



RAWLINS AGING IN PLACE FEASIBILITY STUDY

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BRG
Business Resource Group, LLC

**946 South Ash Street
Casper, WY 82601
307.473.2703**



RAWLINS AGING IN PLACE FEASIBILITY STUDY

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RAWLINS AGING IN PLACE FEASIBILITY STUDY

PROJECT PARTICIPANTS

CITY OF RAWLINS

Steve Golnar, City Manager
Amy Bach, Director of Community Development
Sherri Shillinger, Legal Assistant
Judy Dixon, Vice Mayor, City of Rawlins

CARBON COUNTY

Terry Weickum, Chairman, County Commissioners
Sid Fox, Director Planning & Development
Tom Powell, Planner - GIS Specialist

RAWLINS COMMITTEE TO FOSTER AGING IN PLACE

Veronica A. Pell Committee Co-Chair
Leo Chapman, Committee Co-Chair
Sherril Bailey, Community Stakeholder
Cecelia Cuin, Community Stakeholder
Gary Gilbert, Director, Carbon County Senior Services, Inc.
Bridget Hettgar, Wyoming Department of Health, Public Health - Carbon County
Tony Janusz, Administrator, South Central Wyoming Healthcare & Rehabilitation
Julia Nelson, Director Human Resources, Memorial Hospital of Carbon County
Darlene Marcotte, Manager, In-Home Health Care, Memorial Hospital of Carbon County
Valeri O'Bryant, Rawlins Veterans Administration
Pat Robbins, Regional Manager, Wyoming Business Council
Cindy Wallace, Director, Carbon County Economic Development
Lorraine Werner, Regional Director, Wyoming U.S.D.A.

CARBON COUNTY SENIOR CENTER MANAGERS & STAFF

Mary Smith, Baggs Senior Center
Peggy Gourlay, Dixon Senior Center
Maryetta Thompson, Rawlins Senior Center
Virgie Million, Hanna Senior Center
Debbie McCartney, Elk Mountain Senior Center
Sharon Heward, Medicine Bow Senior Center
Susan Howe, Saratoga Senior Center
Dodey Brown, Encampment Senior Center

OTHER STAKEHOLDERS & CONTRIBUTORS

Sue Bartlett, Wyoming Department of Health, Public Health - Carbon County
Marsha Beal, Manager, Hanna Housing Authority
Mark Ames, Project Coordinator, Bureau of Land Management
Dean Dragon, Director, Valley View Nursing Home
Chris Blaize, Executive Director, Carbon County United Way
Chris Waller, Director, Recreation Center



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EXECUTIVE SUMMARY

The Rawlins Committee to Foster Aging in Place, a group of City of Rawlins community stakeholders concerned for the aging population in their community, came together in 2010 to address options to retain and support the County's elderly population now and into the future. The need for Aging in Place opportunities was identified through community assessments and surveys as a high priority community need. The Committee adopted a broad definition of "aging in place" to include the availability of services and facilities supportive of elderly residents to remain in their *home-community*, and to make the transition from one stage of life/care to another seamlessly and minimally disruptive.

To launch the project, BRG facilitated a project Scoping Meeting with the Rawlins Committee to Foster Aging in Place to define the project parameters, review project methodology and timeline. Two important Committee preferences dictated the direction of the Feasibility Study:

- The Committee's expressed desire for an Assisted Living Facility (ALF) in Rawlins
- And, that the Facility be owned and operated by a private entity(s), independent from City or County funding, oversight or ownership.

The City of Rawlins obtained a Wyoming Business Council Community Development Planning Block Grant to conduct a Feasibility Study focused on the gaps in the continuum of care for the elderly and aging population in the City of Rawlins and Carbon County. The Study includes an assessment of the viability of an ALF, site location(s), utilization rates, amenities, job creation and human resource leveraging, potential private and public/private funding, ownership and management options.

PROJECT APPROACH

BRG worked closely with the Rawlins Committee to Foster Aging in Place, City of Rawlins staff, stakeholders, senior services and healthcare providers throughout the county to identify the perceptions of need, services available, most critical service gaps, and vision for an aging in place facility.

BRG built upon the Committee's community survey baseline data through a series of stakeholder personal interviews, aging in place concepts research, and current demographic research focused on the Carbon County target audience, residents age 55 and older. The personal interviews explored *how* to address the transition of seniors from one stage of life to another seamlessly, or with minimal trauma, while maintaining continuity of place, friendships and connection to the community.

To address the gaps in Carbon County's Range of Senior Living Options and the Rawlins Committee to Foster Aging in Place mission statement, BRG considered the areas of need along the spectrum of options:



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Currently, Carbon County has two-skilled nursing facilities: South Central Wyoming Healthcare & Rehabilitation, a 62-bed facility in Rawlins, and Valley View Care and Rehabilitation Center, a 46-bed facility in Saratoga. Hospice or at-home end of life care is not available in Carbon County; institutional end of life care can be accessed at MHCC. There are no Assisted Living or Adult Day Care facilities in Carbon County.

SENIOR PROFILE SUMMARY

The 2010 U.S. Census indicates 27% of residents of Carbon County are age 55 and over, and 13% are age 65 and over. An analysis of the population trends by age indicates a degree of out-migration or loss of retirement-age residents beginning at age 60. This trend is indicative of communities with limited senior services and appears to stabilize at about age 75.

Annual household income for this age sector is an important component of the Senior Profile as it represents the population sector most likely to require assisted living services and or an ALF. The 2015 projections based on the 2010 U.S. Census data, indicates approximately 46% of Carbon County seniors age 85+ and 47% of those age 75-84 have annual household incomes of \$25,000 or less. A component of the Senior Profile is the type of household where seniors are currently living; 43% of Carbon County seniors age 65+ live alone, and more than 75% own their home. Senior owner-occupied housing is a consideration, as the sale or rental of a senior-occupied dwelling may provide the funds necessary for other senior living options.

