Londonderry Village
A COMMUNITY ROOTED IN BRETHREN VALUES

BOARD OF DIRECTORS MEETING

February 1st , 2023 Board Room 8:30 AM

A G E N D A

Welcome	Steve Tilley, Chair
Opening Prayer	Sandy Pintarch
Approve Minutes of December 7th, 2022	
Introductory Comments	Steve Tilley

Reports:

Financial Report	Henry Brubaker, VP Finance
Strategic Planning	Ray Flagg
Finance Committee	Roy Meyer
Development Committee	Dennis Gingrich
Resident Life & Health	did not meet
Human Resources	did not meet
President's Report	Jeff Shireman

Executive Session ***all staff excused***

Next Meeting: **March 1st, 2023 8:30 am**

Londonderry Village

A COMMUNITY ROOTED IN BRETHREN VALUES

Board of Directors

Opening Prayer/Devotions for 2023

January	no scheduled meeting
February	Sandy Pintarch
March	George Porter
April	Chet Rose
May	Belita Mitchell
June	Dick Hann
July	no scheduled meeting
August	no scheduled meeting
September	Keith Wagner
October	Mike Swank
November	Jim Williams
December	Dennis Gingrich

Board of Directors Meeting • December 2022

Londonderry Village

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The Londonderry Village (LV) Board of Directors met on December7, 2022 at 8:30 a.m. Craig Moyer opened the meeting and Wendie DiMatteo Holsinger led the group in prayer.

Present: Board Chair Craig Moyer and members: Don Byler, Jeff Davis, Ray Flagg, Bob Fortna, Dennis Gingrich, Wendie DiMatteo Holsinger, Ron Ludwick, Roy Meyer, Sandy Pintarch, George Porter, Tom Shenk, James Snell and Steve Tilley. Staff in attendance were President Jeff Shireman and Henry Brubaker, VP of Finance/CFO

Absent: Belita Mitchell

November 2022 minutes reviewed and approved as presented. **<Approved>**

Chair Moyer welcomed incoming Board members Dick Hann, Chet Rose, Keith Wagner and Jim Williams.

Order of the Day: The Development Committee recently met and reviewed a SWOT analysis (Strength/Weakness/Opportunity/Threat) regarding the Chicken BBQ & Auction that included input from LV Auxiliary officers, upper management and employees from various departments. Started before Lebanon Valley Brethren Home/Londonderry Village was built, this event has become a tradition within our community. The LV Auxiliary, who used to oversee the event, has decided to transfer decision making and organization for the event to the Development Department and support us with volunteer needs. Recognizing the changing climate of residents, attendees and donors, the Development Department and Committee is asking for Board support in making changes to the Chicken BBQ & Auction that will refresh the event and hopefully create more outside community engagement. After discussion, the Board of Directors gave their support for changes while also respecting the tradition of this long standing event.

Governance Committee: Outgoing Committee Chair Snell suggested that the incoming Governance Committee evaluate and update the Londonderry Village bylaws.

Financial Report:

Henry Brubaker reviewed the October 2022 financials. Highlighted points include:

- Census in Nursing was 57 (3 mo. average: 60) and Personal Care census increased to 34 (3 mo. average: 33). Independent Living census remained strong at 96.1% (Apartments) and 90.6% (Cottage/Duplex).
- Nursing payor mix: Medicaid rose slightly to 38.4 (3 month average: 38.1), Private Pay increased to 59.9% (3 mo. average: 58.7%) and Medicare dropped to 1.7% (3 mo. average: 3.3%). Mr. Brubaker noted that nursing census had numerous new admissions in November, many of which were short term rehab (Medicare) which will have a positive impact on next month's payor mix.
- Operating expenses remained under budget primarily due to lower wages/salaries/benefits related to the temporary closure of two Green Houses, plus other open positions.
- Select Indicators:
  - Expense to Revenue operating ratio was 109.1% for October (104.8% YTD).
  - Days cash on hand: 362.8 (150.0 measure) / Debt service covenant: 6.17 (1.2 measure).
  - Payroll trends as of 10/2022: Nursing hours per resident day increased to 5.24 (2.7 industry requirement); Agency Hours dropped significantly to 57 and Total Overtime Hours remained steady at 1,284 respectively; Total FTE (excluding PRN) is 163.8.
- The Flourish Capital Campaign will be finalized through the Finance and Development Departments and the final figure will be ready to publish by the end of 2022.

STRATEGIC PLANNING COMMITTEE:

Chair Flagg gave a review of the recent Committee meeting. Highlights included:

- Hostetter House renovations are complete; however, we are awaiting furniture delivery before re-occupancy. Beers + Hoffman are preparing specifications for contractor bidding to renovate the other three original Green Houses in sequence; bids are expected mid-December.
- Management is working primarily with Scott Akens and Rick Caranfa (Akens Engineering) to ensure progress is being made to complete the Fox Run drawings. Management has expressed to all parties involved that it is critical to finish this approval process. Management will remain aggressive in following up with the NPDES permit which would allow LV to start clearing and grading the site. Once all approvals have been received, Ken Funk will be obtaining the plans in PDF and CAD formats to enable LV to easily transition to another engineering firm in the future. Currently, there are 9 (out of 11) carriage and townhomes under contract.
- The Committee reviewed the preliminary Strategic Planning repositioning proposal from consultants Jeffrey Anderzohn and David Slack. The goals of the repositioning is to renovate the existing Personal Care into Assisted Living, repurpose Leffler Care and Tranquil Terrace into Assisted Living and update select amenities (dining venue with windows and larger swimming/lap pool). The Committee was in favor of overall concepts and the preliminary floor

plan which would include 57 Assisted Living units. The Finance Committee and Strategic Planning Committee will have a joint meeting in January for the consultant's final presentation.

