

The Capitol Pulse



Articles:

- FHA Meeting Update
- Status of 232 Program Transfer
- CQ's Possible Nominees for HUD Secretary
- First CSHR Washington Conference

Additional Information:

Democratic Platform Submission

Republican Platform Submission

CSHR HITS THE GROUND RUNNING, STARTS ADVOCACY WORK

Since forming just six months ago, CSHR has been busy with organizational tasks like the website (www.seniorhealthcarereform.com) and membership, but with the press announcement on September 3rd, 2008 we have begun the task for which we formed: representing the interests of long-term care providers who need access to capital. To this end, CSHR held its first meeting with senior government officials on October 8th.

The last six months have seen unprecedented swings in the market, a credit crisis unlike any we have seen and lead us to an inevitable conclusion: the only way

to ensure capital access for senior health care is with an effective federal credit enhancement. In short, we need FHA to work effectively and efficiently.

Changes in organizational structure in FHA are underway as the program is updated using the "Six Sigma LEAN" program discussed at length at Capital Funding Group's summer conference in Colorado. This program, the outgrowth of the organizational philosophy

originally known as Statistical Process Control, promises to streamline the process of obtaining commitments for mortgage insurance under FHA's Section 232 program.

But delays have occurred as personnel changes take place at HUD/FHA in advance of the new Administration and legislation and political factors have shifted FHA's focus to the single-family credit crisis.

CURRENT STATUS OF 232 PROGRAM TRANSFER TO OIHCF

CSHR staff met on October 8th with Roger Miller, Director of the FHA Office of Insured Health Care Facilities (OIHCF) and his senior staff. According to Mr. Miller, work is still underway to shift the Section 232 program to FHA's Office of Insured which previously has operated only the Section 242 hospital mortgage insurance program.

CSHR strongly supports this move, which takes health care finance out of the FHA Multifamily (apartment) program and puts it where it belongs – in an office focused on healthcare finance.

Refinance applications are being handled by OIHCF through the new LEAN program, but many aspects have not shifted yet. The deadline for OIHCF to assume full control over the program – including asset management – from the Office of Multifamily Housing is December 1st, but they admit that date is "aggressive."

That means the deadline will probably move, as previous deadlines have. OIHCF has struggled to wrest control of the program and to add new staffers, but while key officials have supported their efforts, some within the HUD bureaucracy have not.

Watching the struggle to transition the program has made two things evident: first, that OIHCF is the better office to run the program; and second, that the position of Director of OIHCF must be elevated to the level of a Deputy Assistant Secretary. As with any organization, the ability to direct resources depends on an individual or office's prominence within the hierarchy and healthcare finance deserves to be recognized for what it is: a major source of business for FHA and a vital part of the agency's mission. CSHR is working on our first legislative package, which will be available for review before our Washington

**CSHR PRESENTS BI-PARTISAN PARTY PLATFORM
SUBMISSIONS REGARDING THE SECTION 232 PROGRAM**

CSHR believes in grassroots advocacy. Providing platform positions for each political party regarding our mission is an opportunity to reach national leaders during a changing time in our country's history.

These letters are also posted under Media and Resources at www.seniorhealthcarereform.com.



“An enhanced focus on promoting and preserving the health of older adults is essential...”

The Honorable Kevin McCarthy
Chair
The Honorable Richard Burr
Platform Committee
The Republican National Committee
310 First Street, SE,
Washington, D.C. 20003

Republican
Platform
Submission

Dear Congressman McCarthy and Senator Burr,

The Coalition for Senior Healthcare Reform (CSHR) is made up of nursing home owners and operators and their partners who want to improve existing nursing facilities, replace outdated ones and build new desperately-needed nursing homes for our aging population.

By 2030, the number of Americans aged 65 and older will more than double to 71 million older Americans, comprising roughly 20 percent of the U.S. population. In some states, fully a quarter of the population will be aged 65 and older (Source: State of Aging and Health in America 2007 Report, HHS). According to the National Center for Health Statistics by 2050 the life expectancy for Americans is expected to jump from 74 years to 79.7 years for men and from 74 years to 85.6 years for women.

An enhanced focus on promoting and preserving the health of older adults is essential if we are to effectively address the health and economic challenges of an aging society.

The cost of providing health care for an older American is three to five times greater than the cost for someone younger than 65. By 2030, the nation's health care spending is projected to increase by 25% due to demographic shifts unless improvements are made to preserve the health of aging Americans. Along with our colleagues in the American Health Care Association and others, we seek the support of our elected officials in ensuring the seniors have access to healthcare and appropriate living environments in facilities that are both safe and dignified.

In contemplating improvements to the system whereby we ensure the health, safety and well-being of older Americans we must keep in mind that healthcare access is more than insurance coverage or payment policies; there must be facilities to provide care.

As this nation ages, we will need more long-term care facilities. While the industry and its partners have made great strides in improving the quality and efficiency of care, the government must do its part to ensure that there is adequate access to capital for the construction, renovation and improvement of long-term care facilities.

An important tool for capital access is the Federal Housing Administration's Section 232 mortgage insurance program. This program has facilitated the development of thousands of facilities, but while the product itself has demonstrated its effectiveness, the management of it has been uneven and at times even detrimental to the purpose it was designed to serve.

