affect what we do here at North Ridge Center. I do not understand the purpose of even separating out the PCH 2600 and creating this new level of care. After reading what the ALR 2800 is proposing, it is obvious to me that currently, what we do around here is more in line with "Assisted Living" than personal care. We are not a boarding home or group home, we have 21 residents for whom over 80% we provide medication management, meals (which in no way could they provide for themselves), laundry and housekeeping (again, both of which they could not do), assistance with ADL's, coordination of their medical services and a seven-day a week activity program. **As I said, certainly more in line with the proposed "assisted living" than what is thought of as personal care, but all of which is regulated by the existing Ch. 2600. So, I ask, how does the proposed 2800 make us more equipped to provide these services or allow us to provide better services?**

Allow me to point out several specific areas of the proposed regulations, which will adversely affect us here at North Ridge Center. I know the response of many would be, "well then, don't pursue licensing under the new regulations". Fair enough, but this is setting up a situation of 'perceived' quality by elderly looking for the services we provide and if we are seen as 'second rate' simply because we are licensed as personal care and not assisted living, it would affect our bottom line, which affects our 21 employees and potentially could cause us financial ruin. **Yes, this is serious business that you are proposing, with real consequences for those it is being forced upon!**

1. 2800.11 – This proposed application/renewal fee, plus per bed fee, would cost us \$3020.00 per year. Not a one time fee, but an ongoing yearly expense. How does this fee make us 'better' as a care provider? Why should the cost to administer a government program be forced upon those in business, seeking to provide services, especially when an existing agency currently provides the same oversight?
2. 2800.101 & 2800.101 (d) – You might find it interesting that the size of our rooms will not be an issue, since when we built new, we wanted large, comfortable rooms. A few of our residents already have microwaves in their rooms, many more have small refrigerators, however those appliances were provided for by themselves or their family members. Being forced to provide those for each resident would cost our facility in the neighborhood of \$5200.00, plus the cost of a common kitchen, (which we could accommodate in our Activity Room) at no less than \$2000.00. Our residents are here because they either can't cook for themselves or when alone chose not to and because their family members saw them not eating regularly, thereby wanting a place for them to have meals prepared. This over \$7,000 cost would be money wasted since it would not be utilized.
3. 2800.56 – While I agree that administrators must be in the building, the current Ch. 2600 states for 20 hours per week, a proposed regulation of being on site at least 40 hours is burdensome. How is the administrator supposed to obtain their 24 hours of annual training, since training hours don't include drive time....? How does that factor in the administrator going out and doing assessments on potential residents? Again, the Ch. 2600 makes provision for a 'designated person' to be in charge when the administrator is out of the building, why change that for something so drastic that compliance becomes almost impossible?
4. 2800.25 & 2800.220 – With the core services listed, except for transportation, we currently provide all of those with our daily fees, we have no extra charges for these services. Since the possibility of this being open to unbearable interpretation, how are we to deal with this one? Possibly, this section will not affect us at all. But if Ch. 2600 is to be the model, (have you compared the law, Ch. 2600 in the little pink book and the LMI, our interpretive guidelines for those laws), the written law and the interpretation of that law could be vastly different.
5. 2800.227 – Since my wife is an RN, she could develop the support plan and comply with this regulation, however, many assisted living facilities do not hire LPN's due to the increased labor costs. A support plan could be put together by an intelligent, trained individual as easily as by an RN. If the proposed

regulations require an RN on staff or by consultation, the cost of operation for facilities will skyrocket. For us personally, what does this do to us in the future, (ie. resale value), this portion could ruin our investment into this facility. **It does not take an economist to realize that government regulation can have great negative impact on the free market system.**

6. 2800.171 – Requiring facilities to provide transportation is one thing (can this requirement be an additional charge to residents), but the requirement to have a facility owned, wheel-chair accessible vehicle is another story. Currently, if we have a wheel chair bound resident, we use the county services, Call-A-Ride or one of our local community wheel chair vans for the transport. And all works well. If we have a resident who only uses a wheel chair to navigate longer distances, that resident is transferred into the car, with their wheel chair put in the back, to be pulled out for use when they arrive. If we were forced to purchase a wheel chair accessible vehicle, it would cost us at least \$10,000. And again, we currently are able to provide for such residents without the ‘requirement’ of such a regulation.
7. 2800.183 - ?????? What does this mean? Are you saying that medications must remain in bottles and blister packs (packaged by the pharmacy) are no longer allowed? Our blister pack system creates an almost fool proof system of medication administration. If we are required to go back to bottles, medication errors are sure to increase. Ch. 2600 covers this area very well and is very manageable for facility staff and pharmacies. But again, what does this mean?

In conclusion, the above listed areas are of the most concern to our facility. With what we currently provide and perception of ‘assisted living’ and personal care (being that we are a private pay facility), we don’t have much choice except to go with the assisted living licensure, if it passes. (Not to mention the fact that if we did not seek the new licensure, we would have to change our name.) **The cost of such licensure for North Ridge Center would be at least \$20, 000.00 in the first year, with costs of over \$3,000 to maintain said license.** Since as I explained at the beginning of this letter, we do not have a ‘pot of gold’ just sitting around, this money would be borrowed, with the cost passed along to our residents, which is the main crux of this letter. **Any increased costs of operation will be passed along to residents, for our facility or for any facility. Is that fair to those who have saved all of their lives for such a time as this, so they can be safe, secure, comfortable in their later years? Every cost we have in business is increasing, almost daily. Why add to this burden for providers?**

If it were to really create better care, I would be the first to say, let’s move forward with these proposed regulations. As a provider, I don’t see the benefit, so why force this upon us. Work with the current Ch. 2600 regulations instead of a completely new licensure in which to comply.

If it not the desire of those who govern us, to ruin us, then please do not vote to pass or enact this proposed ALR 2800. Much more research must be done to discover the financial impact upon providers. (Even with a brand new facility, preparing for the implementation of Ch. 2600 in 2005 has cost us in excess of \$10,000, with equipment

and training hours, and in my opinion has not improved our facility. We were already ahead of the curve with our management and resident care.) If the issue is to 'clean up the system' or 'weed out' shoddy providers, do it under current law, not by creating new.

I am sure you are getting many letters from providers and are receiving them under 'advisement', but please realize the Pandora's Box you will open if this moves forward. And please know, from one who is in the trenches, on average, this proposed Ch. 2800 will do more financial harm to residents than the good it is supposed to create. Also, please know, there are many excellent providers out there that would only be burdened by Ch. 2800, not improved.

Respectfully,

A handwritten signature in black ink, appearing to read "Craig A. Zendt". The signature is fluid and cursive, with a large initial "C" and "Z".

Craig A. Zendt
North Ridge Center for Assisted Living