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LEFT TO RIGHT:
Noah Levy
Prudential Real
Estate Investors
David Schless
ASHA
Dan Madsen
Leisure Care
Retirement Communities
Ken Preede
ASHA
Doris Kerr
ASHA
2003 has been a successful year for the American Seniors Housing Association. Our membership remains strong, and the Association has established a very sound financial base in just three years time since parting from the National Multi Housing Council. We are confident that ASHA is well-positioned to continue leading the seniors housing industry.

We hope you enjoy the new look of our “Year-In-Review” and look forward to seeing you next month at our 2004 Annual Meeting in Boca Raton, FL.
MEETINGS

2003 began with a robust ASHA Annual Meeting in January at the renowned La Quinta Resort & Club in La Quinta, California. More than 300 executives, the most participants ever at an ASHA meeting, enjoyed the lively, off-the-record educational sessions and high-level networking opportunities that are trademarks of our meetings. The keynote presentation, which focused on customer service, was delivered with substance and energy by Gary Heil of the Center for Innovative Leadership.

For the first time ever, ASHA’s Spring Executive Board Meeting was held in conjunction with meetings of the National Investment Center for the Seniors Housing & Care Industries (NIC) leadership. A joint program featuring Douglas Crocker, former CEO of Equity Residential, was a highlight of the meeting, along with a reception and dinner between the ASHA-NIC leadership. The event was so well-received, we plan to meet again jointly in April 2004.

Following our Spring Executive Board Meeting, ASHA hosted a special members-only forum in June focused on risk management and liability insurance issues. The day-long forum drew over 100 insurance and risk management professionals who exchanged strategies and information. Plans are being made to hold a special members-only forum next spring in Dallas with a focus on health insurance and employee benefit management.

ASHA’s Fall Meeting once again preceded the National Investment Conference in Washington, DC. The Fall Meeting was attended by 225 members of our Executive Board and Advisory Committee and featured a presentation by Dr. Margaret Wylde, who summarized findings from a major new ASHA research project, The Benefits of Independent Living: A Comparative Analysis of Residents & Non-Residents. Our keynote speaker, former Secretary of Defense and U.S. Senator, William Cohen, offered provocative analysis of the days most pressing domestic and international concerns.

ADVOCACY

ASHA continues to build upon its reputation as a thoughtful, influential voice on Capitol Hill on matters of importance to professional owners and managers committed to developing market-driven housing options, services and amenities for seniors. Our Washington, DC-based staff has over 20 years experience in seniors housing and, coupled with our Association’s outstanding legislative counsel, ASHA is considered a voice of reason by lawmakers, providers and consumer representatives alike. ASHA’s Chief Legislative Counsel, Randy Hardock of Davis & Harman LLP, has prepared a discussion of the year’s federal legislative developments, which includes the testimony of ASHA Executive Board member Dan B. Madsen of Leisure Care Retirement Communities at an April hearing of the U.S. Senate Special Committee on Aging, which focused on the efforts of the Assisted Living Work Group (ALW).

In keeping with our mission, we continue to emphasize the quality (rather than the quantity) of participants and education sessions. We will continue to keep our meetings as intimate as possible, and will do everything in our power to provide a productive forum for our members to share information and pursue business opportunities.

The American Seniors Housing Association’s members represent the entire spectrum of housing and services for seniors, and the Association promotes policies favorable to the development and preservation of quality seniors housing by working closely with Congress, the Executive Branch, and Federal Agencies.
ASHA’s Seniors Housing Political Action Committee reached a new record by raising over $40,000 in 2003 and contributing to key members of the U.S. Senate Special Committee on Aging, U.S. Senate Finance Committee, U.S. Senate Commerce Committee, as well as to members of the U.S. House of Representatives Ways & Means Committee. With a fund balance of over $50,000, the Seniors Housing Political Action Committee remains the largest, most effective PAC in the nation supporting federal candidates dedicated to the preservation and production of seniors housing. A list of those who contributed to the Seniors Housing Political Action Committee this year can be found on page 16 of the Year-In-Review.

Although ASHA’s primary focus is on Federal policy, the Association also continues to actively monitor state policy affecting the senior apartment, independent living, assisted living, and continuing care sectors. As we have done selectively in previous years in other states, ASHA contributed financial resources to a Coalition in Texas that lobbied successfully to pass tort reform legislation in 2003. Additional resources were provided by ASHA to a grassroots effort in Washington state to fight regulation that would have needlessly increased the cost of providing assisted living services in that state.

RESEARCH

In 2003, ASHA supplemented the concise information we provide to our members in our newsletters (Seniors Housing Update, Seniors Housing Research Notes, Seniors Housing Legal Notes, and State Policy Update) by producing several new research reports, including the first ever to quantify the benefits of senior living.

