



## EXECUTIVE REPORT October 2014

Happy New Fiscal Year! On September 30 we reflected as an agency on our accomplishments of the last year, and on October 1 we rang in the New Fiscal Year with cider, donuts, and a renewed spirit and commitment to furthering our mission!

The Executive Committee will be reviewing my performance on October 24 following the Board meeting. The review will cover the enclosed FY 2014 Corporate Goals, as well as several performance areas, including: Board relations, organizational management, communication, and development activities. If you have feedback that you would like considered during the review, please relay it to Executive Committee members Amin Irving, Karen Wintringham, and Andy Hetzel. A report on the outcome of the review will be provided at the November Board meeting.

You've probably noticed that election season is heating up, so we've invited all legislative candidates to meet with AAA 1-B staff to learn firsthand what we do. We plan to highlight programs, such as: Meals on Wheels, Community Living Program, and other home and community based programs that are designed to offer cost-effective alternatives and/or compliment traditional institutional care placement.

***Strategic Priority 1: Program Development which engages older adults, caregivers and adults with disabilities in the most innovative and highest quality programs and services.***

We submitted two Department of Community Health (DCH) Innovations Grants totaling approximately \$50,000 to: 1) assist in development of best practice clinical pathways of care to further streamline our processes; and 2) replicate a successful herb garden at local senior centers that will provide opportunities for socialization, as well as a means to improve the flavor of Meals on Wheels recipes.

***Strategic Objective 2: Program Diversification: In response to changing community needs, establishes diverse programs that result in sustainability and growth.***

We've been hunting for the right individual to lead the SameAddress product line for several months and are pleased to announce that we have made the first official hire dedicated to the SameAddress business line. Tom Lucas joined us as the President, SameAddress on October 13, 2014. Tom comes to us with a wealth of experience in leading successful organizations. During his career he's led organizations with annual revenues of more than \$200 million, focusing on successfully improving profitability and the sales process. He has led campaigns to raise significant capital to launch businesses and served as the Chief Executive Officer or a Board Director for numerous startup successes. Tom successfully took one of his startup companies public on the NASDAQ exchange. Tom relocated from California where he has spent the last nine years. Prior to California, he resided in Minneapolis and the Detroit metro area. His undergraduate education was completed at the University of Notre Dame. Additionally, he also holds a law degree from William Mitchell College of Law in Minneapolis. Please join us in welcoming Tom to the team. We have every confidence that he is the individual who will be able to successfully launch the SameAddress product.

The Huron Valley Program for All-inclusive Care of the Elderly (PACE) partnership held a Board of Directors Strategic Retreat on September 30. During the retreat, the Board and the leadership team reviewed the first seven months of program operations. Building start up costs

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were slightly higher than the pro forma, but marginal gains on the operations side were enough to offset the expenses. As of August, we were about 30% below projected participant service costs; however, two participants became high cost when they had to relocate to nursing home and Adult Foster Care settings, so these savings are expected to decrease in the September financials. The first year pro forma calls for a \$1.5 million loss, and so far we're doing slightly better than that. In fact, our good start has allowed us to pick up ten extra months of reimbursement to date. It will be critical to keep enrollment up so we can stay on track. If things continue to move along well, the program may begin discussions about expansion to a Monroe County site in Spring 2015.

***Strategic Objective 3: Organizational Support: Implements continuous improvement practices that result in accountability, transparency, and maximized operating efficiency and effectiveness within a culture that supports divergent business functions and initiatives.***

On September 19, the FY 2015 Annual Implementation Plan was unanimously approved by the Michigan Commission on Services to the Aging. Please see enclosed notice of approval.

Internal Commission on Accreditation of Rehabilitation Facilities (CARF) "mock" audits are planned for October and November. The standards have changed since we were initially accredited in 2012, and we need to be fully meeting the standards for six months prior to our formal CARF audit, which will occur in March 2015.

A pre-delegation audit for one of our Integrated Care contracts was performed on July 16, 2014. Amanda D'Angelo was notified that we received 100% compliance with the requirements! That's *Highest Quality* and forms a good foundation for our kick off of this new project.

Last week, I sent an email to Kari Sederburg, Director of the Michigan Office of Services to the Aging (OSA) to give her an update on FY 2014, and how OSA funded services have helped the people served in the Prepaid Ambulatory Health Plan (PAHP) through the financial ups and downs of the past year. Here's a summary of what I told her:

- 1) For people on the wait list to get into PAHP, we have the Community Living Program (CLP) to offer. Satisfaction rates with the program are excellent and increased in the last year.
- 2) For people currently in the PAHP, but deemed financially ineligible for multiple reasons, we offer CLP to help fill in the gaps and reduce "bad debt." This is a great relief to caregivers and participants, who are always panicked when they learn they've lost financial eligibility for the program.
- 3) For 11 high cost clients, we dually enrolled them in CLP and PAHP to ensure their needs were met. One of them is 79 year old woman with Cerebral Palsy, with no children or family, who is alone most of the day except for one evening per month when a nephew visits. The personal care CLP offers is not only important physically, but also psychologically and socially.

