

Assisted Living Matters

A COMING HOME CASE STUDY

La Dow Court Assisted Living, Garfield, WA

Coming Home Demonstration Project Executive Summary

NCB Capital Impact implemented the Coming Home Program in 1992 with funding from the Robert Wood Johnson Foundation to make high quality, high services assisted living available to Medicaid eligible individuals as a nursing home alternative. The Coming Home Program was developed to bring the benefits of assisted living to low-income, frail seniors living in rural areas. The rural elderly make up 25 percent of the population in some areas and often need services not available in their communities. The La Dow Court Facility located in Garfield, Washington is a prime example of a rural community that brought affordable assisted living services to the residents where there were no other long term services available. This case study describes the development of La Dow Court Assisted Living Facility located in Garfield, Washington. This sixteen unit facility made a positive impact not only on the residents of the facility but also on this small (pop. 600), tight-knit community.



The distinguishing features of this project are:

- The development sponsor, Public Hospital District #2, is a quasi-public entity and the employees of the facility are county employees.
- The sponsor was able to raise nearly 100% of the development funds through a local bond levy.

“Without access to assisted living services, community members would have had to leave to go and live in the nursing facility . . . located 20 miles away.”



PROJECT OVERVIEW

The community of Garfield, Washington is a small rural community with a population of six hundred. Located in the southeast corner of the state, the aging of the community has outpaced the delivery of services within the community. La Dow Court Assisted Living Facility is a sixteen-unit facility licensed as a boarding house/assisted living through the Washington Department of Social and Health Services. The development period began in May 2002 and ended with the opening of the facility on February 29, 2004. Upon opening the facility filled twelve units with the additional four units filled within two months. Total development of the facility cost \$1,340,550 million, of which \$1.0 million was for hard construction costs. The land for the development was donated by Whitman County and valued at \$20,000. The facility provides access to affordable residential services and accepts Medicaid a payment form for services, although no specific numbers of units are set-aside for Medicaid eligible recipients. The facility does not utilize any rental subsidy programs to offset the cost of rent but rather charges a flat rate that combines rents and services.

SPONSORING ORGANIZATION

The LaDow Court Assisted Living facility is owned and operated by the Public Hospital District #2 (the District) of Whitman County, Washington and operates as a government entity. The State of Washington allows for the development of Public Hospital Districts within the Washington Administrative Code (WAC). These districts are junior taxing districts formed to serve the health care needs of a designated community. Similar to a public school district, the hospital district can claim a prescribed percentage of the tax revenues of the county. First established in the 1970's, the District initial primary focus was to operate the ambulance service for Whitman County. This was the District's sole service for a number of years. The District's first foray into health care facilities was to purchase and operate the health clinic located in downtown Garfield, WA. Additionally, due to the rural nature of the region, the District developed an ambulance service in conjunction with the clinic in order to transport individuals through the rolling hills and surrounding areas.

The District has been a fixture within the community and, faced with 30% of the population above 70 years of age, the sponsor saw a need to address the increasing personal care needs prevalent among community members. The community of Garfield is extremely close and without access to assisted living services, community members would have had to leave to go and live in a nursing facility located in Colfax, WA, 20 miles away. Many of the aging population were leaving the community to access services in adjacent counties away from their existing social network. Through the Coming Home Demonstration Program, the District was able to access assistance to address this need. The La Dow Court Assisted Living Facility was developed as a part of this program.

BUILDING DESIGN

The La Dow Court facility is a single story, 16 unit building designed in a V-shape where the common living and dining rooms and kitchen are located in the center of each wing. The common area is centered on an open kitchen so that residents can see into the kitchen while dining. The living room was developed in a “great room” style and there are small reading “nooks” available for more private moments reading and quiet reflection. The facility provides one bedroom, single occupancy apartments each containing a private, accessible bathroom and kitchenette.