FINANCE COMMITTEE: DID NOT MEET

RESIDENT LIFE/HEALTH COMMITTEE: DID NOT MEET

HUMAN RESOURCE COMMITTEE:

Chair Tilley gave a review of the recent Committee meeting. Highlights include:

- To date, there have been 75 new employee hires and 48 terminations in 2022. Out of those 48 terminations, 25 were hired and terminated within the 12-month period.
    - Discussion arose regarding the changing work environment, the need to keep up with increased starting wages across the board, lack of employer leverage to fill positions, child care issues, walk offs and the re-emergence of 'ghosting'.
    - There was a review of ways Londonderry Village thanks its employees such as yearly wage increases, food truck luncheon and a Christmas luncheon, variety of puzzles with prizes, special event basket drawings and tiered employee tenure gifts.
- The 2023 Corporate Compliance Work Plan was presented to the Board of Directors for review.
    - Motion was made by Bob Fortna for the Board to approve the 2023 Corporate Compliance Work Plan. Seconded by Wendie DiMatteo Holsinger. **<Approved, unanimously>**

PRESIDENT'S REPORT:

- Jeff gave an update on Billy Blatt, the injured son of longtime nursing employee Traci Blatt. Billy is doing well and has moved from in-patient rehab to receiving therapies at his home. Unfortunately, Traci recently broke her arm and will be off work for approximately 6 weeks while she recovers from her own injury.
- President Shireman discussed the importance of being able to voice that Londonderry Village has 100% financial support from its Board of Directors, which is especially impactful with top tier supporters. Jeff reminded the Board that, while Buddy Society membership and larger gifts are appreciated, a smaller gift is also appreciated to be able to reference the Board at 100% support.
- We will be scheduling a 2023 new Board member orientation. If existing members are interested in a refresh, please contact Mr. Shireman. All 15 Board members for 2023 will be invited to participate.

- President Shireman and the Board of Directors extended their thanks and appreciation to Don Byler, Jeff Davis, Wendie DiMatteo Holsinger, Craig Moyer and Jim Snell for their dedication and tenure on the Board.
- Chair Craig Moyer gave a heartfelt goodbye to the Board, thanking everyone for their support and effort, and reflecting on the positive forward steps the Board has taken in recent years (despite the effects of the pandemic). Craig received a round of applause for his oversight of the Board for the last several years.

Next Board Meeting: February 1 at 8:30 a.m. in the Board Room (Zoom option available)

Meeting adjourned at 10:45 a.m.

Respectfully submitted,
Amy Kinney, Recording Secretary

Londonderry Village

A COMMUNITY ROOTED IN BRETHREN VALUES

PRESIDENT'S REPORT January 26, 2023

- There are currently 61 residents in Nursing care. 39 of our 40 Green House beds are full, and the Leffler Care census is at 24. The Personal Care Unit has experienced an increase in its census over the last two months, and presently stands at 37. PC is currently "full" with a waiting list. Some of those new PC residents transferred from independent living, as the ILC census dropped slightly from 481 to 476. In total, there are 574 residents currently living on the campus.

- The demand for independent living units on our Founder's Campus continues to be strong. There are 19 reserved units that are currently being renovated for new residents, with move-ins scheduled over the next 5 months. There are only 5 vacant independent living units that are currently not reserved. Our independent living occupancy rate continues to be above 90%, as it has been for many years.

- In 2022, Londonderry Village experienced 52 turnovers, i.e., independent living units that went from empty to renovated to re-occupied within the year. That is an all-time high for our organization.

- We now are expecting an approval for Fox Run in February...either from the County for the full project, and/or from the Conservation District regarding our Stormwater Management and Erosion Plan. Either one would give us the authority to move forward with "moving dirt".

- Londonderry Village is currently in our "survey window", being that time of the year when we would normally expect the PA Department of Health to arrive for their annual inspection of the nursing center.

- The PA Legislature is still floating the notion of passing a bill to mandate all nursing homes to increase their staffing to a minimum of 4.1 nursing hours per patient day; the current state minimum is 2.7 nursing hours per day. In actual practice, that mandate would not affect Londonderry Village as our typical staffing ratio is above 4.5 hours per patient day. However, there are several troubling issues with the proposed bill, and our trade association (LeadingAge PA) is asking facilities to register their opposition. The first problem is that the new bill is essentially an "unfunded mandate" in that it requires most facilities to increase their staffing but does not provide any funding to offset those greater costs. Secondly, the present environment of critical labor shortages would make it virtually impossible to employ enough individuals to take all facilities up to the 4.1 target. Lastly, there are literally not enough licensed aides and nurses living in the Commonwealth for facilities to employ in trying to meet the 4.1 target.

- There were nine Board members who attended the Board Orientation sessions that I held on January 24th. I thank them for their attendance and their incisive questions. If anyone else would like a copy of the written materials that were produced for that session, let me know and I will make sure you receive a set.

- Pandemic restrictions on masking and social distancing are still in effect (for our staff and healthcare units) as the PA Department of Health has not relaxed any of those covid requirements. We get asked about this several times every week. Transmission rates for Lebanon County are still oscillating between "High" and "Substantial", neither of which argues for a relaxation of standards in healthcare facilities.

- We have concluded our engagement with consultants Jeff Anderzohn and David Slack. On January 17th, the two consultants gave a videoconference presentation to a joint meeting of the Strategic Planning and Finance Committees. Additional discussion and motions will be forthcoming at the February Board meeting.