The decision to enter an ALF often depends on the level of an individual's need for assistance and the available alternatives. In general, the typical prospective assisted living resident has the following characteristics:

- Lives alone
- Is age-qualified; and income-qualified
- Requires assistance with activities of daily living (ADLs) such as dressing, bathing, eating, hygiene, mobility, and instrumental activities of daily living (IADLs) including preparing meals, shopping, managing money, using the telephone, doing housework, and taking medication, all of which are generally used to estimate the care needs

PRIMARY MARKET AREA

Based on the geography, population distribution, and local preferences, for purposes of this study the Primary Market Area (PMA) is defined as the City of Rawlins. This area would be supplemented by 50% of the Secondary Market Area (SMA) and 20% of the Rural Unincorporated Area (RUA). It is assumed that the Tertiary Market Area or TMA and the remainder of the County population would not be a factor influencing potential population of the



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primary market.

The PMA is defined as 1,114 seniors age 65 and over, or 460 seniors age 75 and over predominantly in the northern half of the County. The relative populations throughout Carbon County are projected to increase approximately 17% for seniors age 75+, which would then increase the PMA seniors age 75 and over to **539** seniors in 2015. An age qualification of 75 years or older is typically used to measure the demand for assisted living services.

Data from the *Wyoming Department of Health, Wyoming Behavioral Risk Factor Surveillance System* shows in 2010, 38.9% of Wyoming adults ages 65+, reported disabilities: that is, they are limited in any way in any activities because of physical, mental, or emotional problems or they have a health problem that requires the use of special equipment. Nationally, the median age of residents admitted into an ALF is 87 years old. Younger seniors who require assistance with ADLs and IADLs may consider a move to an ALF at an earlier age. The national average length of stay in an assisted living residence is about 28.3 months.

- 59% of residents will move into a nursing facility.
- 33% will pass away.
- The remaining will move home or to another location.

An analysis of the basic components that were considered for assisted living services in the PMA are summarized here, resulting in a current Total Potential Assisted Living Demand of 36 units:

- Age qualification = 460 seniors in the PMA
- Percentage of seniors requiring assistance = 39%
- Percent income qualified = 67%
- Percentage of seniors living alone = 36%

PROJECT FEASIBILITY

The results of the study demonstrate that in the assessment of BRG, the project is feasible. The feasibility condition is that an independent developer is identified and willing to assume development of the project since neither the City nor the County are interested in responsibility for ownership or operation of the facility/project.

Interest has been expressed however, in a public/private partnership by the City and/or County, in order to facilitate funding options, property availability, and preliminary project organization/management.

If the project moves forward, it will provide the following significant benefits to the Rawlins area and Carbon County:

- Create an annual payroll in the PMA of \$703,400
- Create 18.5 full time equivalent employee positions (or combination of full & part time)
- Provide assisted living services to 42 seniors and elderly



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- Create a \$7.3 million construction and start-up project in Carbon County
- Produce positive net incomes before debt service expenses
- Create local purchasing of products and services for the day to day operation
- Retain seniors and elderly in the neighborhoods of Northern Carbon County and foster the concept of Aging in Place.



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CHAPTER I PROJECT OVERVIEW

INTRODUCTION

The Rawlins Committee to Foster Aging in Place conducted preliminary work to evaluate the needs and the desires of the community to identify the support and demand for Aging in Place services in the Rawlins area, including demographic research through the University of Wyoming and a community survey. This work contributed to the development of this Study; the documents can be accessed on the City of Rawlins web site.

The need and demand for an ALF, and expanded senior services, was expressed by the residents of Rawlins as far back as the 2006 Wyoming Rural Development Council Community Assessment.

This Study provides information on identified community needs, facility type and site location recommendations combined with market, cost and revenue analysis information for public or private project development. The Study is compatible with the industry standards for long term care, incorporates the needs of the community with consideration given to the limited health and social services available to area residents due its geographic location and proximity to larger population centers.

Carbon County is a large (7,964 sq. miles) geographically diverse county in south central Wyoming. The county borders the State of Colorado on the south and shares borders with six Wyoming counties. The terrain is characteristic of the high plains: open spaces, spectacular river canyons, fertile valleys and picturesque snow capped mountain peaks. The economy is primarily driven by the energy industry: extract and generation.



The City of Rawlins is the largest population center in the county, 56% of Carbon County's population, adjacent to U.S. Interstate Highway 80, it features a diverse mix of retail, hospitality and service businesses, medical services and educational opportunities. Numerous small



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communities sprinkle the county landscape, initially settled as ranching, railroad communities, or as support and housing for mining and minerals extraction.

Each of Carbon County communities offer a rich and colorful history, unique cultural characteristics and an independent spirit. Due to the rural nature of the County, many services and amenities found in larger population centers are either not available or the selection is limited.

Medical services and support services for the elderly are limited in the smaller towns and communities throughout the county. However, many of the communities have medical clinics, resident emergency medical technicians (EMTs) and well-functioning senior centers. A noteworthy characteristic of the towns and communities, and rural residents, is a sincere concern and responsibility for their family, friends and neighbors - with particular attention to the elderly.

MHCC a 25-bed critical care facility in Rawlins, is the only designated trauma center in south central Wyoming. The trauma-rated emergency department is the third busiest in Wyoming. MHCC operates four medical clinics, one in Hanna to serve the residents of Hanna, Medicine Bow and Elk Mountain. Community based in-home services are provided by MHCC through the Wyoming State Community Based In-Home Services program (CBIHS). The program provides services to adults who are unable to perform daily tasks on their own, on a sliding-scale fee schedule based on the economic ability of each client.