Our first publication of the year was The State of Seniors Housing, an annual collaborative effort between ASHA, the National Investment Center for the Seniors Housing & Long-Term Care Industries, and PricewaterhouseCoopers. This research project, which celebrated its 10th Anniversary in 2003, continues to provide the most comprehensive property-level operational and financial performance data available for independent living, assisted living, and continuing care retirement communities. Shortly after, ASHA summarized the findings from the second annual compensation survey of senior management conducted by Ferguson Partners.

In February, ASHA and Thilman & Filippini released the 2003 Seniors Housing Liability Insurance Report, which provided a wealth of insurance and risk management-related data collected from more than 200,000 units of seniors housing properties. In April, ASHA released the 2003 Seniors Housing State Regulatory Handbook, which offers industry professionals and policymakers an updated, easy-to-use matrix summarizing key regulatory and licensure requirements for assisted living facilities and CCRCs in all states and the District of Columbia. Soon after, we published a Special Issue Brief (Using Outcomes Measures in Assisted Living) that examined the potential implications of a regulatory scheme for assisted living predicated on outcomes-based measures, which had been proposed by a participant organization during the ALW process (but was subsequently abandoned).
In July, ASHA published the 2003 Seniors Housing Investment & Transaction Report, which was prepared by HealthTrust, LLC, and summarized over 425 arms-length transactions of seniors housing properties. The following month, ASHA and NIC published the 2003 Seniors Housing Construction Report, which tracks seniors housing construction trends and has been conducted annually since 1996. ASHA and NIC continue to work together to improve the quality of seniors housing construction data.

In October, the 10th Annual ASHA 50 rankings of the largest 50 seniors housing owners and largest 50 seniors housing managers was published in the National Real Estate Investor. The ASHA 50 survey and analysis remains the authoritative ranking of the largest owners and operators, most of whom are active members of ASHA. Later that month, ASHA released a much-anticipated report, entitled The Benefits of Independent Living: A Comparative Analysis of Residents and Non-Residents. This comprehensive report is the first to offer quantifiable data regarding benefits associated with moving to an independent living community and/or continuing care retirement community. ASHA encouraged its members to use the Benefits of Independent Living Report to generate positive media coverage of seniors housing, and the results have been quite positive in many markets. Additionally, the 65-page report provides a number of insights about non-residents that will undoubtedly help marketing professionals working to lease units.

NEW WEBSITE:
ASHA, with the help of Executive Board member Stephen Gordet of Stephen Gordet & Associates, launched an exciting new website (www.seniorshousing.org) in October that provides members with details about upcoming meetings, publications, the annual ASHA 50 rankings, press releases, consumer information, and the membership directory. A “Members Only” section contains ASHA newsletters, Congressional testimony, regulatory guidance, and more.

At the suggestion of the Executive Board, an expanded consumer section is currently being developed for the ASHA website, which will make our home on the web a great destination for older adults and their families, as well as for industry professionals.
ACKNOWLEDGEMENTS

The continued success of the American Seniors Housing Association reflects our collective focus, passion and shared commitment to improving the lives of those residing in our communities.

We are especially appreciative of the additional financial support we receive from our members who sponsor ASHA meeting events and research.

2003 EVENT SPONSORS

Annual Meeting
- Commercial Inspectors
- Ferguson Partners
- GE Healthcare Financial Services
- GMAC Commercial Mortgage Corporation
- Hearthstone Assisted Living
- Holiday Retirement Corp.
- Key Healthcare Finance
- MMA Financial
- Perkins & Will Architects
- Renaissance Premier Senior Living
- Senior Housing Investment Advisors
- Sodexo Senior Services
- Thilman & Filippini, LLC
- Ziegler Capital Markets

SPRING EXECUTIVE BOARD MEETING
- ARCS Commercial Mortgage
- Brookdale Living Communities
- GE Healthcare Financial Services
- GMAC Commercial Mortgage Corporation
- Hearthstone Assisted Living
- Stephen Gordet & Associates
- Sunrise Senior Living

Risk Management & Liability Insurance Forum
- AON Risk Services
- Marsh
- McGriff Seibels & Williams
- Thilman & Filippini, LLC

Fall Meeting
- GE Healthcare Financial Services
- Health Care REIT
- Hearthstone Assisted Living
- Holiday Retirement Corp.
- Marsh
- Senior Housing Properties Trust

