



<b>Project #</b>	<b>54-17-01</b>	<b>Project Title</b>	Portage County Health Care Center Project
<b>Department</b>	<b>HCC</b>	<b>Manager</b>	County Executive Dreier
<b>Phase</b>	<b>Construction</b>		
<b>Budget Action</b>	Delete	<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.

2017-2022 Capital Plan: New.

Delete due to project being replaced with Project #54-18-01.



<b>Project #</b>	<b>54-18-01</b>	<b>Project Title</b>	Portage County Health Care Center Project
<b>Department</b>	<b>HCC</b>	<b>Manager</b>	County Executive Dreier
<b>Phase</b>	<b>Concept</b>		
<b>Budget Action</b>	New	<b>Date</b>	April 25, 2017

There is more pressure from government and commercial payers for health care (insurances) to pay for health care services in the lowest cost setting possible which leaves skilled nursing care as often an option of last resort since it is expensive in comparison to home health or assisted living. Per Brian Zaletel of Schenck at a February 22, 2017 Health Care Center meeting, “with continued pressure of lower reimbursement, increased regulations, workforce shortages, higher costs, and home/community based services, there is a trend of declining numbers of skilled nursing providers and beds, especially government and not-for-profit organizations.” He also reported that home health care industry trends have seen a 72% increase from 2001-2014.

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. Portage County has 100 nursing home bed licenses and the average daily population for the facility in 2016 was 66.5. It is impossible to fit 100 beds in the facility due to previous renovations, yet Portage County continues to receive a monthly \$17,000 bed tax expense.
- 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%. These numbers would need to be updated, but are very likely much higher as are most construction costs which have risen over the past few years. Remodeling would disrupt current operations. Some beds may not be available during remodeling, further compounding the fiscal challenges.
- Build a new health care center and keep the same County-owned paradigm—\$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. These numbers also need to be updated, but are likely higher now than forecast in 2013. Continuing to operate the same paradigm will require additional operating funding per year (\$500,000 - \$1 million if health care systems/insurance systems continue same). Under current state-mandated levy cap, savings from other areas of the County operation/budget would need to offset these costs or a new funding source would need to be found (e.g., referendum for operating levy increase).
- Continue to delay making a decision. This will increase risks. A facilities infrastructure crisis (65+ year old boilers) could force a crisis situation that puts our residents and staff at risk (e.g., having to transport residents (at our cost) to other facilities in a facilities related emergency). Delays in positioning the organization for the nimbleness required in today’s dynamic regulatory environment of health care will jeopardize quality care and subject the County to additional risks including inspection related fines that can be very costly.

Previous Action:

- 2014-2019 Capital Plan: Project began as New Portage County Health Care Center (PCHCC) #54-14-02 submitted and approved as new project in 2014.
- 2015-2020 Capital Plan: Updated project scope and funding estimates of New PCHCC, Project #54-14-02.
- 2016-2021 Capital Plan: New PCHCC, #54-14-02, was placed on hold.
- 2017-2022 Capital Plan: New PCHCC, #54-14-02, was deleted and replaced with Portage County Economic Development Project #54-17-01. Through committee process the project title was changed to Portage County Health Care Center Project and moved to 2018.
- 2018-2023 Capital Plan: Project #54-17-01 was deleted and replaced with new Portage County Health Care Center Project, allowing for broader collaboration on future of center.

<b>Project #</b>	<b>54-17-02</b>	<b>Project Title</b>	Electronic Medical Records
<b>Department</b>	<b>HCC</b>	<b>Manager</b>	Marcia K. McDonald
<b>Phase</b>	<b>Implementation</b>		
<b>Budget Action</b>	<b>New</b>	<b>Date</b>	April 10, 2017

CAPITAL BUDGET SUMMARY						
Year	2017	2018	2019	2020	2021	Total
Project Phase	Implementation					Project
Expenditure Budget	60,000					60,000
Revenue Budget						0
Net County Cost	60,000	0	0	0	0	60,000
<b>COST DOCUMENTATION</b>			<b>REVENUE</b>			
Architect/Engineering		0				State Grant 0
Land		0				User Fees
Land Improvements		0				0
Building		0				0
Building Improvements		0				0
Plans		0				0
Project Manager/Contractor		0				0
Site Preparation		10,000				0
Equipment		50,000				0
Furniture		0				0
Fixtures		0				0
Advertising/Legal Notices		0				0
Total Project Cost		60,000				Total Revenue 0
Expenditure Budget		60,000				Revenue Budget 0

**Project Scope & Description:**

Portage County Health Care Center (PCHCC) receives reimbursement from Medicare and Medicaid Services, which require meeting the minimum standard of care, which includes having electronic care records for all the residents easily accessible from multiple locations. With the rapid growth of electronic documentation an integrated electronic medical records system is mandatory to the survival of PCHCC.

**Location:**

Portage County Health Care Center (including RehabCare therapy area)

**Analysis of Need:**

An antiquated medical records documentation system currently exists. As such, service provision is 'lagging' in quality and care delivery. The antiquated system has become a severe limitation in receiving new referrals, attracting physician services, and in general gaining the confidence, trust and service desired of all of PCHCC customers. The current system is so antiquated that it is unable to support accurate billing processes, unable to link resident records with health service referral sources, nor can it service the State of Wisconsin Regulatory/Licensure requirements.

**Alternatives:**

1. Aggressively move forward with sale of the PCHCC to an outside provider, ensuring resident quality care and service provision at met.
2. Immediate forward movement with RFP or alternate partnership with third-party service provider.

<b>Project #</b>	<b>54-17-02</b>	<b>Project Title</b>	Electronic Medical Records
<b>Department</b>	<b>HCC</b>	<b>Manager</b>	Marcia K. McDonald
<b>Phase</b>	<b>Implementation</b>		
Budget Action	New	Date	April 10, 2017

Ongoing Operation Costs:

Annual maintenance charges (varies dependent on programs selected), estimated at \$9,600/annually.

Previous Action:

Out of sequence request. Project moving forward through resolution at June 20, 2017, County Board of Supervisor Meeting, in order for project to be completed in 2017.