ORGANIZATION OF THE FEASIBILITY STUDY

The Rawlins Committee to Foster Aging in Place Facilities Study is organized into sections to enable readers to review the reference data, analytical process, and community considerations that support the Study recommendations.

| | |
|-----------|------------------------------|
| CHAPTER 1 | PROJECT OVERVIEW |
| CHAPTER 2 | SENIOR POPULATION PROFILE |
| CHAPTER 3 | DEFINING THE MARKET |
| CHAPTER 4 | ASSESSING THE DEMAND |
| CHAPTER 5 | FACILITY CONCEPTS |
| CHAPTER 6 | SITE ANALYSIS |
| CHAPTER 7 | FINANCIAL ANALYSIS |
| CHAPTER 8 | RECOMMENDATIONS & NEXT STEPS |

COMMUNITY PARTICIPATION

The initial identification of community issues and priorities was addressed during the project scoping meeting with the Rawlins Committee to Foster Aging in Place at Rawlins Town Hall, January 27, 2012. The primary focus of the meeting was to discuss the goals and desires of the Committee relative to the project vision, facility style, ownership, identification of primary project stakeholders, review the project approach and timeline as outlined in the BRG proposed Scope of Work.



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During the meeting, a preliminary list of key individuals was developed for personal interviews by BRG. Based on this initial stakeholder list, BRG traveled throughout the county and conducted personal interviews with more than 50 project stakeholders and senior service providers.

To update and refine previous project research, a follow-up community survey and/or Town Hall meetings were discussed and rejected as unnecessary based on the recent research conducted by the Committee. BRG facilitated monthly project update meetings for Committee members, meeting notes were produced and distributed to all Committee members and other interested individuals/stakeholders.

GENERAL ANALYTICAL APPROACH

BRG utilized qualitative and quantitative analysis to prepare the Rawlins Committee to Foster Aging in Place Facilities Study. Considerable information was collected from community leaders, local residents and project stakeholders concerning the near-and-long term needs of the elderly and the vision of senior housing and/or an ALF. Informal discussions were held with local residents, business owners, county and state agency representatives to investigate ownership, management and facility options. Research was conducted to identify existing assisted living facilities, which mirror the concept and community size of the proposed ALF.



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CHAPTER 2 SENIOR POPULATION PROFILE

INTRODUCTION

The demographic information contained in this Study is included to define the characteristics of the City of Rawlins and Carbon County senior populations as indicators of the need for expanded senior services and the ability to support and maintain the Aging in Place concept.

Carbon County, like many counties throughout Wyoming over time experience an influx of population due to increased extraction and energy production. However, for purposes of this Study and in creating this Senior Profile, it is apparent that despite these short-term employment impacts, the population of Carbon County and the City of Rawlins is relatively stable as indicated by the adult population graph included in later in this chapter..

A Senior Profile developed through demographic data alone is not an indicator of the potential success or failure of this project. The Senior Profile begins to define the Primary Market Area (PMA). The demographic profile highlights important factors for consideration, potential demand for services, statistical data for long-term planning, and serves as a baseline of information for future independent project analysis.

The State of Wyoming Department of Health defines seniors as 65 years of age and older, and therefore this is the population sector attributed to utilization and/or demand for senior services. Younger seniors may require assistance with activities of daily living due to falls, fractures or the absence of a caregiver and may consider moving to an ALF as early as age 70-75. Therefore, an age qualification of 75 years or older is typically used to measure the demand for assisted living services.

The following Senior Profile offers a micro and macro analysis of this population sector as indicators of both short-term demand and longer-term sustainability. For purposes of this market profile, Carbon County and City of Rawlins demographics for the population 55 years of age and older are also considered to identify trends and changes in this segment of the population and as an indication of the future demand for Range of Senior Living Options.

The Carbon County and City of Rawlins Senior Profile is a more short-term analysis of the of the senior population to address the more immediate demand for expanded senior services. The long-term projections demonstrate the potential for long-term project sustainability. Census data and the short-term population characteristic are essential to identify immediate unmet needs.

Data sources utilized in this chapter are, unless otherwise noted:

- ESRI



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- Wyoming Division of Economic Analysis
- Wyoming Department of Labor

INITIAL PROJECT RESEARCH

In January 2011, Pat Robbins, South Central Regional Director for the Wyoming Business Council, recommended the Aging in Place Committee utilize the University of Wyoming’s Wyoming Entrepreneur Biz Marketing Research Center to begin to compile demographic information within three data sets based on distances. The report addressed questions regarding population, ages, employment rates and available housing options for Rawlins within a 25 mile radius, a 50 mile radius and 100 mile radius. The center did not provide an analysis of the data. The report was received by the Committee in January 2011.

COMMUNITY SURVEY RESPONSES

To assess the community’s perceived need for senior housing and/or an ALF the Rawlins Aging in Place Committee developed a six-question survey, distributed in February 2011 with City of Rawlins’ water bills and at senior centers throughout the county. Approximately 4,000 surveys were distributed: 3,721 in the City water bills and the remainder through the Carbon County senior centers.

By the April 11, 2011 deadline, 468 surveys were returned; approximately a 12% rate of return. The survey returns were by virtue of the distribution method weighted by City of Rawlins residents: 85% of respondents.

GEOGRAPHIC DISTRIBUTION OF SURVEY RESPONSES

| LOCATION | # OF RESPONSES |
|--------------|----------------|
| Rawlins | 394 |
| Saratoga | 21 |
| Hanna | 13 |
| Elk Mountain | 12 |
| Baggs | 7 |
| Sinclair | 4 |
| Baroil | 2 |
| Medicine Bow | 1 |
| Other | 9 |

The answers to the survey questions and written comments were generally supportive of a senior independent living or ALF in Carbon County, and appeared to reflect the perception of a future rather than an immediate/critical need. Due to the generally encouraging nature of the survey responses, the Committee elected to continue to investigate more detailed feasibility.