2003 RESEARCH SPONSORS

The State of Seniors Housing 2002
- American Retirement Corporation
- Brookdale Living Communities
- Capital Senior Living
- Classic Residence by Hyatt
- CNL Retirement Properties, Inc.
- Cordia Senior Living
- Cypress Senior Living, Inc
- Erickson Retirement Communities
- Freddie Mac
- The Fountains
- GE Healthcare Financial Services
- GMAC Commercial Mortgage Corporation
- Guaranty Bank
- Life Care Services, LLC
- MMA Financial
- Prudential Real Estate Investors
- Red Capital Group
- Senior Lifestyle Corporation
- Summerville Senior Living

2003 Seniors Housing Liability Insurance Report
- Thilman & Filippini, LLC

2003 Seniors Housing Investment & Transaction Report
- Fannie Mae
- Senior Housing Investment Advisors

2003 Seniors Housing Construction Report
- Bovis Lend Lease – Senior Living Group

The Benefits of Independent Living
- Brookdale Living Communities
- Capital Senior Living
- Classic Residence by Hyatt
- Erickson Retirement Communities
- Life Care Services, LLC
- Sunrise Senior Living

Additional financial support for The Benefits of Independent Living Provided by:
- CNL Retirement Properties
- Leisure Care Retirement Communities
- Senior Star Living
Special thanks to our dedicated staff (Doris Kerr and Ken Preede), legal counsel (Paul A. Gordon of Hanson, Bridgett, Marcus, Vlahos & Rudy), legislative counsel (Randy Hardock, Tad Davis, and John O’Neil of Davis & Harman), and research partners (Colleen Blumenthal, Michelle Liggitt and Alan Plush of HealthTrust, LLC; Robert Hess of Prudential Real Estate Investors; Dr. Margaret Wylde, Edie Smith and Bernie Smith of ProMatura Group; John Atkinson of Thilman & Filippini; Jon Boba of Ferguson Partners; and Robert Kramer and the entire staff of the National Investment Center for the Seniors Housing & Care Industries).

Last, but certainly not least, we wish to thank each and every member of the Association for your continued support. We sincerely appreciate all that you do to make ASHA the leading voice of the seniors housing profession. We welcome your continued suggestions for improvement and hope you will let us know if there is anything we can do to better serve you.

William B. Kaplan
Chairman

Noah R. Levy
Vice Chairman

David S. Schless
President

ASHA LEADERSHIP

The Executive Committee of ASHA will change as scheduled in January 2004 with the completion of its two-year term. William B. Kaplan of Senior Lifestyle Corporation, our Chairman, and Timothy Hekker of Hearthstone Assisted Living, our Treasurer, will rotate off the Executive Committee. Both have played pivotal roles in the emergence of ASHA, will remain actively involved in the Association as members of the Board, and deserve our heartfelt thanks and appreciation for a job extremely well-done.

Bill Kaplan was Vice Chairman of ASHA when we broke away from the National Multi Housing Council, and as Chairman since 2002 has used his political savvy and leadership to ensure our successful transition to independence. Because of Bill Kaplan and Mark Schulte (ASHA’s Chairman from 2001 to 2002) and the outstanding leadership of our Executive Board, ASHA is stronger today than ever.

Noah Levy of Prudential Real Estate Investors is slated to ascend to the Chairmanships, while William Thomas of Senior Star Living, currently ASHA Secretary, has been nominated to serve as Vice Chairman. Other nominees to complete the Executive Committee include W. Patrick Mulloy II of LifeTrust America, LLC (Treasurer) and Dan B. Madsen of Leisure Care Retirement Communities (Secretary). Patricia Will of BelmontCorp. has agreed to serve as Chair of the Seniors Housing PAC beginning in 2004.
Federal Policy
Legislative Review

The 108th Congress convened at the beginning of the year with Republicans basking in the glow of their newly won control of the Senate, giving them concurrent control of the Presidency and both the House and Senate for the first time in fifty years. The change in power was accompanied by a re-shuffling of the Senate Republican leadership, and also resulted in Senator Larry Craig (R-ID) ascending to the Chairmanship of the Senate Special Committee on Aging.
While the year began with the war in Iraq dominating the political landscape (and continuing to be the focus of considerable Congressional time and attention throughout the year), Congress had a number of other high-profile items to address—such as the President’s economic growth package, energy legislation, Medicare reform and prescription drug coverage, international tax reform, and a host of other issues. Other than the President’s economic growth package (which itself had to be modified to get through Congress), and a Medicare drug benefit, other major items failed to become law. In short, even after the Republicans’ historic gains in the November elections, their narrow majorities in both the House and Senate have worked to ensure that partisan gridlock continues to stall action on most domestic initiatives.