Kari replied, "Thanks Tina! U and your *team* do amazing work!"

The AAA 1-B's consultant, The Leadership Group, conducted agency-wide focus groups in September 2014 with AAA 1-B staff and management team members. They are conducting an

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organizational assessment to ensure the AAA 1-B is structured to succeed and meet our strategic goals, particularly those that relate to business diversification and growth. The Leadership Group will be providing recommendations, findings, and implementation plans in mid-October.

This year, the Board requested that we conduct Customer Service training to help our staff work together to provide the highest quality of service. As a management team, we are still reviewing the results of this agency-wide training, which was conducted by Walsh College, but we've learned a few things: 1) we need to do a better job of tying our strategic goals to each employee so that everyone knows how they fit; 2) we need to keep clarifying "messages" and Cultural prompts so we're all on the same page; and 3) we need to be sure all staff understand the operational systems in and between our departments. Excellent customer service is critical to achieving our corporate goals to advance our business in managed care, to sell our services to other health professionals, and to compete and win contracts that will allow us to continue to provide life enhancing care.

***Strategic Objective 4: Cultural Alignment: Cultivates a positive environment that actively engages employees and volunteer leadership in strategies designed to achieve priorities and realize the organizations vision.***

Many staff participated in our first employee engagement survey last fall. The results told us that 74% of our employees are engaged; however, we only had a participation rate of 58%. We hope to improve both scores this year. Much work has been done during the past 12 months to engage our employees, improve communications, and support our new culture and our workforce. We focused on three areas: 1) processes and policies are easy to understand; 2) my job does not cause me unreasonable stress; and 3) excellence is recognized. We worked with a lean consultant to help us improve our processes and conducted a contest to solicit innovative ideas to make improvements. We instituted agency-wide "quiet time" between 7 p.m. and 7 am and on weekends to limit emails. We also engaged our Wellness Committee who identified additional ways that staff could use "Wellness Benefit funds" that pay for things like gym memberships, yoga classes, and even therapeutic messages. We've also added opportunities for management and staff to recognize each other through our Monday Morning Memos and at our Annual Community Meeting. We hope this year's survey will reflect these efforts. Finally, to encourage greater participation this year, anyone completing the survey will be entered into a drawing to win one of four \$25 gift certificates.

***Strategic Objective 5: Marketing Communication: Executes a communication strategy designed to inform and activate existing and potential customers, and attract critical partnerships***

We did co-branding with the AAA 1-C in Wayne County to sponsor a program on PBS starting Sunday, October 12 at 2:30pm. It is a thirteen part series called Embrace of Aging: The Female Perspective of Growing Old. It's the latest work of Detroit filmmaker Keith Famie and producer Tom Rao (from our Advisory Council). Here's a bit about the movie: Everyone grows old, but for women, that journey can carry unique biological and mental baggage. In this new 13-part series, Detroit journalist Desiree Cooper takes viewers around the world to hear the wisdom of 100-year old centenarians and medical experts to understand heart disease, cancer and other ailments. We'll also discover the power of a nurturing mother and the value of lifelong

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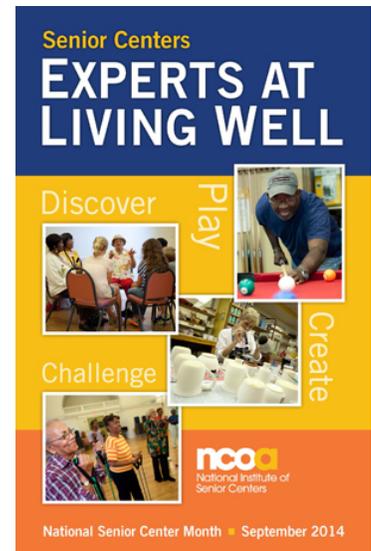
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relationships between women. For men, this series will help them help their loved ones. Check it out!

### **Teamwork**

Sandy Markwood, President of National Association of Area Agencies on Aging (n4a), responded to our advocacy work by sharing with Jim McGuire and Ryan Cowmeadow, "Great and important advocacy! I wish we could make every state a "no wait list" state." We call that *Highest Quality* advocacy!