The building was intentionally located in central business district of Garfield so that residents had easy access to community activities. During the site selection process, the sponsor visited a number of assisted living facilities around the state and found many were located outside of the central business district, further isolating the elderly residents away from social supports. The sponsor purposefully located the facility in the downtown area as to ensure the residents were “not left behind” by the community or placed in an area where the social networks would diminish. In order to promote the community connection, each resident unit includes a bay window to offer residents a wider view of community activities. In keeping with this theme, the building’s design broke up the roofline in order to keep the building within the scale of adjacent buildings. This allowed the facility to fit in with the central business district aesthetics.

SERVICE AVAILABILITY

The facility does not provide distinctive service levels but operates within the assisted living/boarding home service delivery requirements. The facility provides an RN on staff who provides weekly wellness checks, conducts annual assessments and is on call 24 hours a day. Due to its location adjacent to the Community Health Clinic, the facility is able to provide services at all levels up to a skilled nursing level of care 24 hours a day/7 days a week. The facility can provide services to residents with dementia but only to the point where the individual becomes a danger to themselves or others within the facility. Medication assistance and reminder is provided as well.

FEE STRUCTURE

The project charges one flat rate in an effort to keep the facility as affordable as possible. At the initial opening of the facility, the rate was \$2,200/month. In 2005, the Board of Directors increased this rate to \$2,400/month where it has remained. The organization has found that this amount covers the cost of personal care needs on multiple levels based upon state negotiated service contract for each resident. The Medicaid eligible recipients currently living in the facility have their rates determined by the COPES program. The COPES program is funded through Title XIX federal funding through 1915 (c) and state funding. An average cost per client per month as of 2006 was \$1,018. The La Dow Court facility annually budgets \$1,800 to \$2,500 for residents utilizing Medicaid to pay for services.





RESIDENT PROFILE

The La Dow Court facility is truly integrated into the community with a mission to serve the needs of the long time residents of Garfield. The sponsors wanted to be able to keep people within the community so as to force residents to move to a neighboring town to find a facility to meet their needs. This focus on the community connection has been the cornerstone of the facility. Seventy-five percent of the residents of the facility resided in Garfield prior to entering the residence. A large portion (80%) of the residents had been living in a private, single family house before coming to La Dow Court. Ten percent of the residents came from a skilled nursing facility and were able to benefit from this less restrictive setting. The average resident is 86 years of age, pays for the services privately (81%), and has some mild form of cognitive impairment or dementia (90%).

MARKET ANALYSIS

Due to the very rural nature of the community and the familiarity of the sponsor with most of the potential consumers, the facility did not conduct a formal market study. The informal market scan was based upon the sponsor's knowledge of the community and discussions at two public meetings. On the advice of the project's consultant, the project sponsor offered the opportunity for potential residents to pay \$200 and place their name on the list for available units in the new facility. These funds were accepted by the sponsor with the agreement any funds would be refunded in the event the individual wanted to be taken off the list, did not meet the criteria for assisted living services or passed away before the facility was completed. Over twenty-five individuals paid the funds and were placed on the list even before the project had defined drawings. This list represented nearly double the amount of market needed to fill the planned sixteen units.

PROJECT FINANCING

The District secured a grant from the Coming Home Program for \$50,000 to cover the costs associated with pre-development activities. Additionally the project was provided a grant from Whitman County government for \$20,000 to cover infrastructure costs associated with preparing the site. The sponsor, utilizing its ability to raise funds through bond levy, placed the bond issue on the annual ballot. The bond levy passed by a margin of 73% and raised \$1.3 million for development costs. The bonds were purchased by three local banks, which were sold by a local bond attorney in seven offerings at rates ranging from 1.5% to 5%. The three local banks purchased all of the offerings and were able to claim Community Reinvestment Act credits for the investment. The project was able to raise all of the funds needed through the bond issuance in order to cover the costs of construction and permanent financing. Due to the low interest rates determined by the bond sale, the debt service for the project remains affordable and allows the facility to charge a moderate rate for services.

For more information and to access the entire LaDow Court case study, including a more in depth discussion on the staffing, services and lessons learned, please visit www.ncbcapitalimpact.org.