Over the past year, ASHA has continued its efforts to educate federal policymakers on the seniors housing industry. ASHA has emphasized the appropriate role of States in regulating the industry. At the same time, ASHA has worked pro-actively on a variety of issues that could have a positive effect on seniors housing such as enactment of legal/tort reform and better tax incentives for the purchase of private long-term care insurance.

Summarized in more detail below are ASHA’s activities and accomplishments in 2003 on major issues affecting seniors housing.

**PROMOTING EFFECTIVE AND COST-EFFICIENT STATE OVERSIGHT OF ASSISTED LIVING**

**ALW Process/Report and Aging Committee Hearing.** ASHA’s most significant policy efforts this year involved participation in the Aging Committee-instigated Assisted Living Workgroup (ALW) process. On April 29, the ALW published its report, Assuring Quality in Assisted Living: Guidelines for State Regulations, Federal Policy, and Operational Models. The Senate Aging Committee held a hearing on the report on the day of its release.

ASHA Board member Dan Madsen of Leisure Care was one of the three witnesses invited to testify at the hearing. In his testimony, Dan emphasized that ASHA and others in the provider community were proud to have participated in the ALW process and viewed the report as a good resource for operators and State regulators. Dan reviewed the history of States’ very active regulation of assisted living, noting that 47 of 50 states and the District of Columbia have made changes to their oversight rules since 2001 alone. Dan emphasized that State oversight best serves residents and their families by allowing the applicable rules to be tailored to variations between States and regional preferences. He also encouraged Congress to educate the public on the need to plan financially for long-term care services, and noted ASHA’s support for an above-the-line federal tax credit for premiums paid for long-term care insurance.

While the ALW process was arduous and cumbersome for ASHA and its members, the Aging Committee hearing and its reception of the ALW report was relatively positive. The Aging Committee was pleased that provider and consumer organizations could work together to produce a report that provides some guidance on assisted living quality. From ASHA’s perspective, the ALW process was successful in that the report

1. kept the focus of assisted living oversight at the State level and did not recommend federal regulation, and
2. generally avoided overly prescriptive guidelines.

Going forward, it remains clear that the Aging Committee will continue to monitor assisted living quality and will want to see what is being done with the ALW report. In response to the Committee’s call for continued collaboration, ASHA intends to continue regular communication with the more moderate members of the ALW to build upon the relationships developed during the 19-month ALW process.

The next stage in that process has involved discussions regarding the organization and formation of a Center for Excellence in Assisted Living (CEAL). The concept of a CEAL comes directly from a recommendation in the ALW report, and would be designed to promote quality and the implementation of best practices in assisted living. The CEAL is still in its formative
stages, and ASHA has been working to ensure that it is set up in a way that fairly represents the interests of assisted living providers.

At the same time, ASHA has continued its leadership role as the key source of information on the state of seniors housing and as a clearinghouse for information that assists seniors and their families with decisions. For example, ASHA has maintained its partnership with Freddie Mac in publishing the public service brochure, Housing Options for Seniors, that provides background information on seniors housing alternatives and refers readers to the ASHA webpage (www.seniorshousing.org).

Congressional Outreach and Other ASHA Efforts. Also as part of our ongoing effort to educate policymakers on the problems that would result from federal regulation or oversight of the assisted living industry, ASHA has maintained regular contact with members of the Senate Aging Committee and their staffs. ASHA has emphasized the positive impact of the seniors housing industry on quality of life for seniors and on the dangers of proposals involving Federal micro-management.

In addition, ASHA has continued its work to implement and improve the Congressional Outreach program. In particular, ASHA has identified key Members of Congress and their staff who would benefit from the educational experience of visiting a seniors housing community. ASHA believes that these policymakers will have a better understanding of the advantages that seniors housing provides once they have had an opportunity to visit with residents and staff. The feedback we have received on the Outreach program has been very positive, and we encourage all ASHA members to participate.

As another part of the effort to communicate ASHA’s message to key federal policymakers, ASHA representatives met earlier this year at the White House with Doug Badger, the Special Assistant to the President for Economic Policy. The meeting provided an opportunity to initiate dialogue with President Bush’s point man on health care policy with respect to the seniors housing industry and the role of ASHA. During the meeting, ASHA communicated its strong support for medical malpractice reform and enhanced long-term care tax incentives, and emphasized the value of keeping assisted living regulation at the State level. Mr. Badger told ASHA that the Administration looked forward to working with ASHA on these and other issues.

ASHA has also begun receiving inquiries for information and input on policy issues from Democratic Presidential candidates. At the specific request of the campaign staffs for General Wesley Clark and Senator Joe Lieberman, ASHA staff has provided guidance on seniors housing and long-term care issues. ASHA will continue these education efforts with other Democratic Presidential candidates upon request.