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STAKEHOLDER INTERVIEWS

BRG conducted personal interviews with identified and/or referral project stakeholders currently providing services to Carbon County seniors, as they have first-hand knowledge of the needs, met and unmet, desires and support services necessary to maintain a comfortable and healthy lifestyle for the seniors in their communities. Interviews were conducted throughout the County to gather information with consideration of the unique characteristics of the diverse population sectors.

The issues addressed in each interview were questions initially raised by the Committee, answers of which do not lend themselves to quantitative data gathering and analysis:

- Identify the unmet needs of the seniors in this community
- If seniors leave the community for assisted living/nursing home care, where do they most often go? Are you aware of the reason(s) for this selection?
- How many seniors are you aware of who left the community in the past year (or two) for assisted living/nursing home care?
- In your opinion, if an ALF was available in Rawlins, would seniors from this community utilize the facility?



The information gathered through the personal interviews identified several commonalities across all communities, as well as unique local characteristics and preferences. Due to the size of Carbon County and distance between population centers, its communities demonstrate a natural affinity towards the closest, largest population center offering expanded services and amenities; for seniors the choice is often influenced by the availability of medical services.

- For example, residents of Baggs and Dixon generally travel to Craig or Steamboat Colorado, rather than to Rawlins, for services not available in their local community.

Throughout all of the interviews, the most common reason for senior out-migration from Carbon County was to be near family members and/or medical speciality service providers for care and treatment, when they could no longer live alone.

The natural affinity between communities is an important component in determining the feasibility and size of an ALF in Rawlins. When the question of relocating to an ALF in Rawlins was raised during the interviews;

- Seniors from Hanna, Elk Mountain and Medicine Bow indicated a preference for travel to Rawlins for medical services, although residents in Medicine Bow expressed a



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strong connection with Laramie for all services and amenities

- Seniors in Encampment and Riverside are likely to travel to Saratoga, Laramie and Steamboat for medical services
- Seniors in Saratoga are drawn to Laramie and Cheyenne for medical care

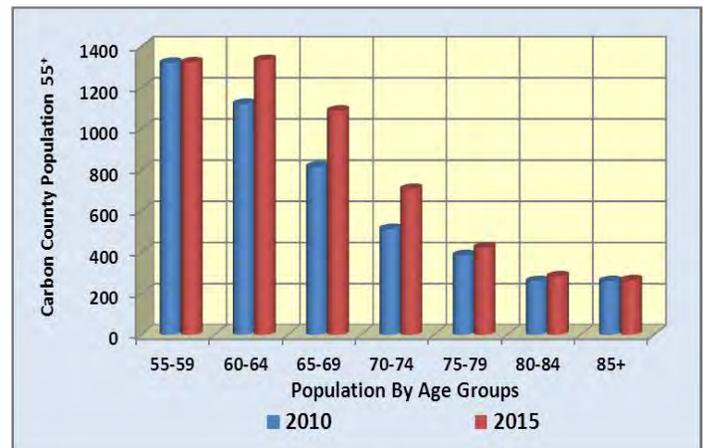
A repeated observation throughout the interviews, primarily in the more rural communities, was that seniors want to stay in their homes as long as possible, highlighting the need for in-home services: in-home housekeeping, in-home health care, etc. In-home services are currently limited in the more rural areas of the County. Neighbors, friends and nearby family attempt to fill this void. The elderly tend to accept the lack of services as part of rural living, remain in their homes and attempt to “make-do” until they move to a nursing home. However, even with a positive response to an ALF in Rawlins, concern was expressed about the lack of specialty medical services in Rawlins.

Individuals interviewed were nearly unanimous regarding the need for Memory Care, either as Day Care or as component of an ALF. The Valley View Care and Rehabilitation Center, a 46-bed nursing home facility in Saratoga accepts residents with Alzheimer’s or other forms of dementia, for a short-term stay, if space is available.

CARBON COUNTY POPULATION OVERVIEW

An analysis of the short-term population trend, indicates a degree of out-migration or loss of retirement-age residents from Carbon County and the City of Rawlins beginning at age 60. This community characteristic is indicative of communities with limited senior support services.

The out-migration trend appears to stabilize at about age 75, an age when research indicates many seniors can no longer live alone and begin to consider senior residential facilities, or have support from adult children.

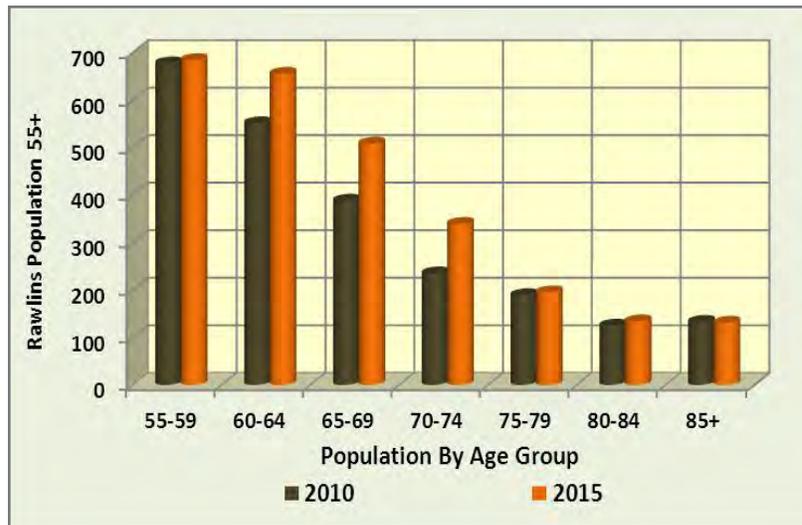


The loss of the retirement age population can impact the vitality and diversity of a community. The most obvious is the lost purchasing-power of the retirement market segment; further, the business skills and work ethic of this age group are lost. In many communities, it is the retired (over age 55 age group) who undertake entrepreneurial endeavors, seek full or part time employment often in senior services, and are active community leaders and volunteers.

