

<b>Project #</b>	<b>54-14-02</b>	<b>Project Title</b>	New Portage County Health Care Center (PCHCC)
<b>Department</b>	<b>HCC</b>	<b>Manager</b>	County Executive Dreier
<b>Phase</b>	<b>Concept</b>		
<b>Budget Action</b>	Delete	<b>Date</b>	June 2, 2014

CAPITAL BUDGET SUMMARY						
Year	2014	2014	2015	2016	2017	Total
Project Phase	Feasibility	Concept	Design			Project
Expenditure Budget	36,000	36,000	28,000			100,000
Revenue Budget						0
Net County Cost	36,000	36,000	28,000	0	0	100,000
<b>COST DOCUMENTATION</b>				<b>REVENUE</b>		
Architect/Engineering		100,000				-
Land		-				-
Land Improvements		-				-
Building		-				-
Building Improvements		-				-
Plans		-				-
Project Manager/Contractor		-				-
Site Preparation		-				-
Equipment		-				-
Furniture		-				-
Fixtures		-				-
Advertising/Legal Notices		-				-
Total Project Cost		100,000				-
Expenditure Budget		100,000				-
				Total Revenue		-
				Revenue Budget		-

**Project Scope & Description:**

This capital project creates an opportunity for Portage County to capitalize on synergies in our local and regional communities to continue to be a leader in meeting the needs of our aging population.

Pending a promising marketing study to be completed in Summer 2014, this project would design and construct a new, modern, 100-bed health care center facility on county owned property or donated property into which the current Portage County Health Care Center (PCHCC) operation would move. Portage County would borrow funding for this project and then loan it to the Health Care Center enterprise which would pay it back over time with interest.

Portage County has been a leader in health and human services for aging and disabled populations. This is evidenced by its model Aging and Disability Resource Center, by the way in which it works in partnership with government, community, educational, medical and research partners on various initiatives such as falls prevention, memory care, Med-wise program for seniors, and more. Also evidence of Portage County's leadership in serving elderly/disabled populations is the fact that it was a pilot county in Wisconsin for managed care which now reaches out to serve 16 counties. Capitalizing on these existing capacities and partnerships, Portage County would create a research hub at the new PCHCC that would partner with other organizations (e.g., UW-Medical School, Medical College of Wisconsin, Wisconsin Institute for Healthy Aging, Greater Wisconsin Agency on Aging Resources, Inc., etc.) to put research into practice in the state-of-the-art practical setting while it creates sponsorship opportunities (operational subsidies) to support the financial sustainability of the new PCHCC.

**Location:**

To be determined on property owned by Portage County or on land donated to Portage County (there may be interest).

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Analysis of Need:

The current PCHCC facility is a one-story building located on a 7.5 acre lot with construction done in 1932, 1966, 1985, and 1994. A strategic plan and physical facility analysis prepared by E J J Olson & Associates with Flad & Associates, and WIPFLI (April 2002) as well as an operational study in 2013 by Schenck with Community Living Solutions have both documented the aged facility and the importance of creating a series of “households” using the concept of neighborhoods within a larger community to improve resident outcomes and to address today’s challenges and opportunities in long term care. The Schenck study lays out the fact that “status quo is not an option.” It also outlines opportunities for 1) remodeling the current facility (which will yield about 80 beds since some beds will be “lost” in the retrofits necessary); 2) building a new 80-bed facility; or 3) building a new 100-bed facility (the same number of beds for which the PCHCC is currently licensed).

It is understood that we must operate in better alignment with field benchmarks as articulated in the Schenck study and we are working in that direction. However, if Portage County is going to continue providing long term care as has been its tradition based on community values for over 80 years, it makes no sense to remodel the aged facility which will result in a still old, institutional facility after that investment of an estimated \$13.8 million (Schenck estimates). Furthermore, the construction process in the existing facility would create serious issues of safety/comfort and compromise our financial model by taking beds out of commission during construction and afterward when we lose about 20 licensed beds in the retrofit to create private bathrooms.

Our population is aging. More people will need nursing/hospice/dementia and rehabilitative care in our future. By 2035, 3.8% of our county population will be age 85+ which is double that of 2010. Over 24% will be over age 65. Our 2012 daily resident census was 81.4 and in 2013 it was 81.0. In 2014, we have seen a recent record high census of 95 and we are averaging about 83 residents/day. Therefore, it doesn’t make sense to reduce our licensed bed capacity to 80. Once the beds are gone, we cannot get them back.

*The vast majority of PCHCC residents are Portage County residents.* Even with 2013 census levels of 81/day, we served 29,565 resident days/year (daily census of 81 x 365 days/year). Over the 40-year lifetime (industry standard) of a new facility at current census levels, we will provide an estimated 1,182,600 resident days of long term and rehabilitative care. If every PCHCC resident has at least one loved one also served by having him/her live at the PCHCC locally, over 2.2 million people will be served through this \$20 million investment over 40 years. This does not account for the benefits to over 100 staff and hundreds of volunteers including Mid-State Technical College nursing students who also benefit through this organization each year.

In other words, the \$20 million loan is an investment of \$8.45 in having this skilled nursing home capacity available for each “family” served by the PCHCC each day for the next 40 years. Considering that in their lifetime, a Portage County resident residing in a home of median value pays over \$23,000 in County taxes and has contributed in immeasurable ways toward improving our community, this is a very small way to give back to them. These rough calculations exclude accounting for the fact that \$20 million is a LOAN from Portage County to be paid back with interest by the PCHCC enterprise over time. It also excludes revenues generated by resident stays (payor mix) and the economic benefits of over \$11 million (\$3.8 million for 2014 staff wages compounded by a factor of three for economic benefit to our local economy).