- Another sign of a return to 'normalcy'. After a nearly three year pandemic hiatus, we resumed the monthly "Food for Thought" programs in January. This is a program whereupon ten independent living residents are invited to have lunch with Jeff Shireman and Lisa Thomas for purposes of relationship building, information sharing and answering any questions the residents might have. Dick Hann has graciously volunteered to be the "Master of Ceremonies" for these monthly get-togethers. We have found them, in the past, to be very useful for sampling the opinions of residents as to how things are going here on the campus.

Jeff Shireman, President

The Green House Model in Action!

As we get older, most of us still long to do the things that we have always found pleasurable. The family of the gentlemen in this photo has told us that he is always happiest when he is busy doing things outside, and the family encouraged the staff to be on the lookout for areas where he could be both helpful, and outdoors at the same time. On a recent snowy day, the staff asked him if he wanted to shovel some snow. Obviously, he said "yes"!

For more than 15 years, Londonderry Village has embraced the philosophy of the Green House Model. This particular photo elegantly captures three specific viewpoints embedded in the Green House Model:

(1) Meaningful Activity – elders should be offered the opportunity to participate in activities that are personally meaningful to them, as opposed to large group activities that are intended to merely pacify and entertain. Our snow shoveler was eager to help because this is the type of activity he truly enjoys.

(2) Access to Nature – elders should have the opportunity to easily access the outdoor environment, which is something they have experienced all of their life. Whether it is a screened porch, a sunny patio garden, the Shearer Family PlayPark, or in this case a snowy driveway, the elders at Londonderry Village have multiple avenues to experience all the beauty that nature affords.

(3) Surplus Safety – elders should have the opportunity to participate in activities of their choice, including those activities that may inherently have some element of risk. Whether it is driving in a car, climbing a ladder, or playing a sport, all of us accept minimal risks to our safety in doing the things we truly enjoy. That should not change as we age. Our snow shoveler might have slipped and fallen, but it is a risk he should be permitted (albeit with staff supervision) to do the activity he loves.

Inc.

Bob Iger Sent an Email to Disney's Fans. With 1 Sentence, He Gave a Brilliant Lesson for Every Brand. Give your customers more than they expect.

BY JASON ATEN, TECH COLUMNIST@JASONATEN

On Wednesday evening, Disney CEO Bob Iger sent out an email to customers. It's notable for a few reasons, one being that I'm not sure I remember ever getting an email from Iger's predecessor, Bob Chapek.

Chapek, you may remember, took over when Iger retired in 2020, only to be replaced last month when the board lost confidence that he was the right person to be running one of the most beloved companies in the world. To be fair, Chapek is a very smart guy, and was mostly executing on the plan left by Iger. It just turns out he wasn't very good at being CEO.

During his short tenure, Chapek alienated everyone from employees to the governor of Florida, to A-list movie stars, to investors, to Disney's theme park guests. That's an almost impressive list considering how little time he had to make them all angry.

Now, Iger's back for two years while Disney finds a successor, for real, this time. In the meantime, it appears that high on his priority list is winning back the trust of Disney's customers and fans.

This email is a good place to start:

As we approach the end of 2022, I wanted to take a moment to express my gratitude to the biggest Disney fans in the world -- all of you. Disney is fortunate to have the most devoted and enthusiastic fans, and I was reminded of this a few weeks ago when I visited Disneyland Resort and attended the Candlelight Processional. It was invigorating to be surrounded by so many guests who make what we do possible. We love your passion for our company and your enthusiasm for what we create, and we will continue to do our best to exceed your highest expectations.

There's obviously more--and the email is worth a read in its entirety--but I want to focus on that last sentence, because I think it's a brilliant lesson for every brand. In it, Iger talks about expectations. Not only that, but he talks about Disney's commitment to exceeding its customers' "highest expectations."

Expectations, you see, really are everything. Your customers' affection for your brand isn't defined by the experience they have, but by whether that experience lives up to their expectations.

Sometimes customer expectations are completely unreasonable because, well, your customers are people and sometimes people are unreasonable. That's unfortunate, and there's not a lot you can do for them. But also, it's what happens when you do a poor job setting expectations for them. That's on you.

Disney's customers, maybe more than those of any other company, have very high expectations. They expect to be entertained and transported into a magical experience. They expect to fall in love with their favorite characters and they expect to be able to share it with their family.

That's one of the reasons Chapek got himself in trouble. He wasn't good at setting expectations, and he was even worse at living up to the ones customers set for themselves.

Interestingly, however, Iger is pretty clear that living up to expectations alone, isn't enough. Your job really is to exceed expectations. There's nothing magical about giving people what you promised--you have to give them more if you want to create the kind of loyalty and passion that Disney fans have for the brand.

Think about it: If you get on an airplane and go on a trip, you expect the airline to get you where you're going on time and to not lose your bag. If that happens, it might be rare, but it's not some magical experience. It's literally what you paid for.

Or, if you go to a restaurant and the food comes out prepared the way you asked in a reasonable amount of time, you'll be happy, but it probably won't exceed your expectations. On the other hand, if the person serving your table notices that you're celebrating an anniversary and the manager comes by with a bottle of champagne on the house to celebrate, you'll remember the experience. It exceeded your expectations.

That's your job. It's not easy, but it's rewarding. When you work hard to carefully set expectations for your customers, and then do everything you can to exceed them, you find yourself with something different. You find yourself with fans.

"It is an extraordinary privilege to lead this remarkable company again," Iger wrote. "I am so grateful for your continued passion for Disney."

The thing Iger knows, and what every leader should learn, is that there's nothing more valuable to a brand than having passionate fans. It all starts with understanding what they want, and giving them an even better experience than they expected.