TAX AND ECONOMIC GROWTH LEGISLATION

As mentioned above, one significant piece of legislation that was enacted this year was a modified version of President Bush’s economic growth package. President Bush signed H.R. 2, the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Growth Act”), into law on May 28. The Growth Act provides sweeping changes in the tax treatment of dividends, and reductions in the individual capital gains rates. The Act reduces the top capital gains rates from 20 percent to 15 percent, and generally applies the capital gains rate to dividends. Special pass-through rules are provided for real estate investment trusts (REITs). These provisions expire, however, after 2008.

The Growth Act also accelerates (retroactive to January 1, 2003) reductions in individual tax rates that were scheduled to phase-in gradually under the 2001 tax relief act. Thus, the marginal tax rates were reduced from 27 percent to 25 percent, 30 percent to 28 percent, 35 percent to 33 percent, and 38.6 percent to 35 percent. Scheduled increases in the child tax credit, expansion of the 10 percent tax bracket, and marriage penalty relief were also accelerated. Moreover, a “depreciation bonus” that allows businesses a 50 percent deduction for certain short-lived property acquired after May 5, 2003, and before January 1, 2005, and increased expensing for small businesses were also part of the package.

The Growth Act – along with the rest of President Bush’s tax and economic policies – can be expected to be a dominant issue in next year’s Presidential election. Regardless of the outcome of next year’s election, the current federal budget situation (with deficits approaching $400 billion dollars per year and the red ink projected to continue) probably means that the Growth Act might be the last major tax cut for the foreseeable future. Instead, the tax policy battleground may shift to whether to extend those provisions of the Growth Act and the 2001 tax relief act that are scheduled to expire in
coming years (which would themselves be considered “tax cuts” under current budget rules).

MEDICARE REFORM AND PRESCRIPTION DRUG BENEFIT

The other major domestic policy victory for the President this year was the enactment of a Medicare prescription drug benefit. While it often seemed like the negotiations would fall apart as in past years, a compromise was reached just as Congress was set to adjourn for the year. [At the time of this writing, the bill has been sent to President Bush, and he has publicly stated that he is eager to sign it.]

Beginning in 2006, the bill would add a prescription drug component to Medicare. The federal government and Medicare beneficiaries would each be responsible for part of the cost of prescription drugs. In 2004 and 2005, Medicare beneficiaries will receive a prescription drug discount card, and certain lower-income beneficiaries will receive subsidized prescription drug coverage. Employees that provide prescription drug coverage to retirees generally would receive a 28 percent subsidy for the cost of such benefits. The bill also includes various reforms to the Medicare program, and would create Health Savings Accounts (HSAs). HSAs would allow tax-favored savings for medical expenses, including retiree health and long-term care expenses, in connection with a high-deductible insurance policy. During the negotiations on HSAs, ASHA successfully advocated for Congress to allow the accounts to be used to fund assisted living expenses and long-term care insurance premiums.

MEDICAL MALPRACTICE AND LEGAL/TORT REFORM

Medical Malpractice Reform. Earlier this year, some substantial progress was made toward enacting medical malpractice reform legislation. The House passed a bill (H.R. 5) to establish a $250,000 cap on non-economic damages, place a higher burden of proof on punitive damages, limit the number of years a plaintiff can wait before filing a health care liability action, allocate damages in proportion to a party’s degree of fault, and limit lawyers’ contingency fees. Significantly, the House bill is drafted broadly enough that it potentially could apply to certain lawsuits related to assisted living residences. President Bush has also expressed his public support for the bill, and invested some personal political capital in the issue. Chances of enacting medical malpractice reform this year seem to have largely evaporated, however. Senate Democrats have blocked efforts to bring the bill to the floor with limits on debate to avoid a filibuster that would be sure to come from some on their side of the aisle.

Class-Action Litigation Reform. Senate Democrats were similarly successful in their efforts to block class-action litigation reform (S. 1751). S. 1751 would have sought to limit frivolous class-action lawsuits – and the often outrageous and inappropriate damage awards they produce – by moving many such suits from State to Federal court. Efforts to limit debate on the bill and move to a final vote fell one vote short of the 60-vote majority needed to break a filibuster.

In light of these developments, it appears that meaningful legal/tort reform remains a long-term battle that will have to be taken up again next year and beyond. As House Ways and Means Committee Chairman Bill Thomas (R-CA) cogently remarked earlier this year, the Senate may not act to approve any real reforms until a number of new Senators are elected. Progress is being made slowly, however. And next year’s elections will likely play a determinative role in the outlook for reform. Indeed, the key to real progress will likely hinge on the outcome of the Presidential election and the addition of a few more reform-minded Senators.