Senior centers are community partners and focal points for the AAA 1-B and those we serve. September was Senior Center month, so Kristin Wilson sent all the senior centers in Region 1-B a letter of appreciation and a small token of appreciation (an exercise band), to encourage them to continue to support programming of evidence based programs. The 2014 theme is: **Senior Centers: Experts at Living Well**



We have three new AAA 1-B employees:

- Chelsea DeNio is a new Social Work Supports Coordinator, in PAHP A, reporting to Annette Brunetti. Chelsea has her MSW from Michigan State University. She comes to us with valuable experience she gained while working at Oakland Family Services.
- Cassandra Bowman is a new Social Work Supports Coordinator, in PAHP B, reporting to Sandra Ross. Cassandra has her MSW from University of Michigan. She gained valuable experience while working at The Senior Alliance and most recently, as a Behavioral Health Clinician with Easter Seals of Michigan.
- Vicki Sorrentino is a new RN Supports Coordinator, in PAHP B, reporting to Sandra Ross. Vicki is a licensed Registered Nurse and comes to us with valuable experience she gained while working as an RN with Serenity Private Care and most recently, Friends Who Care.



Please welcome these three new members of the AAA 1-B team!

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## Corporate Goals FY 2014

Goal	Success Indicator	Outcome
<p>Advance business diversification activities that are in line with the Strategic Plan.</p>	<ol style="list-style-type: none"> <li>1) EDSI One Solution project is approved by the Board for implementation; first year business development activities align with the pro forma.</li> <li>2) At least one, and perhaps up to three, Integrated Care Contract(s) are secured for the Macomb County pilot (to begin in FY 2015)</li> <li>3) Care Transitions Project is extended for up to 3 years by CMS and is operational at a profitable level for at least 3/4 of the year; Or Care Transitions team is able to secure a private pay contract from local hospital system(s) to keep the project operational and profitable.</li> <li>4) A business model for securing and operating third party health care contracts in accordance with the Clearstone Solutions recommendations is developed.</li> <li>5) The Family Care Coordination (FCC) pilot program expands to at least one additional housing site/building.</li> </ol>	<ol style="list-style-type: none"> <li>1) EDSI One Solution approved by Board in November 2013. Pro forma revised for June 2015 launch.</li> <li>2) Six contracts signed. Pricing and product negotiation is underway. P/L pro forma is in development.</li> <li>3) CMS contract not extended in Region 1-B. Two private pay contracts secured: A) DMC Huron Valley; and B) Oakland Physician Network Service. Both projects in start up phase. DMC pro forma projects 12% ROI after 12 months; After 2 months we are slightly behind pro forma. OPNS first referral received 9/30/14.</li> <li>4) DMC project (which started in July) is being incubated with a cross functional team that is responsible for all deliverables. Team working on process to integrate functions effectively across the agency.  The Leadership Group hired to review corporate structure in light of new business development, and recommend structure improvements.</li> <li>5) FCC expands to second site (Southfield) in September 2014 Contract value: \$43,000.  Project initiated in FY 2011 comes to fruition as CSI project launches on 10/14 with a \$35,000 contract funded by Federal Department of Housing and Urban Development.</li> </ol>

Goal	Success Indicator	Outcome
Ensure Prepaid Ambulatory Health Plan is break even and/or earns a small profit in FY 2014.	\$1 million budget deficit is eliminated in the subsidiary organization through renegotiation of rates, and/or creating additional efficiencies in administration or contract delivery.	Advocacy resulted in two funding adjustments: one in December 2013 increasing rate bands 2%, and another in April 2014, which added an acuity factor and should generate more than \$.6 million in new revenue. Lean process improvements implemented. New care model developed with key elements, including creation of team pods and centralization of administrative services. Program financials continue to improve and projection for break-even looks good at this time.
Enhance program development efforts to expand services to adults with disabilities and/or expand the Myride2 program.	A minimum of \$50,000 of operating resources is secured and/or public policy changes are made to serve a greater number of adults with disabilities and individuals in need of mobility assistance.	<p>myride2 received more than \$68,000 in Federal Administration on Community Living funds to grow interest in Regional Transit Authority (RTA) activities. Service utilization is increasing (1400 used the service in FY 2014) and baseline customer service results show 94% overall satisfied, 82% satisfied with transportation options, and 80% would recommend to others.</p> <p>Securing nearly \$1 million in Silver Key funding for FY 2015 allows us to allocate \$50,000 to provider respite services to older adults providing care to their adult disabled children. This is a 100% increase.</p>
Benchmark and monitor staff engagement as a measure of corporate culture change.	Overall, staff engagement metrics increase between October 2013 and October 2014.	<p>Overall employee engagement for all domains is 74%. Greatest opportunities for improvement: 1) processes are efficient; 2) my job does not cause me unreasonable stress; and 3) excellence is recognized.</p> <p>Activities undertaken this year to improve engagement:</p> <ol style="list-style-type: none"> <li>1) Lean consultant helped the team move to new care service delivery model. Data Driven Decision Making workshop for all staff highlighted techniques to establish metrics, measure quality and improve data integrity. Process improvement contest recognized grand winner and several other participants.</li> <li>2) Institute email "quiet time" from 7pm to 7am and on weekends. Support culture prompt to "unplug." Wellness Committee revised program to provide more opportunities to earn dollars for wellness programs</li> <li>3) Monday Morning Memo provides vehicle to share stories of team work. Next Annual Community meeting will recognize 212° employees.</li> </ol> <p>58% of staff participated in the benchmark survey. This year's survey included staff incentive (gift card opportunity) for participating.</p>