If FHA and the federal government in general are committed to supporting capital access for long-term care facilities, we must do more to make Section 232 effective and available. The first steps have been taken, including an effort to move Section 232 from the Office of Multifamily Housing to the Office of Insured Health Care Facilities. This move will put the program under the authority of an office with greater expertise and has been a goal of members of this organization before we formed. More can and should be done to support capital access for long-term care facilities. As such, we ask that the platform committee consider the following items:

Continued



Senior Health care issues cross party lines.

1. Transfer full programmatic authority for the Section 232 mortgage insurance program from the Federal Housing Administration’s Office of Multifamily Housing to FHA’s Office of Insured Health Care Facilities;
2. Create the position of Deputy Assistant Secretary for Healthcare Finance within the Federal Housing Administration;
3. Eliminate Real Estate Assessment Center requirements for Section 232 mortgage insurance, making it consistent with FHA requirements for Section 242 mortgage insurance for hospitals; and
4. Keep long-term care finance affordable by limiting increases in insurance premium increases for Section 232.

We believe that these changes would dramatically increase applications under Section 232 and subsequently increase the number and quality of long-term care facilities available to America’s seniors. I appreciate your attention to this matter and I look forward to working with you to improve the quality of long-term care available to our seniors.

Sincerely,

Ira Smedra
Chairman

The Honorable Janet Napolitano
Chair
Platform Committee
The Democratic National Committee
430 South Capitol Street, SE,
Washington, D.C. 20003
platform@dnc.org.

Democratic
Platform
Submission

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Continued



“CSHR members want to improve...desperately needed nursing homes for our aging population.”



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Sincerely,

Ira Smedra
Chairman



**EQUAL HOUSING
OPPORTUNITY**

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CONGRESSIONAL QUARTERLY HANDICAPS POSSIBLE NOMINEES FOR SECRETARY OF HUD

Congressional Quarterly, one of the prominent publications covering politics in general and the Congress in particular, asked its various beat reporters to come up with lists for possible cabinet secretaries under either the administration of the two potential successors to George W. Bush. The lists are intriguing, but by no means do they represent the only candidates being considered.

Cabinet Secretaries are chosen by the President, or in this case, will be chosen by the President-elect, and then given to the Senate for confirmation. If confirmed and sworn in as Secretary, this individual would then be given a group of senior staffers chosen by the President and confirmed by the Senate and dozens or even hundreds of so-called "Schedule C" political staffers who are appointed by the President and serve at his pleasure, but who do not require Senate confirmation.

Congressional Quarterly is a Washington, DC insider publication reporting on daily political news and activities.

For Barack Obama:

Shirley Franklin

- Mayor of Atlanta
- Early supporter of Barack Obama
- Co-chair of the Democratic Convention

Valerie Jarrett

- Chicago Developer
- Close family friend since being Michelle Obama's boss in the Chicago Mayor's office
- Former Chair of the Chicago Stock Exchange

Nicolas Retsinas

- Former FHA Commissioner under Bill Clinton
- Director of Harvard's Joint Center on Housing Studies



For John McCain:

Stephen Goldsmith

- Former Mayor of Indianapolis
- Board Chair, Corporation for National and Community Service

Michael Steele

- Former Maryland Lieutenant Governor and failed Senate candidate
- Chair of GOPAC

Ken Blackwell

- Former Ohio Secretary of State and failed Gubernatorial candidate
- Former Cincinnati Mayor, HUD Undersecretary
- Vice-chairman of RNC Platform Committee

Coalition for Senior Healthcare Reform

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FIRST CSHR WASHINGTON CONFERENCE PLANNED

Plans are underway for the first-ever CSHR Washington Conference. Join your colleagues and meet with the new officials running healthcare programs at HUD/FHA, hear from policy makers and tell your Congressmen and Senator what they need to know about the importance of senior healthcare finance.

A new Congress and a new Administration means lots of new people will be in powerful

positions and we cannot simply hope they are well-informed. It's our job to inform them.

Come early and take part in a unique opportunity to learn the secrets of Washington policymaking from CSHR Director Chris Boesen, the former Director of FHA's Office of Insured Health Care Facilities and advisor to the Congress on healthcare finance programs. Chris' half-day program, "Sausage and

Public Policy; or How I learned to Stop Worrying and Love Washington," is only open to CSHR members.

Join us in April 2009 in Washington, DC. Watch www.seniorhealthcarereform.com for more details on hotels and speakers.

CONTINUED FROM PAGE 1...CURRENT STATUS OF 232 PROGRAM TRANSFER TO OIHCF

Conference (information about the first CSHR Washington Conference on page 2), which will include the elevation of OIHCF and the appointment of a Deputy Assistant Secretary for Health Care Finance.

If you have questions, comments or recommendations for legislative changes, contact CSHR's Director Chris Boesen at chris@seniorhealthcarereform.com or (202) 543-5755.

ABOUT OUR ORGANIZATION...

The Coalition for Senior Healthcare Reform is an organization of long term care providers concerned about capital access and the need to maintain and improve the quality of care provided to America's seniors.

Over 230 facilities in 21 states have joined the Coalition that seeks to improve existing facilities, replace outdated ones and build desperately-needed facilities for America's aging population primarily through the support and improvement of the Federal

Housing Administration's Section 232 mortgage insurance program. For news updates, information about CSHR and more, go to www.seniorhealthcarereform.com.

Detailed information on politics and programs is available in the Members Only section.

COALITION FOR SENIOR HEALTHCARE REFORM

207 Constitution Avenue NE
Washington, DC 20002