LONG-TERM CARE LEGISLATION

Enhanced Tax Incentives. Efforts to enact enhanced tax incentives for long-term insurance continue to make steady progress, although those efforts are unlikely to result in the enactment of legislation before Congress adjourns. Companion bills have been introduced in the House and Senate on a bipartisan basis by influential members of the tax-writing committees. In the House, the lead sponsors of H.R. 2096 are Representatives Nancy Johnson (R-CT) and Earl Pomeroy (D-ND). In the Senate, Finance Committee Chairman Charles Grassley (R-IA) and Senator Bob Graham (D-FL) have introduced S. 1335. H.R. 2096 and S. 1335 would provide an above-the-line deduction for long-term care insurance premiums, allow long-term care coverage in connection with a cafeteria plan or flexible spending account, and provide a tax credit to certain caregivers with family members who have long-term care needs. The President’s FY2004 budget,
which was released in February, also included a proposal to provide an above-the-line deduction for long-term care insurance premiums.

The worsening federal budget picture is making enactment of new tax initiatives significantly more difficult, and it is appearing more and more unlikely that legislation involving the revenue-loss estimated for S. 1335 and H.R. 2096 can be enacted in the near future. Nonetheless, the bipartisan introduction of this legislation by leading members of the House and Senate tax-writing committees will help to keep attention focused on the need for better long-term care tax incentives, which have improving prospects as the urgent need to address the costs of an aging population become clearer. The federal budget deficit has caused some to begin considering less ambitious first steps in promoting long-term care insurance coverage, e.g., focusing on allowing LTC insurance as a permitted benefit in employer-provided cafeteria plans.

National Governors Association Initiative. Long-term care awareness got a boost in August, when Idaho Governor Dirk Kempthorne (R), the new chairman of the National Governors Association, announced that the focus of his “Chairman’s Initiative” would be long-term care issues. Governor Kempthorne is a former member of the United States Senate, where he worked closely with his fellow Senator from Idaho, Aging Committee Chairman Larry Craig (R-ID). While these efforts are expected to focus in large part on Medicaid and other State funding issues, we have and will continue to monitor carefully.

State Medicaid Partnerships. ASHA also continues to follow a bill (H.R. 1406) introduced by Representative John Peterson (R-PA) that would allow additional States to enter into long-term care partnerships under Medicaid to promote the use of long-term care insurance. H.R. 1406 has attracted a bipartisan group of 25 co-sponsors. The bill has been referred to Committee, but no action has been taken to date.

ELDERLY HOUSING BOND LEGISLATION
Charitable giving legislation (the “CARE Act”) that has passed both the House and Senate includes a provision that would provide a one-year program for issuing qualified charitable bonds to finance the following facilities primarily for the benefit of the elderly:

1) licensed nursing home facilities,
2) licensed or certified assisted living facilities,
3) licensed personal care facilities, or
4) continuing care retirement communities (CCRCs). The bonds would be limited to $15 million or less of aggregate bond issuance per issuer per year. The legislation does not define assisted living, but does try to define a CCRC.

Charitable giving legislation has strong support from President Bush. In Congress, however, support for the legislation could perhaps best be characterized as “a mile wide and an inch deep.” A key obstacle to enactment is disagreement over whether revenue offsets should be included (enactment of the bill without such offsets would result in the loss of several billion dollars of federal revenue). Without resolution of that issue, the CARE Act is another piece of legislation that may not be finalized until next year, if at all.

OTHER LEGISLATION
As in every Congress, there have been myriad bills introduced affecting health care or seniors issues. There are three such bills that ASHA has been monitoring because of their potential effect on the seniors housing industry.

Medical Errors. On March 12, the House passed legislation (H.R. 663) to encourage voluntary reporting of medical errors by health care providers to certified patient safety organizations (PSOs). Data reported to the new PSO entities would also have limited protections from being available to be used in liability actions against health care providers. H.R. 663 is drafted broadly enough that it could apply to licensed seniors housing communities. Companion legislation (S. 720) has been reported by the Senate Health, Education, Labor, & Pensions (HELP) Committee, but no action has been taken by the full Senate.

Long-Term Care Worker Background Checks. On January 7, Congressmen Mike Thompson (D-CA) and George Radanovich (R-CA) introduced the “Senior Safety Protection Act of 2003” (H.R. 208) that would allow “long-term care providers” (including nursing homes and assisted living residences) to access criminal databases to conduct background checks of prospective employees — at no cost to the provider. H.R. 208 has attracted a bipartisan group of 19 additional co-sponsors, and has been referred to the Energy and Commerce and the Ways and Means Committees.