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FEATURED ARTICLE

THE ANNUAL "LOOK BEHIND...AND LOOK AHEAD": 2022 RECAP & 2023 PREDICTIONS

Each year, we use the initial weeks of Ziegler ***Z-News*** to reflect on the year behind us and what to anticipate for the year ahead. It has certainly been an interesting several years, with 2022 handing us economic challenges along with a mixed bag of continued recovery from the COVID-19 pandemic, but also fierce headwinds that will continue into the year ahead.

In 2022, we continued to see **outbreaks of COVID-19**, particularly in the early months, but for the most part, communities have been able to create stability in pandemic management, achieve high levels of resident vaccination and booster status and transition to a more 'normal' standard of operations. We saw steady **gains in occupancy** throughout the year, with many providers reporting occupancy figures at or above pre-pandemic figures. Unfortunately, in the care settings, occupancy has often been hindered by **workforce shortages**. This has also caused many organizations to revisit their overall **skilled nursing commitment**. **Expense pressures and inflationary realities** have likely captured the most significant headlines, impacting everything from the lending environment, pace of growth and construction projects, margin and fee increases among others.

As one forecaster noted in early 2022, it was predicted to be a year of the "best-ever" and "worst-ever" and that largely held true.

What can we expect for 2023?

One observation of the current not-for-profit senior living and care landscape is the variation in the current status and forward strategy across organizations. For many, they see the current environment as one that is ripe for growth and they are boldly moving forward with affiliation and acquisition opportunities, campus expansion projects, and revenue diversification initiatives. At the same time, some are hitting pause on planned projects due to inflation while others are hitting the reset button because they may be in need of organizational repositioning to remain viable long-term. Regardless, each of the trends that will unfold in 2023 will be fairly universal across provider organizations.

So, what do we see as the hot topics and areas of greatest focus as we forge ahead in 2023? The topics below are not mutually exclusive, but represent areas of opportunities, areas in transition, and certainly some areas that will challenge us as a sector.

- **Revenue and Expense Pressures**: Even as occupancy continues to advance, gains in revenue are being offset by inflationary pressures. Providers continue to increase wages *(23 states saw an increase in minimum was as of January 1st)*, pay more for just about every type of supply needed. It is more important than ever for provider organizations to be prudent with fee increases as well as entrance-fees. You cannot price yourself out of the market, but you cannot also create a greater deficit if increased occupancy costs you more than it brings you.

- **Labor**: We are hearing of some glimmers of hope on this front whereby a proportion of providers have weaned themselves down from peaks of agency usage and are observing a plateau in staffing shortages. We clearly are not out of the woods and most would agree that staffing is still the number one challenge and will be throughout 2023. However, we are adapting and have learned to survive in this difficult environment. This has resulted in some difficult decisions around downsizing, or even exiting, certain service lines. We are going to need to continue to reinvent in this space, whether it be alternative staffing models, revisiting the type of person we hire, the integration of workforce technologies, or even workforce housing.

- **Technology**: Speaking of the glimmer of hope! Please do not set this aside as a "nice to have" in 2023. It is so important for organizations to devote resources to staying on top of the technology-enabled innovation in our space. This is a vast space that is moving quickly and there are many solutions that will help ease some of the pressures that organizations are facing. Additionally, to truly stay on top of consumer and workforce expectations, we need to be able to compete at a certain level on the technology front.

- **Continued Consolidation**: This trend has been unfolding at a more rapid pace for a number of years now. There can be great benefit from concentrated scale and the ability to grow through affiliation or acquisition activity which is generally a quicker strategy today than new community development. Having said that, there are a vast number of organizations that talk about growing in this regard, with a limited inventory of high-quality providers that have the potential to be accretive to the organization. Being proactive and in the ready-stance will be necessary. Conversely, it is anticipated that 2023 will continue to see sales of nursing-centric or financially distressed not-for-profits to private sector buyers.

- **Skilled Nursing Disrupted**: This is one of those trends that is very much inter-twined with the workforce challenges. The skilled nursing disruption has been underway for a number of years now. The regulatory environment is only getting more difficult, staffing is a challenge and generally reimbursement levels do not cover the cost of care. The handful of states who have put forth Medicare or Medicaid increases in 2023 are welcome, but are simply narrowing the existing financial loss. The demand for skilled care services has not and will not go away. What is changing is our ability to offer these services as we have in the past. The when and the where this care is provided will continue to shift.

- **Creative Business Models**: We need to continue to explore alternative business models and diverse revenue streams. This might mean ownership in services that are new for the organization, such as pharmacy, behavioral health, rehab or physician services to name a few. For others, it might be venturing into some of the more traditional home care or home health services that had not previously been explored. In some cases, these service lines might be structured as for-profit ventures and might be in joint ventures with others. We need to think creatively, finding the right intersection between the business mind and the heart of the mission.

- **Hospital & Post-Acute Relationship**: FitchRatings released their 2023 Outlook for U.S. Not-for-Profit Hospitals and Health Systems and designated it as "Deteriorating." There has always been the need for ensuring strong relationships with area hospitals, but the past year or so has reinforced how inter-dependent we are on one another. Similar to our sector, they are feeling pressured by wages and inflationary costs. Additionally, however, they are experiencing increased length of stays as many nursing homes are turning away admissions (due to staffing) and home health agencies are often at maximum level, also because of staffing challenges. Hospitals are actively working to remedy these challenges and it is prudent for senior living organizations to have a seat at that table.

