



Dear Team:

It was great to see so many of you at the Cedar Haven Cares barbeque in June. This barbeque raised \$2,702 for various charities selected by the Cedar Haven Cares committee. Through your voting and additional donations, we collectively contributed:

\$967 to Relay for Life

\$662 to the Huntington's Disease Society of America

\$542 to the Multiple Sclerosis Society

\$531 to the Cystic Fibrosis Foundation

Thank you for your contributions to these worthy charities.

We also want to provide some relevant information to you. This is a time of potential change in health care in our country.

We were notified by the State of Pennsylvania that, as of July 1, 2017, our reimbursement rate for Medicaid has decreased by \$3.89 per resident, per day. This will decrease our revenue by approximately \$370,000 per year.

Further, as you have likely seen in the news, there is ongoing debate over, and attempts to repeal and/or replace, the federal Affordable Care Act. There is a great deal of uncertainty as to what lies ahead in the future, including will happen to the costs of health care to employers, individuals and insurance companies.

It is common for insurance carriers to provide preliminary advance notice to policy holders of possible increases for the next renewal period. We recently received notice from Capital Blue, our health care insurance provider, suggesting that premiums may increase between 17 and 26%. This is a result of several factors, including Cedar Haven's usage history, external health care issues, and uncertainty relating to how potential changes in the law will affect insurance costs and coverage.

Please know that this is not the first time we have seen suggested increases of this magnitude, and it will undoubtedly not be the last. Despite the challenges we face, as before, we will work with our broker, Willis, Towers, Watson, and aggressively negotiate with health care insurance carriers, in an attempt to maximize benefit offerings for the Cedar Haven team.

Sincerely,

Chas B. Blalack