

## **INTERNAL TRANSFERS: OPPORTUNITY FOR COOPERATION**

*A letter from your resident members of the Board of Directors*

**December 2023**

Frustration and confusion seem to be mounting among some residents regarding the implementation of the internal transfer policy. The policy in the Independent Living Resident Handbook indicates that request for a transfer must be made in writing, including the reason for the request, to the CEO. The CEO makes the decision based on compassionate and financial priorities within the constraints of available IL units. This letter is intended to help clarify the current process and to suggest some strategies that may help reduce the concerns and rumors that persist among us.

As your resident representatives serving as members of the Board of Directors, we look at this issue from two perspectives. First, as residents, each of us may at some time seek to make a transfer to another IL unit. So, individually we are fully vested in the process that this implies. Second, as Board members, we are committed to understanding the impact of internal transfers on both the short and long term financial stability of Oak Hammock.

As we continue to have remarkable success in maintaining full occupancy of our Independent Living units, the ability to make internal transfers has been constrained by lack of availability, thus making the process more contentious. When many of us first moved to Oak Hammock, units were readily available and making a move did not affect Oak Hammock operations dramatically. Now, as units have become scarce, management is faced with the dilemma of selling an available unit to a prospective member, who may have been waiting for a particular floor plan for some time, or allowing a current resident to move into the vacated unit. While an internal move makes available the unit that the current resident is vacating, this unit may not meet the needs of the prospective resident.

To further complicate the issue, our units are now twenty years old and, unless the current resident has undertaken substantial renovations on their own, most units need significant work before being offered to a prospective resident. This requires not only time but also a considerable financial investment on the part of Oak Hammock. The financial investment can be recovered by higher entrance fees, but any time lost during the transfer process results in a loss of monthly service fees for the unit.

Thus, in trying to understand the complexity and history of this problem and in working with management, we have looked at two particular areas of interest. First, we wondered how marketing might help mitigate the current misunderstandings. And second, we thought about how management can make decisions that are in the best interest of the requesting resident while working within the constraints of the limited availability of apartments.

## Marketing

The first area of interest has to do with Marketing. A major source of dissatisfaction among residents relates to the history of Marketing giving assurances to potential residents that if they need to move for almost any reason, but specifically finances or loss of a spouse, once they become a resident, they can do so by simply requesting same. There is anecdotal evidence this message is still being conveyed to new residents, whether directly or indirectly. Many residents feel there is an implied moral contract that they can move (and downsize) whenever they wish.

Therefore, we have clarified with Marketing the need to inform prospective residents that, when conditions are met, the needs of our current residents will take priority over the opportunity for an individual wanting to move in when an apartment becomes available. We were assured that the Marketing staff delivers this message clearly and consistently to prospects in pre-contract conversation.

We were further provided with a copy of the "Wait List Agreement" that all prospects must sign when making a deposit on a unit. This document has been in place and on file with the Office of Insurance Regulations since 2019. The first statement of the Agreement reads: *"I acknowledge that current residents of Oak Hammock have priority on the waiting list."* A similar statement is also included in agreements before 2019.

Thus, it appears that, even though verbal commitments to prospective residents may have been made in the past, such assurances are no longer being made. Expectations of new residents that they can transfer within IL upon request may, indeed, come from word of mouth of longer-term residents who continue to hold that expectation.

## Decision-making

The second area of interest has to do with how a request for an internal move is decided. While the final decision rests with the CEO, we recommend that the CEO request an assessment of the individual situation by a person knowledgeable in the area designated as the priority reason. Each type of priority would require a somewhat different type of assessment and may involve consultation with medical personnel or family members. This process would help ensure that the CEO can make a fully-informed decision of what may truly be in the best interest of the resident.