- **Cost of Capital**: For a decade, we have benefitted from record-low cost of capital and had gotten used to the lower rates. We are now back to 20-year averages. Organizations will need to continue to reassess their capital needs and compare with growth and construction plans. We predict that in 2023, a proportion of providers will continue to move forward with campus (re)development projects, while others might scale back plans to be smaller than originally planned or executed in multiple phases.

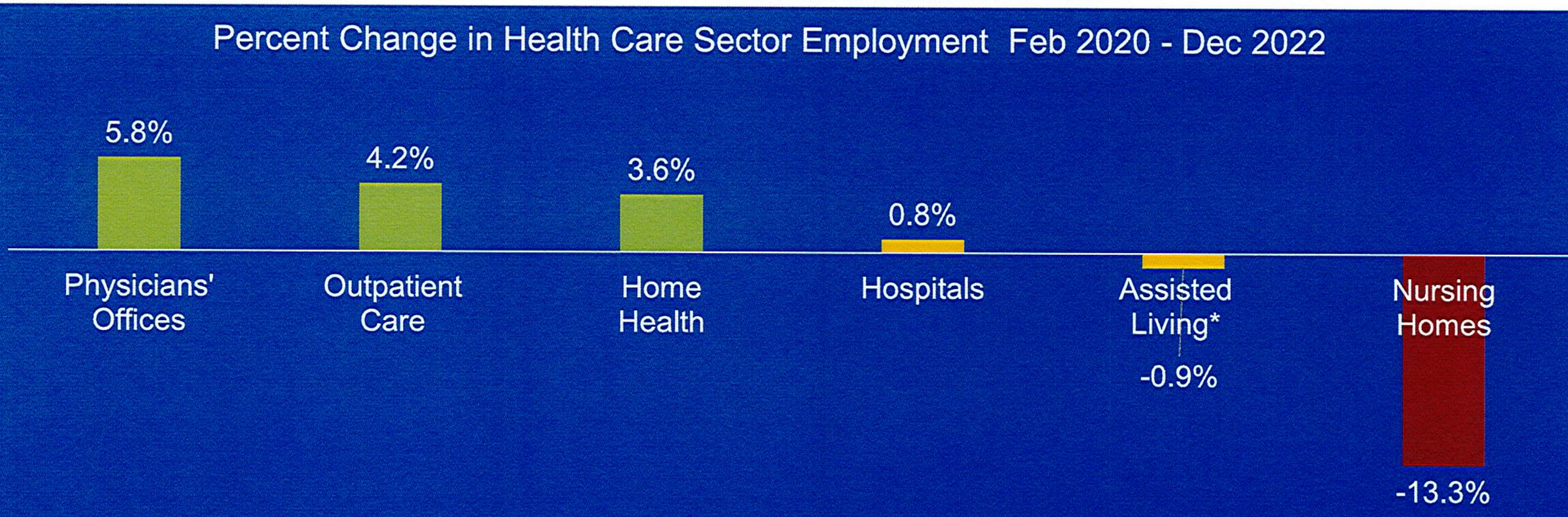
Regardless of the current status of the organization, the forces at play are generally impacting everyone. We all need to be prepared for these ongoing changes and be bold in our strategic planning efforts moving forward. As we hit the three-year anniversary of the onset of COVID-19, we cannot live in a pandemic mindset. Those realities are still present, but boards and leadership teams need to visualize a future independent from the pandemic. Do not be afraid to change and advance on opportunities to strengthen your organization and mission.

Ziegler remains committed in the year ahead to bringing forth the most up-to-date research and trend information and feeding that back out to the sector. We offer up this thought leadership to organizations who are looking to educate their boards and leadership teams, and for those embarking upon strategic planning processes.

If you have questions related to the topics mentioned in this article or other related items, please contact the Ziegler banker in your region.

LISA McCRACKEN
DIRECTOR, SENIOR LIVING RESEARCH & DEVELOPMENT
lmccracken@ziegler.com

LONG TERM CARE: WORST IMPACTED THAN ANY OTHER HEALTH CARE SECTOR



157,700 jobs gain	**42,100** jobs gain	**55,300** jobs gain	**43,700** jobs gain	**(4,200)** jobs lost	**(210,000)** jobs lost

Source: Bureau of Labor Statistics (BLS) February 2020 – December 2022
*Assisted Living BLS data through November 2022