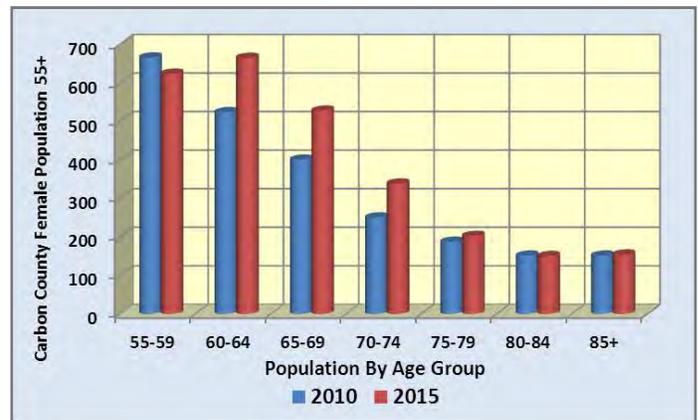
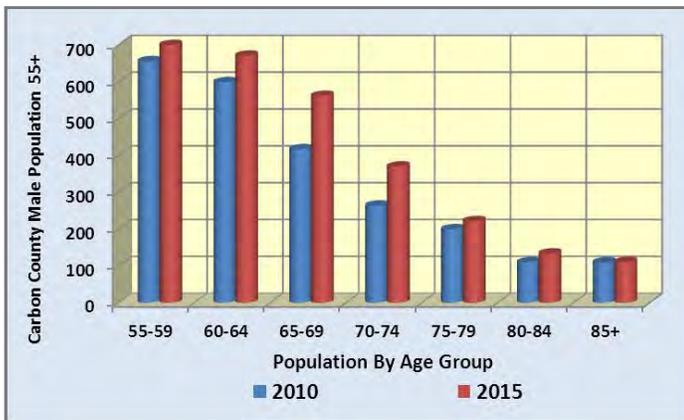


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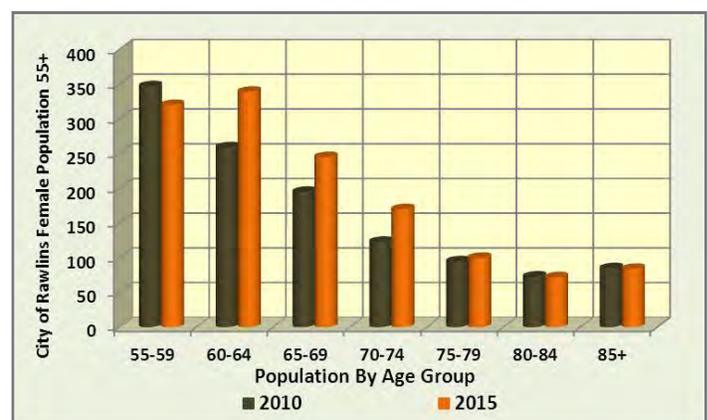
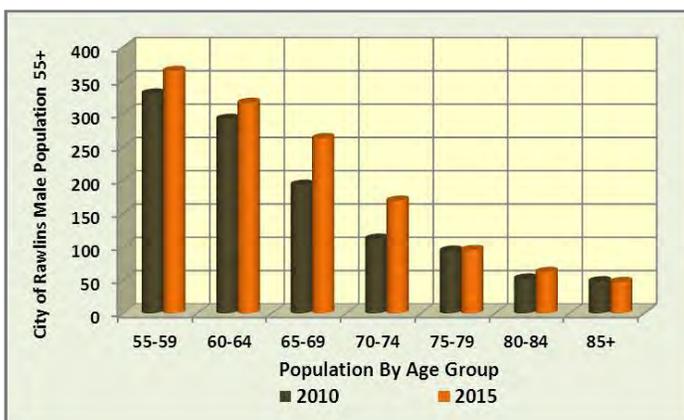
Research indicates the majority (74%) of ALF and Nursing Home residents are female. Therefore, when considering short-term demand and long-term sustainability, an analysis of County and City of Rawlins gender and age data are a component of the Senior Profile.



CARBON COUNTY POPULATION AGE 55+ BY GENDER



CITY OF RAWLINS POPULATION AGE 55+ BY GENDER





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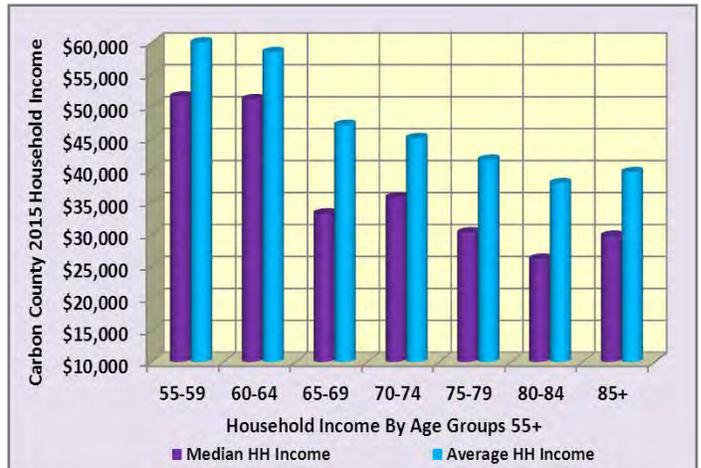
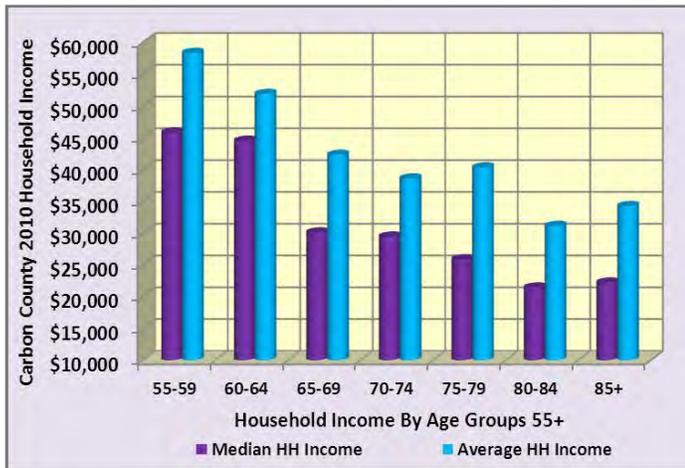
HOUSEHOLD INCOME

A component of the Senior Profile, important to the long-term viability of an ALF and other aging in place amenities, is the income of the various population sectors. The population base served by the facility must have sufficient income to utilize the facility and be engaged to ensure the success of the project.