<b>Goal</b>	<b>Success Indicator</b>	<b>Outcome</b>
Benchmark and monitor staff engagement as a measure of corporate culture change. <i>(continued)</i>	Overall, staff engagement metrics increase between October 2013 and October 2014. <i>(continued)</i>	Half of the Corporate Culture prompts were rolled out in FY 2014. Customer Service training feedback indicated staff is confused about prompts. Re-evaluate prompts and correlate to strategic values and goals. Engage in exercises that make people understand how cultural prompts apply to their specific job.  Added a "value statement" that all staff sign annually to remind them of our corporate values and what we stand for.
To review the market research and make a recommendation on a branding strategy for the organization, and begin implementation of the branding strategy.	A branding strategy is approved by Board of Directors; and measurable outcomes are developed.	Current brand (name) awareness/perception was measured in fall 2013. Surveys of internal/external stakeholders regarding the primary target market of the agency in 5 to 10 years and the services most beneficial to this audience. Senior management made a determination on the primary audience, key products/services and the desired brand perception of the agency.  The current brand perception is very positive. Brand name saturation is approximately 23%. This can be increased.  Budget challenges and the launch of our new product in the market under the name "SameAddress," makes us hesitant to undertake a name change at this time.  Moving forward, the strategy for branding in 2015 will focus on increasing the awareness of the agency name through: 1) collaborative opportunities with other organizations, including Area Agencies on Aging serving Wayne County; 2) identifying opportunities with local media to obtain earned media coverage; and 3) developing key stories and reviewing and updating current brand statements to more strongly convey the brand message to the primary and secondary audiences.
Develop metrics to measure organizational performance per the strategic plan.	Deliver metrics and performance update to the Board.	This was done and presented to the Board for second and third quarters by pulling metrics from each of the five domains in the Strategic Plan. The current dashboard reflects many of the goals reflected in this document. Next year the Board dashboard will be updated to include all the corporate goals.



STATE OF MICHIGAN  
OFFICE OF SERVICES TO THE AGING  
LANSING

RICK SNYDER  
GOVERNOR

KARI SEDERBURG  
DIRECTOR

September 23, 2014

Tina Abbate-Marzolf, Executive Director  
Area Agency on Aging 1-B  
29100 Northwestern Hwy., Suite 400  
Southfield, MI 48034

Dear Ms. Abbate-Marzolf:

On September 19, 2014, the Commission on Services to the Aging approved the Annual Implementation Plan (AIP) for fiscal year (FY) 2015 for the Area Agency on Aging (AAA)1-B.

The following general conditions were placed on each FY 2015 AIP. They are not considered time-specific until further instructions are issued.

General Conditions

1. The FY 2015 budget and planned services summary form will be revised as necessary to reflect the final federal and state allotments, and to reflect carry-over amounts and transfers. Budget revisions will be accepted up to August 1, 2015.
2. The AAA grant budget must reflect amounts in the FY 2015 Cost Allocation Plan established by the Michigan Office of Services to the Aging (OSA).
3. The AAA will cooperate with OSA to implement recommendations and resolve compliance issues identified through program and fiscal monitoring and assessment efforts and audit findings.
4. The AAA will cooperate in efforts to maintain and update a plan that adequately addresses the needs of older adults in the event of disaster.
5. The AAA will provide accurate information and referral from agency to agency to assure that information or assistance received is consistent with the mission of the AAA and as specified by OSA Operating Standards for AAAs.
6. The AAA will comply with all indicators of compliance as identified in the Operating Standards for AAAs.

Tina Abbate-Marzolf, Executive Director  
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7. The AAA will provide to OSA, within specified time frames and format, all records, reports, documents, and other information as may be requested, pertinent to AAA operations and implementation of the AIP. Exceptions to specified time frames may be requested when circumstances warrant.

Special Conditions

None

Appendices Approved for FY2015

None

Regional Service Definitions Approved

Community Living Programs

Service Provision Approved

Disease Prevention/Health Promotion

If you have any questions regarding the implementation of the FY 2015 AIP, please contact your OSA field representative, Steve Betterly, at (517) 373-4089, or [Betterlys@michigan.gov](mailto:Betterlys@michigan.gov).

Sincerely,



Kari Sederburg  
Director

KS/sb

cc: Amin Irving, AAA 1-B Policy Board Chair  
Steve Betterly, OSA Field Representative  
Scott Wamsley, OSA TASC Division Director