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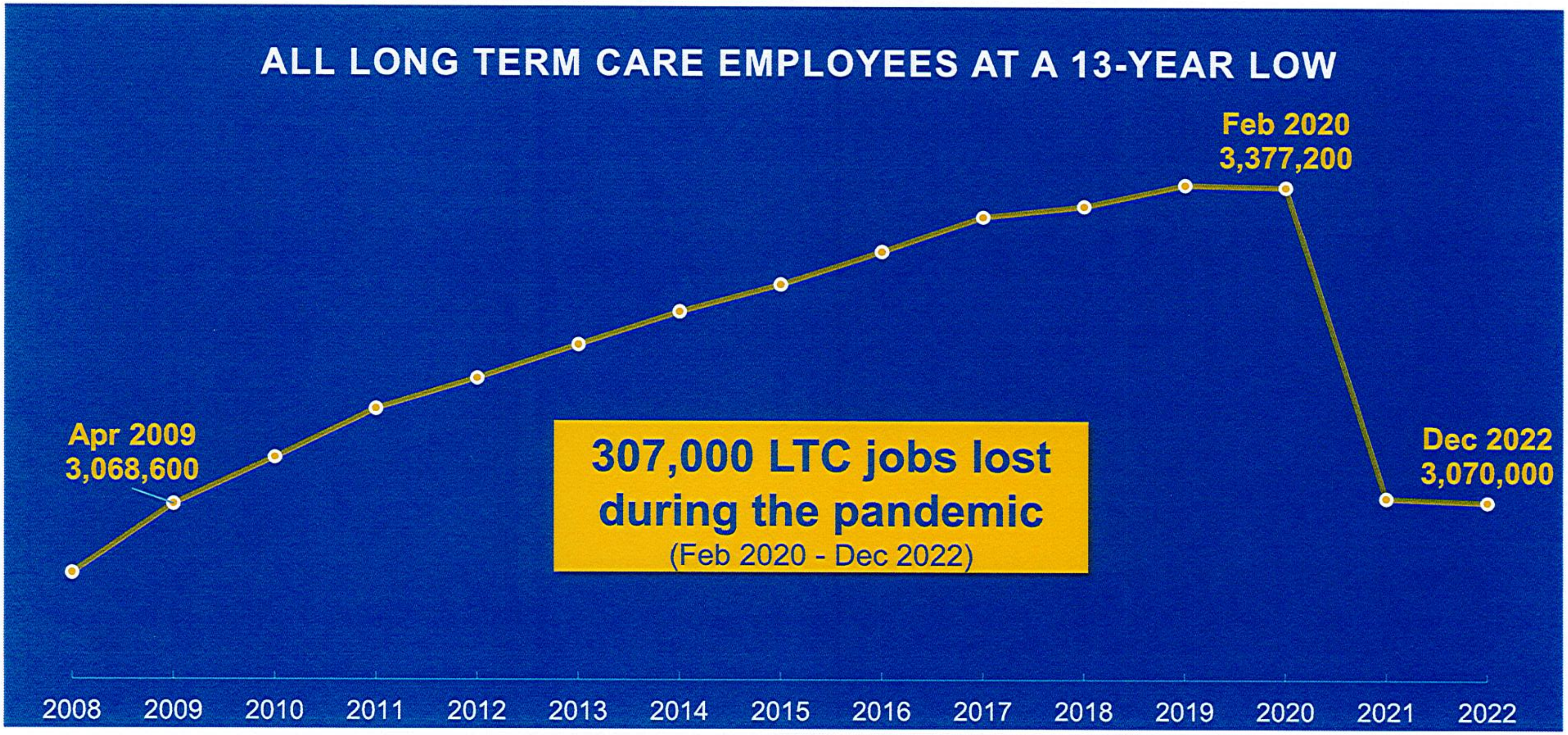

Source: Bureau of Labor Statistics (BLS) July 2008-July 2022; Industry: Nursing and residential care facilities (NAICS Code: 623)

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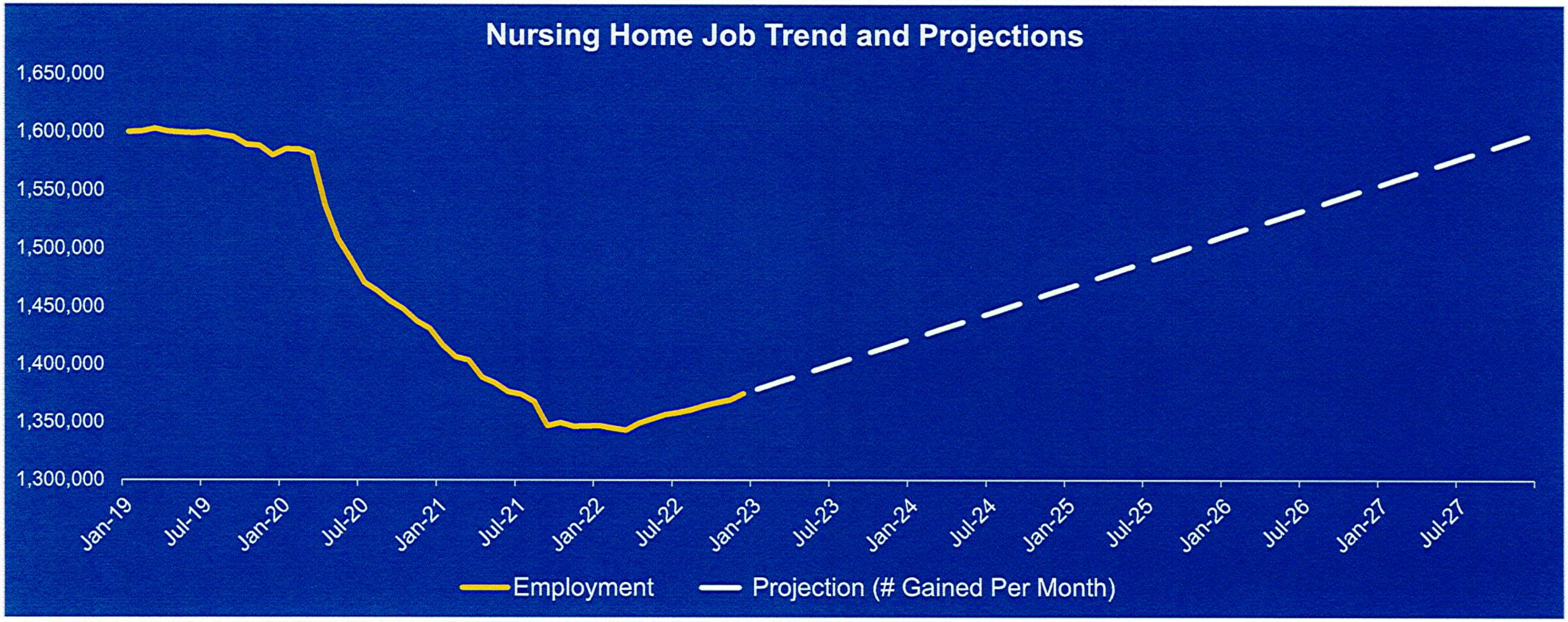
Nursing homes added an average of 3,700 jobs per month over the last 9 months. At the current pace, nursing homes would not return to pre-pandemic levels until 2027.