### Priority Moves

1. Health reasons. If a resident wishes to move because of health challenges, an appropriate health professional should evaluate the resident and advise whether a move to a different IL unit is indeed the best response to the health concern. In some cases, the assessment may find that an individual would be better served by a move to AL or Skilled Nursing if the condition is such that this appears inevitable in the foreseeable future. Or indeed, other supportive interventions might be most appropriate. If the resident declines to be evaluated, then the resident will not qualify to move for a health reason.

2. Compassionate reasons: The most common reason cited for moving based on compassionate need is associated with losing a spouse/partner. However, loss of a spouse/partner often does not require a move, which itself is an additional stressor. A professional knowledgeable of the grieving process and/or other significant life events should assess what might be the most appropriate intervention for the individual and the anticipated timing for same. If the resident declines to be evaluated, the resident will not qualify to move for a compassionate reason.

3. Financial reasons: Concerns about finances often arise upon the death of a spouse/partner with related loss of an income source, or may be precipitated by other outside events. In either case, an appropriate staff person (either the CFO or designee) should perform a full financial assessment which may relieve the individual's anxiety, suggest strategies within the individual's financial resources to mitigate the problem, or work toward a better understanding of the possible future need for assistance from the Benevolent Fund. Each resident is obligated to fulfill the financial commitment to Oak Hammock before any priorities outside Oak Hammock, such as family, estates, and charitable organizations. If the resident has sufficient funds to cover the obligation to Oak Hammock and a reasonable amount for enjoying life, s/he may not qualify under this priority. If the resident declines to reveal all his/her financial records, then the resident will not qualify for financial reasons.

If an individual does not willingly participate fully in the appropriate assessment process, the request for a transfer within IL will not be considered further. Assessment results should contribute significantly to any decision to allow a priority transfer. The assessment should consider the overall wellbeing of the individual by providing recommendations to the CEO. The process also protects Oak Hammock from requests that are not well-justified and that may cost Oak Hammock money while ensuring fair treatment of the resident.

### Choice of New Unit

Normally, a resident who has been approved to move for a priority reason will follow the guidelines as provided. S/he will specify up to two floor plans and be considered for moving into a unit when one of these two floor plans becomes available. The resident will not have the option to designate a specific building or floor. In urgent cases, the CEO may approve that the resident be given first refusal for up to two units when available. If the requesting resident does not accept either of the two units offered, s/he will no longer be considered a priority. In all cases, units that are under contract, even if not yet occupied, will not be available for an internal move.

Residents need to understand that a unit that has not been recently refreshed or renovated may be offered to the resident requesting a transfer at no additional cost and will be painted and cleaned as needed. If the unit has been recently refreshed or renovated, it may or may not be offered and/or some additional charges may apply.

## Communication and Rumor Control

The guidelines and criteria for internal transfers must be communicated clearly to both current residents and prospective residents. During the current tight market with limited inventory available, the suggested process would replace the concept of a long-standing list of individuals who might want to move at some time in the future and would instead address each request based on the verified need and relative urgency for a resident to move. We recommend management hold a special meeting with current residents to answer remaining questions if such remain.

All of us as residents can help control the rumors that often take on a life of their own at Oak Hammock. What each of us hears is only the piece of the situation that the requesting resident chooses to disseminate. And what the individual shares may not accurately describe the entire situation. While providing emotional support for the individual may be helpful, intervening or agitating the situation may indeed aggravate the distress of the resident as they seek solutions.

Understand that all decisions related to an internal transfer request are confidential transactions between the individual and management. We should all respect their privacy as they work through what is likely a difficult situation for the individual, regardless of the reason for the request.

In summary, we have requested that management use a more assessment-based approach to reviewing requests for internal transfers; that Marketing strengthen the messaging to prospective residents that focuses on Oak Hammock's commitment to meet the legitimate needs of its current residents; and that each of us understands that private matters need to remain private and should not form the basis for personal judgements made without full information. We are One Oak Hammock!

Resident members of the Board of Directors

Doug Merrey  
Martha Rader  
Nancy Wood