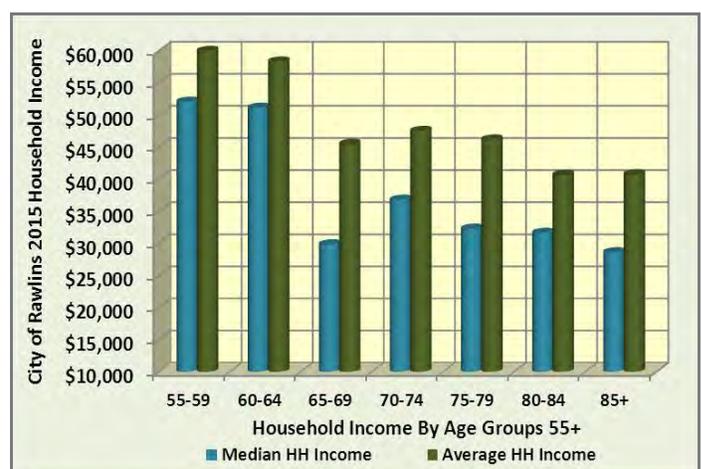
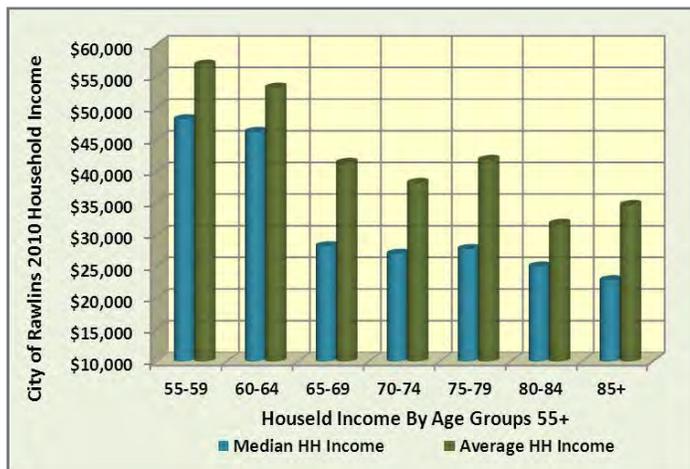
AVERAGE HOUSEHOLD INCOME: The total income of an entire population grouping divided by the number of households in the same population grouping.

MEDIAN HOUSEHOLD INCOME: A mid-point between the income of the household(s) with the lowest income range and the household(s) at the highest income range within the same population grouping.