Source: AHCA/NCAL analysis of Bureau of Labor Statistics (BLS) data

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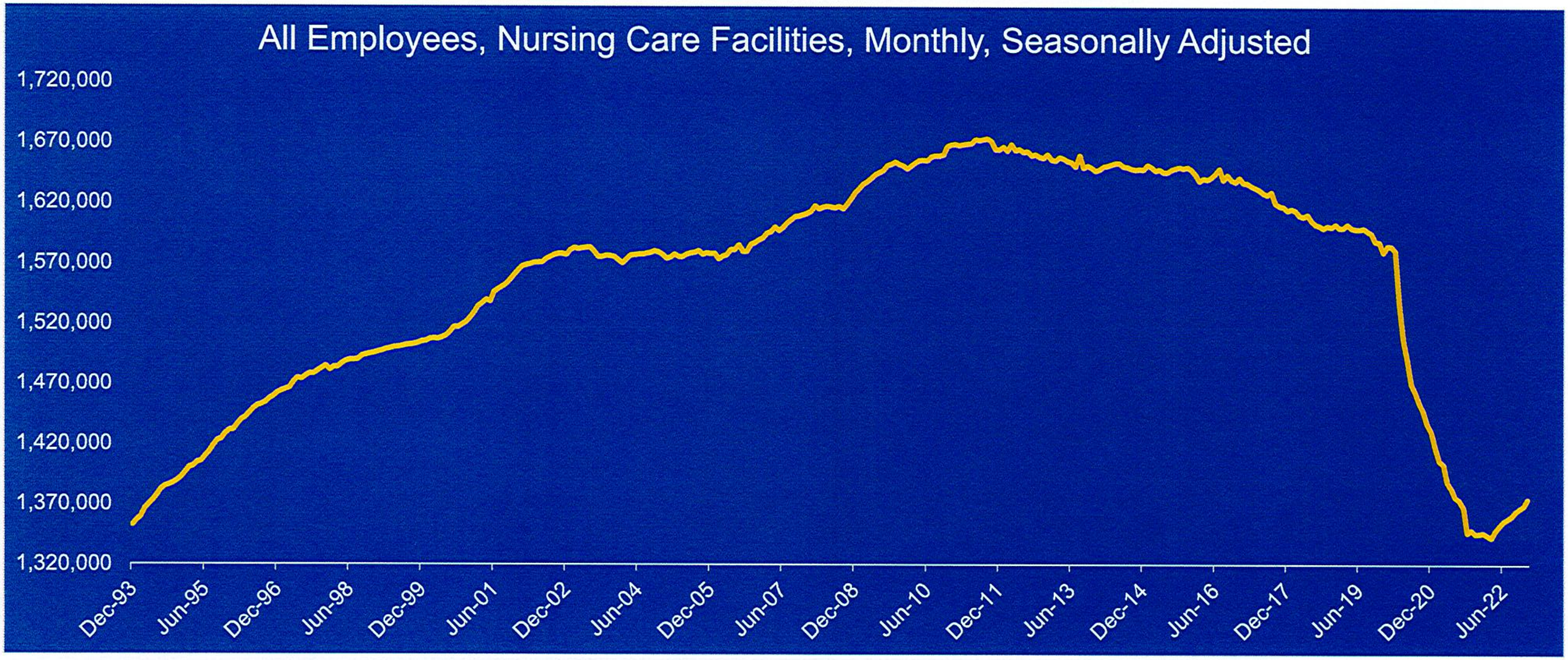
The nursing home workforce is at levels not seen since 1994.



Source: Federal Reserve Economic Data https://fred.stlouisfed.org/series/CES6562310001

COVID stakes are still high,' Becerra tells aging services providers

DIANE EASTABROOK MCKNIGHT'S CLINICAL DAILY NEWS 1/19/23

Health and Human Services Secretary Xavier Becerra sounded an alarm Wednesday for older adults to get boosted against COVID-19, as an increasing number of them are dying from the virus. Becerra made the appeal during a weekly call with LeadingAge members.

"Over the last week about 70% of new daily hospital admissions of COVID-19 patients were folks who were 60 years or older," Becerra said. "People over the age of 65 account for the greatest share of deaths from COVID."

In recent weeks, HHS has spent an additional $500 million on programs to boost COVID-19 vaccinations, including $125 million on home vaccination programs.

"We know that there are some people who aren't mobile and can't get out, so we are trying to do what we can to reach people where they are," Becerra told the audience.

COVID-19 deaths have been spiking across the United States since the end of December, with adults over the age of 65 comprising roughly 90% of those deaths. More than a quarter of new COVID-19 cases are from the highly contagious XBB.1.5 variant.

In the past month, the Biden administration has increased vaccination and testing efforts for the virus. In December, it made another round of free COVID-19 tests available through the mail and opened additional testing sites. The administration and the National Institute of Health launched a test-to-treat pilot program earlier this month that aims to provide at-home COVID-19 tests, virtual visits and antiviral treatments to 100,000 Americans in their homes. LeadingAge is also partnering with the administration to provide COVID-tests to eligible provider organizations.

While more than 80% of Americans have received at least one COVID-19 vaccination, only about 16% of the population are up-to-date on all boosters. With booster uptake low and COVID-19 cases climbing, Becerra said the stakes remain high in the battle against the virus.

"We've done some good work and had some successes," he added. "But we're not through this yet."