When elders need quality, local skilled nursing care including memory and end of life care, Portage County’s tradition of having accessible nursing home care is available for them making it easy for their family (including their grandchildren) to visit them and “keep them home” in Portage County.

Alternatives:

Status quo is not an option. To delay in making a decision is not responsible and will continue to cost us more. Replacement of 65-year-old boilers, installation of air conditioning and windows, etc. will cost millions and will be very difficult in a facility that is currently in operation serving an average daily census of 81 people. Remodeling will cost nearly \$14 million and will essentially leave us with what is still an old building that limits flexibilities as we

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seek to remain competitive and change appropriately with the dynamic field of long term care. The health outcomes are proven to be better in facilities that have “neighborhood concept” design—not the long, split hallway “wing” design that currently exists.

Privatizing the PCHCC is an alternative, but as private organizations must be profit motivated, people seeking long term care may be turned away if they cannot pay (or pay enough). We would have less control over the economic impacts of this operation (over \$11 million annually). The creation of a research-to-practice hub to serve the greater public good (falls prevention and other research areas) at the facility will not likely be undertaken by a private or corporate organization.

Ongoing Operation Costs:

In accordance with the Operational Review conducted by Schenck Health Service Solutions, October 2013, we are working to bring operational costs of the PCHCC into better alignment with field benchmarks. It is imperative that we continue to make progress on this matter.

The disposition of the current PCHCC on Whiting Avenue is yet to be determined. It could be repurposed. It could be sold. Maintenance will continue to grow as the existing facility ages. It would likely be easier to replace the HVAC infrastructure of this building if it was not occupied at the same time.

Previous Action:

2014-2019 Capital Plan: Approved as new project.

2015-2020 Capital Plan: Updated project scope and funding estimates.

2016-2021 Capital Plan: On Hold.

2017-2022 Capital Plan: Delete, replacing with Health Care Center Economic Development Project #54-17-01.



<b>Project #</b>	<b>54-17-01</b>	<b>Project Title</b>	Portage County Health Care Center Economic Development Project
<b>Department</b>	<b>HCC</b>	<b>Manager</b>	County Executive Dreier
<b>Phase</b>	<b>Construction</b>		
<b>Budget Action</b>	<b>New</b>	<b>Date</b>	June 9, 2016

This project will create a new rural model for health care, senior, and community well-being. We anticipate that medical and other professionals will be trained on site in partnership with various local and regional educational institutions. In addition, there will be extensive opportunities created for intergenerational and community-based activity at the Maria Drive location in partnership with local school districts and other organizations.

Location:

1300 Maria Drive, Stevens Point

Analysis of Need:

The Portage County Health Care Center has been studied from both physical facility and operational standpoints. It is not financially sustainable though its services are of high quality. Average daily census figures are in the low to mid 60's. The facility was originally built in 1932 with expansions and updates in the 1966, 1985, and 1994.

Alternatives:

- Sell the beds. Portage County has explored local and regional business interest in nursing home bed purchases. Of concern is that the beds may not remain in Portage County providing local jobs and ensuring local, quality services.
- Remodel the current center. Costs estimated by Schenck in October 2013, are about \$14 million with inclusion of depreciation over forty years and 100% financing interest at 2%.
- Build a new health care center—\$13.8 million cost projected by Schenck in October 2013, for a new 80 bed facility with a depreciation life of forty years and 100% financed at 2% annual interest rate. Research shows that being part of a continuum of services such as that proposed on Maria Drive (CCRC) provides a stronger, more sustainable funding design and pipeline for users of a health care center.

Ongoing Operation Costs:

It has been projected by a Schenck operational study in 2013 that operational costs will continue to increase annually which will require additional operating levy from the County to supplement enterprise funds generated by the “business” of the health care center itself. With rising costs, levy limits, and more unfunded mandates, Portage County will need its full operating levy to fund other aspects of its County operations.

The nearly \$800,000 in County funds (including operating levy) to be spent on the Portage County Health Care Center in 2016 will be freed up as soon as we can transfer the operation to the new provider at the Maria Drive location.

Previous Action:

Project replaces New Portage County Health Care Center (PCHCC) #54-14-02 submitted in 2014. It had been placed on hold in 2016-2021 Capital Plan.



<b>Project #</b>	<b>54-17-02</b>	<b>Project Title</b>	Health Care Center Lighting Project
<b>Department</b>	<b>Health Care Center</b>	<b>Manager</b>	Marcia K. McDonald/NHA
<b>Phase</b>	<b>Construction</b>		
<b>Budget Action</b>	New	<b>Date</b>	March 15, 2016

Quality Assurance project we are also involving Risk Management to utilize information gathered in an existing claim on “accident/event” allegation related to ‘poor night time lighting.’

Alternatives:

- Replacement of light bulbs is being considered. Estimate for replacement will be secured. Other electrical costs vary with monthly usage.
- Additional lighting fixtures (ex: lamps) could be placed in resident rooms, however, potential for infection control issues may occur. An example would be taking a lamp into a residents’ room to assistance with dressing or treatment and spreading germs.

Ongoing Operation Costs:

Minimal increase in electric cost. Actually, more efficiency due to update of electrical and improved resident care.

Previous Action:

None