CARBON COUNTY HOUSEHOLD INCOME AGE 55+



CITY OF RAWLINS HOUSEHOLD INCOME AGE 55+



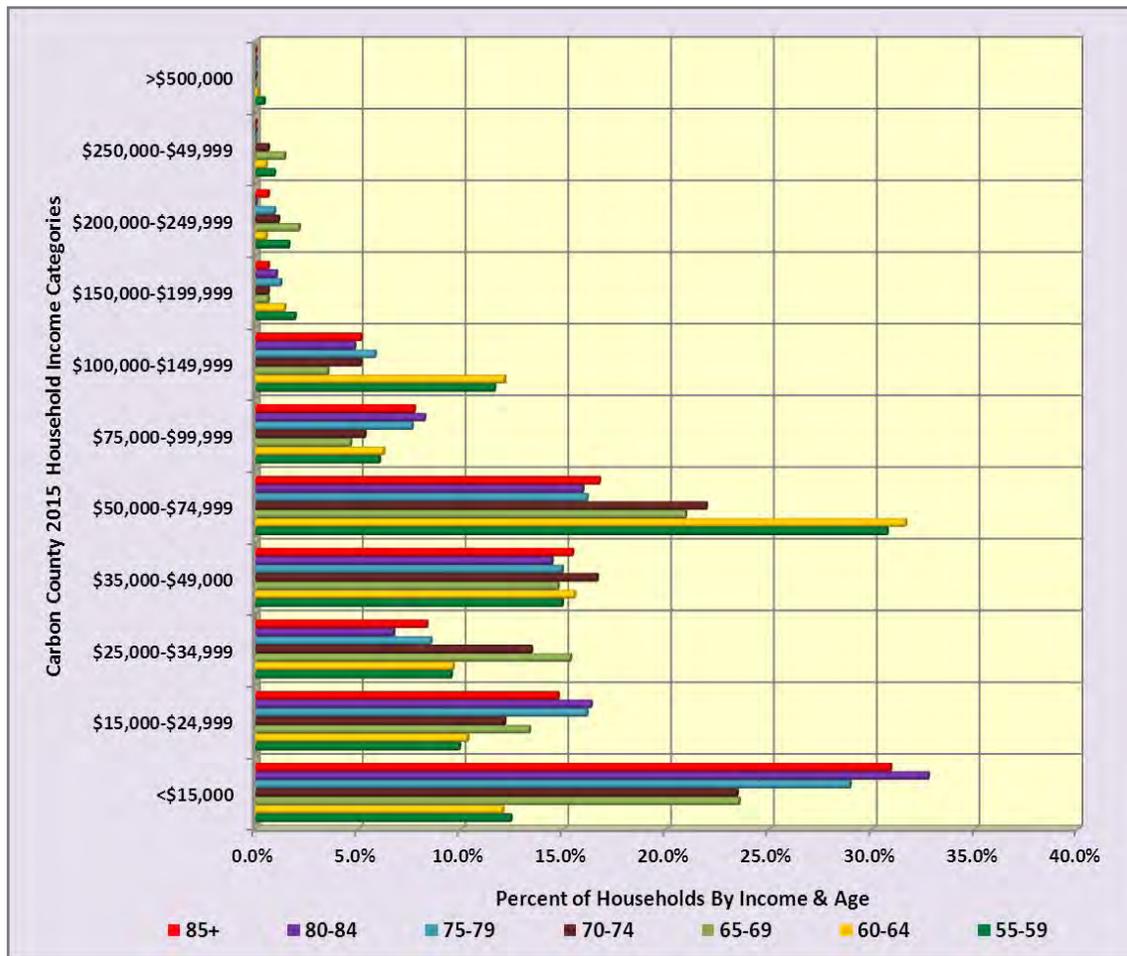


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HOUSEHOLDS IN POVERTY

| | CARBON COUNTY | CITY OF RAWLINS |
|----------------------------------------------------------------------|---------------|-----------------|
| Total Households | 6,159 | 3,342 |
| Total Households with Income Below Poverty Level | 806 | 473 |
| Total Households with Income Below Poverty Level/ Householder 65+ | 229 | 134 |
| Percent | 3.7% | 4.0% |

CARBON COUNTY 2015 PROJECTED HOUSEHOLD INCOME BY AGE



The above 2015 projections based on the 2010 U.S. Census data, indicates approximately 46% of Carbon County seniors age 85+ and 47% of those age 75-84 have annual household incomes of \$25,000 or less.

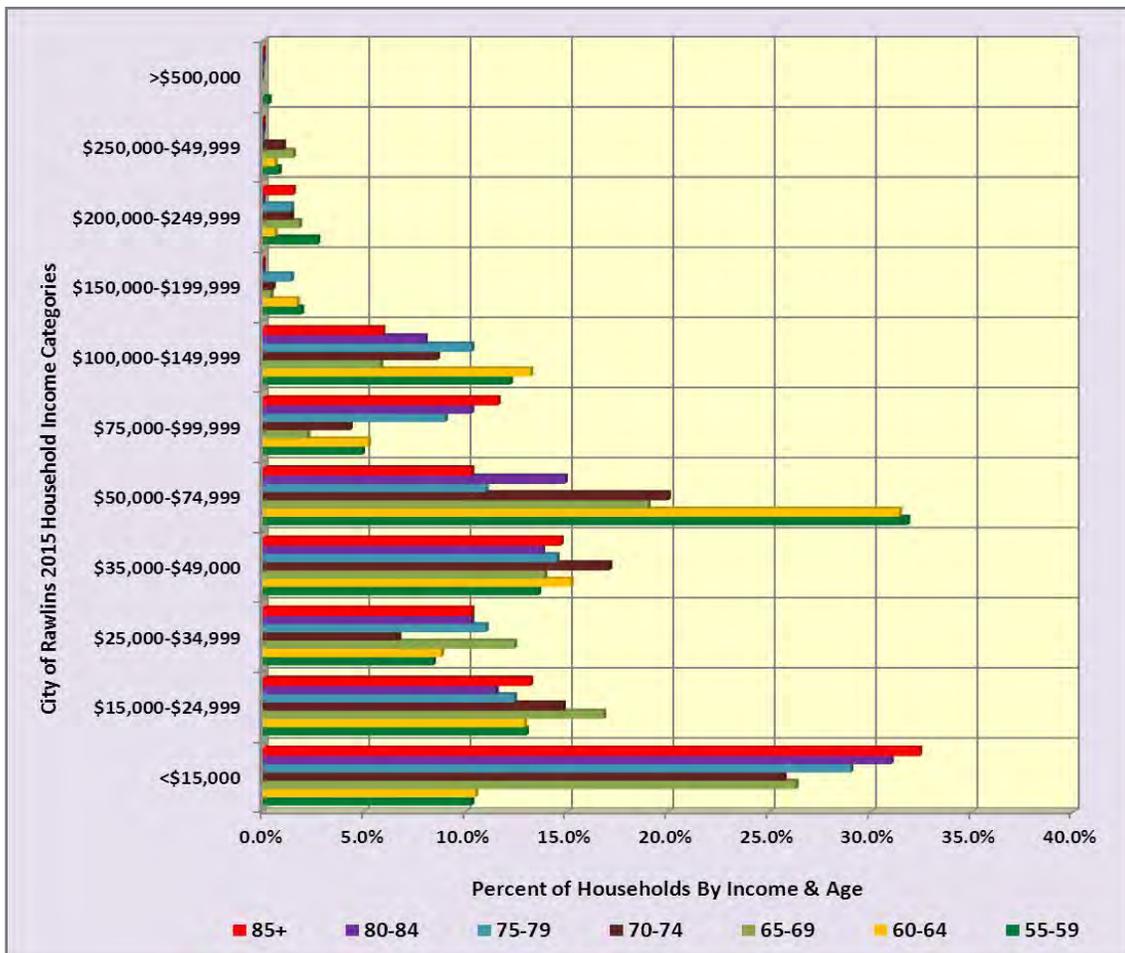


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The graph below employs the same data set for the City of Rawlins, indicating a slight shift in household income for these age sectors: 46% of City of Rawlins seniors age 85+ and 41% of those age 75-84 have annual household incomes of \$25,000 or less.

Annual household income for this age sector is an important component of the Senior Profile as it represents the population sector most likely to require assisted living services and or an ALF.