Elder Justice Legislation. On February 10, Senator John Breaux (D-LA), Ranking Member and former Chairman of the Senate Aging Committee, introduced the Elder Justice Act (S. 333). S. 333 would add
a new “Elder Justice” title to the Social Security Act. The bill includes patient abuse prevention provisions, incentives to increase the number of health care professionals with geriatric training, and provisions involving criminal and civil actions related to elder abuse and neglect. S. 333 also includes a provision that would add certain long-term care facility workers to the list of individuals for whom an employer could claim the work opportunity tax credit (including, it appears, workers at assisted living residences). S. 333 has attracted a bipartisan group of 32 co-sponsors, including nearly half of the Aging Committee membership. 

To date, no action has been taken in the Senate, however. Similarly, there has been no activity on elder justice legislation in the House.

While none of the above bills appear to be on the fast track to enactment this year, ASHA continues to monitor them, and will report on any developments that occur in the next session of Congress.

**FINAL THOUGHTS**

While Congress appears set to adjourn for the year having failed to enact several pieces of major legislation that worked their way far through the legislative process, finding compromises on remaining contentious issues in next year’s election year environment will likely prove even more difficult. President Bush scored major victories this year with the passage of his economic growth tax package and a Medicare prescription drug bill. That type of legislative success may be difficult to replicate in 2004, as both sides settle into partisan, trench warfare until the next election is decided.

**SENIORS HOUSING CHAMPION AWARD**

On December 3, 2003 ASHA presented the first Seniors Housing Champion Award to U.S. Representative Joseph Knollenberg (R-MI) “in appreciation for his tireless commitment to improving the quality of housing for America’s seniors.” As a member of the U.S. House of Representatives Appropriations Committee, Representative Knollenberg has played an instrumental role in the development of a pilot program (the Affordable Assisted Housing Project) in Michigan that allows low-income seniors to reside in residential settings using Medicaid waiver funding and Section 8 vouchers. Representative Knollenberg’s amendment to the HUD Appropriations bill waived restrictions in HUD rules that prohibit linking these two programs for very low-income seniors.

The Seniors Housing Champion Award was presented to Congressman Knollenberg in Michigan by ASHA Advisory Committee member, Robert W. Gillette of American House Senior Living Residences.
Seniors Housing Political Action Committee

The American Seniors Housing Association thanks the following 2003 SH PAC contributors:
ASHA Membership Roster

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Deborah Laycock
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Scott Kavel
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PricewaterhouseCoopers, LLP
Prudential Real Estate Investors
Red Capital Group
Renaissance Premier Senior Living
Salem Equity
Senior Housing Investment Advisors, Inc.
Senior Housing Net / A Homestore.com Company
Senior Housing Properties Trust
Senior Lifestyle Corporation
Senior Resource Group, LLC
Senior Star Living
Shattuck Hammond Partners
Shelter Senior Living
Silverado Senior Living†
Spectrum Retirement Communities, LLC†
Stephen Gordet Associates
Sterling Glen Communities
The Sunhill Group, LLC
Sunrise Senior Living, Inc.
Sunwest Management, Inc.
Trinity Continuing Care Services
URBEK
Ventas Healthcare Properties
The Weitz Company, Inc.