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FEATURED ARTICLE

NOT-FOR-PROFIT GOVERNANCE: THE NECESSITY OF BOARD EDUCATION

Several years ago, Ziegler conducted a survey via its *CFO Hotline*SM, and it was revealed that nearly 50% of senior living board chairs never or rarely attend any industry conferences. Now, there can be very practical reasons for this as many board chairs and trustees have full-time jobs that are very demanding in their own right. There is also the added cost of attending conferences, although in today's virtual environment, you could argue that is less of a barrier. Most would agree that having an informed and educated board, not just the board chair, is critical to effective governance. As Ziegler plans for its ***25th Ziegler Senior Living Finance + Strategy Conference*** in two weeks, there are multiple educational sessions and networking opportunities for the more than 100 board members registered for this year's event. We thought it was fitting to highlight board education in this week's issue of ***Z-News***.

What are the benefits of an informed and educated board?

- A board that knows the trends and environmental forces at play in the senior living sector is going to be better at setting **a sound strategic direction**.

- Board education often weaves in external experts and speakers to cover various topics. At Ziegler, we have been told many times over that what the board hears from an external speaker, and what their CEO has also been sharing with them, can add greater credibility. Having that third-party voice can be very **affirming and empowering for the CEO**.

- A basic element of being informed is that it better positions the organization to be in a **proactive stance, rather than one of being reactive**. There should be fewer surprises for the board, which allows them to be better focused on the future.

- Have you ever heard of a bored board? One clear way to keep the **board members engaged** is to share with them the latest research, trends, innovations and best practices. This can also foster greater passion for the work of the organization and in-turn, contribute to a healthier culture within the board. This can certainly be advantageous when looking to attract future board members.

What is the best way to approach board education?

There are multiple ways to integrate board education throughout the year. There are some organizations who commit to a board education topic at each meeting. This approach ensures the ongoing commitment to education and adds discipline to the board agenda. Other organizations designate an annual board retreat as the best time for intensive board education. This may be held over a one or two-day retreat. If an organization only has a board retreat every 2-3 (or more) years, then this approach might not fully satisfy the overall education goals. Another example is to schedule off-meeting education sessions. This might be one topic a month or quarter for an hour over zoom. This has often been the approach leading up to a strategic planning session. Lastly, there are always external industry conferences. These can obviously be national in nature, like the upcoming Ziegler conference, or an event hosted by your state association.

A final comment on the "how to" discussion relates to the leadership team. We find it helpful to not only provide the education to the board members, but to invite the senior leadership team to participate as well. Having that group on top of the key trends and topics is also important. It shows the organization's commitment to their ongoing education and professional development.

At the end of the day, much of this responsibility falls on the CEO who is often the primary conduit between the board and the industry as a whole. There are often wonderful, talented board members, but if they don't know what they don't know, that is often on the shoulders of the CEO. The advancement of virtual platforms, like Zoom, has made the ability to offer board education so much easier. Ziegler provided board education to over 70 organizations last year alone, many of them virtually. If there is interest in learning more about Ziegler's ability to share industry research and education with your board or if you have additional questions about this article, we encourage you to contact the Ziegler representative in your region.

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LeadingAge Responds to USAToday

BY Katie Smith Sloan, CEO

USAToday on December 1, 2022 published an investigative report examining staffing levels in nursing homes ("**Many nursing homes are poorly staffed. How do they get away with it?**"). This piece is one of several national media stories on nursing homes staffing pegged to the soon-to-be-released staffing mandates promised by the Biden Administration. LeadingAge was not contacted by USAToday reporters for this piece; had they done so, we would have made the points below clear, as we did in a letter submitted to the editor:

- USAToday's reporting on workforce shortages in nursing homes presents a narrow and inaccurately skewed explanation of the complex interplay of staffing levels and regulations.
- The story does a disservice to readers by mischaracterizing the intention and commitment of thousands of workers in the aging services sector who care for older adults and families.
- All nursing homes are ***not*** the same. Quality care and staffing go hand in hand and the hallmarks of our mission-driven, nonprofit provider members are higher-than-average staffing levels, transparency of ownership, and an unwavering commitment to providing excellent care.
- Indeed, we have a well-documented history of sector leadership in developing quality standards; our members, for instance, led efforts to reduce and eliminate the use of physical restraints in nursing homes (which the USAToday story suggests is a result solely of regulatory crackdown).
- Improvement and change, such as the elimination of physical restraints, happen through collaboration and support. Our members know how to provide good care.
- We strongly favor adequate staffing. The question is, what is the appropriate complement of staff based on the needs of the residents at any given time? Resident composition and care needs vary, from home to home. So staffing requirements must have some adjustment mechanism to accommodate that.

- Once requirements are determined, adequate funding through fair reimbursement is critical to pay a livable wage to hire and retain workers. Right now, there are simply not enough people to fill open jobs. Regulation must include provisions that allow an employer to demonstrate they have tried in good faith to hire workers, but no one has applied. When that is the case, providers should not be cited.

But this is not just about regulation. On workforce, **we have raised our voice** repeatedly to the Biden Administration, CMS, Congress and other stakeholders. We have presented plans and policies that will address chronic staffing needs in the sector. America needs an adequate system of funding, support and policies that address the workforce crisis.

That includes raising Medicaid reimbursement rates to cover the cost of care, government commitments to investments in programs to increase the pool of potential workers coupled with Administration-supported policies on immigration reform, passed by Congress. And finally, there must be sustained prioritization of our too-long-ignored aging services system and the professional caregivers who serve older adults and families.

Finger pointing and blame helps no one. It's time for a clear-eyed, fact-based approach to ensure older Americans and families can access the quality nursing home care they deserve.