



Ziegler CFO HotlineSM
Quick Check Update
December, 2009

Several CFOs posed brief questions to the Ziegler CFO HotlineSM. We have included a summary of responses below in our year-end Quick Check survey update.

By what percentage did your organization increase or decrease its monthly fees charged to existing residents in 2009?*

Summary of Responses N= 192

Descriptive Statistics

Statistic	% Change
Minimum	-1.0
1 st Quartile	3.0
Median	4.0
3 rd Quartile	5.0
Maximum	8.0

Among respondents, the average rate increase for 2009 was 4.02%. Eleven (11) respondents indicated no change in their monthly fees for 2009.

By what percentage does your organization plan to increase or decrease its monthly fees charged to existing residents in 2010?*

Summary of Responses N= 184

Descriptive Statistics

Statistic	% Change
Minimum	-2.0
1 st Quartile	2.4
Median	3.0
3 rd Quartile	4.0
Maximum	11.0

Among respondents, the average projected rate increase for 2010 is 3.10%. Twenty (20) respondents indicated no change in their monthly fees for 2010 or have not yet finalized their budgets for the 2010 fiscal year.

* *Due to antitrust concerns, the rate increase information may be given only in a geographically unidentifiable way. While Ziegler is able to clarify any questions about the results on a national basis, we are unable to release any data that are specific to a particular state or region of the country.*

If your community/organization provides Entrance Fee refunds to residents or their families, is the refund provided upon vacancy of the unit/bed or upon resale of the unit/bed?

Summary of Responses N= 192

Entrance Fee Refund Provided?	%
Upon Vacancy	17
Upon Resale	49
Upon Other Event	18
No EF Refund	16

Several respondents specified policies unique to their communities. Some examples are below:

- “Our contract states that the refund is made upon re-occupancy of the unit, but in practice we have been making refunds upon vacancy of the unit. We have done this for public relations reasons and because we have not had excessive time between unit occupancies.”
- “Upon vacancy, but no longer than the one-year state requirement (New York).”
- “Depends on the contract type; upon resale for the 90% refundable contracts if the refund results from a balance of the traditional contract within 30 days.”
- “Refund available between 0-72 months if the resident leaves the community. A refund is not issued if the vacancy is triggered by death.”
- “An amount equal to the Entrance Fee less one percent (1%) of the Entrance Fee per month of occupancy is paid within one hundred and twenty (120) days of the effective date of termination; and the balance of the refund, if any, is to be paid on the date which is thirty (30) days after the Community has executed a Residence and Care Agreement with a new resident, or on the date which is one hundred and twenty (120) days after the effective date of termination, whichever is later.”
- “For the standard option, the refund is available within 60 days after the death/departure of the residents. For the 50% and 90% refund options, the refund is available upon the resale of the unit.”

Do you have a dedicated Corporate Compliance Officer whose only job relates specifically to compliance issues or is this role incorporated into another position?

Summary of Responses N= 192

Compliance Officer?	%
Yes	10
No, Incorporated	90

If ‘Yes’, to whom does the Compliance Officer report?

Summary of Responses N= 19

- Five (5) respondents indicated that their Compliance Officer reports directly to the CEO or President of their organization, while four (4) others have their Compliance Officer report directly to the Board of Directors. Three (3) additional respondents indicated that their officer jointly reports to both the CEO and Board.
- The seven (7) other unique responses for compliance reporting were: CFO, COO, Director of Faith-Based Organization, Chief Clinical Officer, Executive VP of Healthcare Services & Administration, General Counsel, and Senior VP of Organizational Excellence, Accreditation & Compliance.

If 'No', into which position(s) are the compliance duties incorporated?

Summary of Responses N= 160

- 26 respondents (~16%) indicated that the CFO is responsible for compliance duties, followed by 19 (~12%) who identified the Administrator, 14 (~9%) who identified the HR Director, 13 (~8%) who identified the Executive Director, and 11 (~7%) who identified the Chief Operating Officer. An additional 19 respondents indicated that the compliance duties are handled by a committee or a combination of these and other various employees.
- The remaining unique responses included various departmental Directors or Vice Presidents, Risk Managers and in-house corporate legal counsel, or the duties are contracted outside of the community through an organized alliance of some sort (like Friends Services for the Aging).

Would you be willing to share your organization's Chart of Accounts/Income Statement format with a fellow CFO?

Summary of Responses N= 192

Share COA Format?	#
Yes	154
No	38

Note: While more than 150 respondents indicated that they would be willing to share their Chart of Accounts, several indicated that it may not be in a format that can be easily shared or understood. If you wish to share your COA, please send it to us using the contact information below. We will omit your organization's name and income data if they are not already excluded.

Would you be willing to share your organization's residential financial eligibility assessment tool/format with a fellow CFO?

Summary of Responses N= 192

Share Financial Assessment Tool?	#
Yes	111
No	81

Note: While more than 100 respondents indicated that they would be willing to share their financial eligibility assessment tool, several indicated that it may not be in a format that can be easily shared due to software capabilities or proprietary restrictions. If you wish to share your assessment tool, please send it to us using the contact information below. We will omit your organization's name or related data if they are not already excluded.

If you have a question, comment, or suggestion for the Ziegler CFO Hotline, or if there is a particular response above for which you would be interested in having additional information, please let us know using the contact info below.

The senior living organizations' responses included in this report have been collated without verification of the accuracy of the data/comments therein. The results provided do not express an opinion of nor can they be guaranteed by Ziegler.

Prepared by:

=====

Jeffrey Girardi

**Research Specialist | Senior Living Finance Group
Ziegler Capital Markets**

10480 Little Patuxent Parkway, Suite 600, Columbia, MD 21044

phone: 410.884.8311 | general phone: 410.884.8300

toll free: 800.592.4862 | fax: 410.884.3295

email address: jjirardi@ziegler.com