ADVISORY COMMITTEE MEMBERS
ACTS Retirement-Life Communities, Inc.
The Adult Care Group, Inc.
AEW Capital Management L.P.
American House Senior Living Residences
Aon Risk Services
Arbors
Arthur J. Gallagher & Co.
Aureus Group, L.L.C.
Bank of the West†
Barcelon Associates Management Corp.
BelMar International
Bovis Lend Lease, Inc.
CalPERS
CapitalSource Finance†
CB Richard Ellis, Inc.
Commercial Inspectors, LLC
The Covenant Group†
Covenant Retirement Communities
CRSA, Inc.†
Cypress Senior Living, Inc.
Earl Swensson Associates
Eden & Associates, Inc.
Elant, Inc.†
ElderLife Financial
Etness Swenson
Graham Architects, Inc.
Epoch Senior Living, Inc.
ERA Care Communities
First Centrum, LLC
First Realty Management
Freedom Management Company
FreemanWhite, Inc.
Fremont Realty Capital, L.P.
Front Porch
The GMS Group, L.L.C.
Grace Management, Inc.
Greystone Communities, Inc.
Hallmark Senior Housing
Health Care Property Investors, Inc.
Healthcare Realty Trust
Hendricks & Partners†
Hunt Builders†
Immanuel Health Systems†
Integra Realty Resources
International Care Management Services, Ltd.
Irving Levin Associates, Inc.
Irwin Pancake Architects
iStar Financial
JAS Finance, LLC
Key Healthcare Finance
KPMG LLP
Legg Mason Wood Walker, Inc.
Life Care Retirement Communities
LTC Properties, Inc.†
Marcus & Millichap
Marsh, Inc.
Mather LifeWays
McGriff, Seibels & Williams, Inc.
Michael Best & Friedrich LLC†
Moore Diversified Services, Inc.
Moore Stephens Lovelace, P.A.
Morrison Senior Dining
MovingStation†
National Cooperative Bank
Newton Senior Living, LLC
NorthMarq Capital, Inc.
One on One
Opus Medication Systems
Paradigm Senior Living
Perkins & Will Architects
Promatura Group LLC
Province Valuation Group
Recovery Care Management, LLC
REES Associates, Inc.
Retirement Companies of America, LLC
Retirement Housing Foundation
Roskamp/Sun Health Management Services
Royal Senior Care Management, LLC
Saldan McKenzie, Inc.
Senior Living Valuation Services, Inc.
Senior Realty Advisors, Inc.†
Senior Services of America LLC
Senior Technologies
Seniority, Inc.
SilverCrest Properties, LLC
SmithGroup, Inc.
Sodexho Senior Services
Spry Learning Company†
Starwood Capital Group
Summerville Senior Living, Inc.
Thilman & Filippini, LLC
Transamerica Commercial Real Estate Finance, LLC†
Volunteers of America
National Services†
Weis Builders, Inc.
Wellspring Valuation LLP†
Westport Senior Living
Investment Fund, LP
Ziegler Capital Markets Group

ASSOCIATE MEMBERS
12 Oaks Management Services, Inc.
A&E Appraisal, Inc.†
Alert Care Corporation
Ambrose Capital Group, Inc.†
AmeriCor Management Services, LLC
Arbor Commercial Mortgage, LLC†
Balfour Senior Care, LLC
Ballard Spahr Andrews & Ingersoll, LLP
Bank One
Bank One, Arizona
BDO Seidman, LLP†
Best Practices Analytics
Blackwood Development†
Blank Rome†
B’nai B’rith Senior Housing
BNP Paribas
Bratrud Middleton Insurance
Brecht Associates, Inc.
Carriage Court Communities
Catholic Health East†
Centre Solutions
Challenge Marketing
Chancellor Health Partners†
CLW Realty Group, Inc.
Columbia DuBrin Realty Advisors, LLC†
Cushman & Wakefield, Inc.
D.L. Hawkins & Associates, Inc.†
Daniel Senior Living†
Dial Communities, Inc.
Drucker & Falk
Essex Corporation
Ferguson Partners L.P.
†=new member
Fitch, Inc.
Formation Capital, LLC
Gemini Realty Advisors, LLC
Gross & Welch
Hamilton Insurance Agency
Health Care Group
HealthTrust America, LLC
Holladay Corporation
Howard & Associates
The Howard Group†
Inova Health System†
Kingsway Arms Health Care Services, Inc.
Lighthouse Eldercare, A Lighthouse Company
Lockton Companies†
Loeb Architects
M&T Bank
MetroNational Corporation
Metroplex-Active Life Group
MMA Financial, LLC
Moody’s Investors Service
National Church Residences
National Investment Center for the Seniors Housing & Care Industries
NEBF Investments
NewSeasons Assisted Living Communities, Inc.
Northeast Health Systems, Inc.
Otterbein Homes†
Parc Communities
Parker, Smith & Feek†
Pathway Senior Living, LLC
PCS Development, Inc.
The Plaza Companies†
Prudential Securities Incorporated
Quality Life Communities
Reliable Properties†
Retirement Management, Inc.†
Riverwood Retirement Management, Inc.
Rockport Mortgage Corporation
Roskamp Management Co., L.L.C.
Senior Care Development, LLC
Smith/Packett Med-Com, LLC†
Southern Assisted Living, Inc.
Southwest Retirement Corporation
Spectrum Properties, LC
SSM, Inc.†
Summit Builders
THOMCO†
Todd & Associates, Inc.
Towne Realty, Inc.
Trilogy Health Services
USA Properties Fund, Inc.
Van Dyk Senior Living
The Vinca Group L.L.C.†
Wattenbarger Architects†
Western Seniors Housing, Inc.
Westlake Development Company, Inc.
Wood Partners†

†= new member
STATEMENT OF PURPOSE

The American Seniors Housing Association provides leadership for the seniors housing industry on legislative and regulatory matters, advances research, education and the exchange of strategic business information, and promotes the merits of seniors housing.