

Finance Committee Minutes

April 10, 2024

Chair Norman Hicks called the meeting to order at 3:05, in the Formal Parlor. About 18 members attended (see list at end of minutes).

The chair made two announcements at the start of the meeting:

1. The next meeting of the Committee will be May 29, with guest speaker Xan Smith, CFO of Goodwin Living. In addition to addressing financial results of FY24 first half, Mr. Smith will also provide an update on the implementation of the capital expenditure program.
2. A small subcommittee has met with Justin to discuss the capital expenditure program, focusing on reasons for its delayed implementation. The subcommittee will draft a memo to management on its thoughts on the subject. The draft will be sent to the committee before being finalized. The subcommittee includes Florence Crisp, Martha Truck, Jeff Robbins, and Everett Wilcox, in addition to the chair.

The chair then introduced the guest speaker, Jenny Elrod, Executive Director, Goodwin Living at Home (GLAH) and Goodwin House Home Care (GHHC). Ms. Elrod introduced herself to the group, outlining her background, education and experience.

Her presentation (attached) outlined key performance outcomes for FY23 and goals for FY24. These goals include increasing new applications and new members, reducing the cost of sales events, and reducing application processing time. Most goals are being met (7 of 8 goals are either on target or near target as of March 2024). GLAH still faces significant challenges retaining staff, and overall continues to show a deficit. However, this deficit is half of what had been projected in the budget, mostly due to a significant reduction in marketing costs.

On other side, Ms. Elrod has taken a similar approach with GHHC, introducing monitorable targets and objectives. This is still, in her words, “a work in progress”. Steps have been taken to reduce the number of residents that cancel services, reduce staff overtime hours, and increase billable hours, but progress here has been slow.

Several members raised questions about GLAH and its relationship to GL resident programs (GHBC, GHA). In response to a question (Warner), Ms. Elrod agreed that the withdrawal of several companies from the long term care insurance sector had made GLAH more attractive. The care provided by GLAH has primarily been from outside agencies that are vetted by GLAH, and are not employees. However, in January 2024, GHHC started seeing GLAH residents living in Arlington, Alexandria and Falls Church that required 6 or more hours of care. In response to a question (Harrick) , Ms. Elrod

noted that Neurodegenerative diseases, including Alzheimer's, ALS, and MS are, disqualifying for entry into GLAH.

There was substantial discussion over the role GHHC in providing a substitute for long-term care insurance. Ms. Elrod noted that on the Home Care side, the care provided was strictly a personal choice, not prescribed by a doctor nor paid by insurance. A member commented (Kaufmann) that GLAH provides demand for GL services and therefore its positive impact may be understated. For instance, if a GLAH person moves into one of the residential communities or HCC, GLAH loses income but GL as a whole, gains.

The chair recognized that Ms. Elrod was still new to the job but congratulated her on her approach, which has focused on cost reduction, clear goals, and results. He invited her to return next year for an update.

The meeting was adjourned at 4:21.

Attendees:

J. Elrod (guest), D. Gurney, B.J. Harrick, N. Hicks, F. Hohlweg, S. Horn, J. Kaufmann, J. Lewis, J. Miller, B. Molino, M. Molino, J. Reed, B. Simpson, S. Staub, C. Thompson, M. Warner, B. Weber, R. Wilcox, E. Wilcox.

NLH / 4-18-24

Attachment:

JEIrod Presentation.