CITY OF RAWLINS 2015 PROJECTED HOUSEHOLD INCOME BY AGE





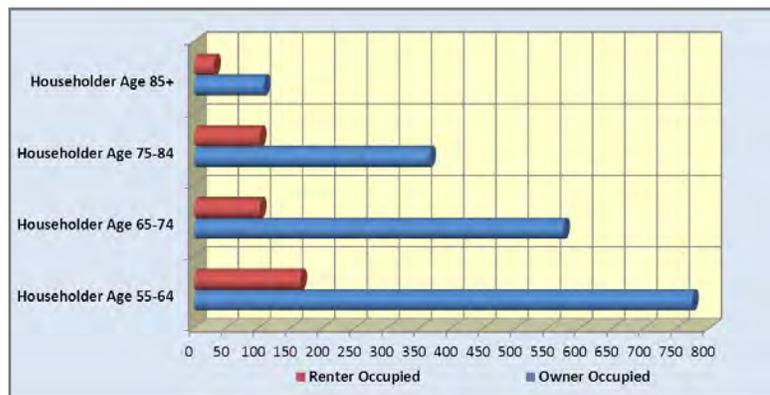
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A component of the Senior Profile is to identify the type of household where seniors are currently living: are they living alone or with others? The table below indicates the percent of seniors living alone is not influenced by where they live; an equal number live alone throughout the County when compared with residents of the City of Rawlins.

| | CARBON COUNTY | PERCENT | CITY OF RAWLINS | PERCENT |
|---------------------------|---------------|---------|-----------------|---------|
| AGE 60+ HOUSEHOLDS | | | | |
| Total Households | 1,802 | 100% | 855 | 100% |
| 1-Person Households | 702 | 39% | 338 | 39.5% |
| AGE 65+ HOUSEHOLDS | | | | |
| Total Households | 1,373 | 100% | 655 | 100% |
| 1-Person Households | 590 | 43% | 284 | 43.4% |

Owner-occupied housing is yet another consideration for expanded senior services or a ALF. Often, the sale or rental of a senior-occupied dwelling provides the funds necessary to provide senior independent living or a ALF.

**CARBON COUNTY
HOUSEHOLDERS AGE 55+
OWNER-OCCUPIED HOUSEHOLDS
AND RENTAL HOUSEHOLDS**



**CITY OF RAWLINS
HOUSEHOLDERS AGE 55+
OWNER-OCCUPIED HOUSEHOLDS
AND RENTAL HOUSEHOLDS**





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SENIOR PROFILE SUMMARY

The Senior Profile offers a micro and macro analysis of the senior population sector as indicators of both short-term demand and longer-term project sustainability. For purposes of this market profile, Carbon County and City of Rawlins demographics for the population 55 years of age and older are considered to identify trends and changes in this segment of the population and as an indication of the future demand for Range of Senior Living Options.

The 2010 U.S. Census indicates 27% of residents of Carbon County are age 55 and over, and 13% are age 65 and over. An analysis of the population trends by age indicates a degree of out-migration or loss of retirement-age residents beginning at age 60. This trend is indicative of communities with limited senior services. This out-migration trend appears to stabilize at about age 75, the age when research indicates many seniors can no longer live lone and begin to consider senior residential facilities, or have support from their adult children.

Annual household income for this age sector is an important component of the Senior Profile as it represents the population sector most likely to require assisted living services and or an ALF. The 2015 projections based on the 2010 U.S. Census data, indicates approximately 46% of Carbon County seniors age 85+ and 47% of those age 75-84 have annual household incomes of \$25,000 or less. The same data set for the City of Rawlins, indicate a slight shift in household income for these age sectors: 46% of Rawlins seniors age 85+ and 41% of those age 75-84 have annual household incomes of \$25,000 or less.

A component of the Senior Profile is the type of household where seniors are currently living; 43% of Carbon County seniors age 65+ live alone, and more than 75% own their home. Senior owner-occupied housing is a consideration for expanded senior services, as the sale or rental of a senior-occupied dwelling may provide the funds necessary for senior independent living or an ALF.



RAWLINS AGING IN PLACE FEASIBILITY STUDY

CHAPTER 3 DEFINING THE MARKET

INTRODUCTION

The demographic information contained in this study is included as a profile the City of Rawlins and Carbon County senior population that would benefit and/or avail themselves of the range of Range of Senior Living Options ~ or a continuum of care. Select stages represented along the continuum are currently available in the County and/or in Rawlins; others are the focus of this feasibility study and may, or may not, be feasible.



To address Carbon County's Range of Senior Living Options and the Rawlins Committee to Foster Aging in Place mission statement, BRG focused on three areas of need along the spectrum of options: senior independent living, assisted living, and memory care (both day care and long term care). These three essential/transitional senior living option are not available within Carbon County.

The three senior living options considered in this Study are particularly critical as they represent viable alternatives to remaining in a family-home that may no longer provide the safest, most healthy environment. Senior independent housing can be a relatively easy transition based on an increased sense of security and connectedness resulting in improved quality of life.

SENIOR LIVING OPTIONS DEFINED

BRG focused on three areas of need along the spectrum of options: senior independent living, assisted living and memory care (both day care and long term care).

SENIOR APARTMENTS: Multifamily residential rental properties restricted to adults 55 years of age or older. These properties generally do not provide meals to residents, but may offer community rooms, social activities, and other amenities.

SENIOR INDEPENDENT LIVING COMMUNITIES: Age-restricted multifamily rental properties with central dining facilities that provide residents access to meals and other services such as housekeeping, linen service, transportation, and social and recreational activities. There are no licensed skilled nursing beds in the property.

ASSISTED LIVING RESIDENCES: State regulated rental properties that provide the same services as independent living communities listed above, but also provide, in a majority of the units, supportive care from trained employees to residents who are unable to live independently and require assistance with activities of daily living (ADLs) including management of medications, but the majority of units are licensed for assisted living.



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The 2010 Overview of Assisted Living, Assisted Living Federation of America, reports the median age of residents admitted into assisted living is 85 years old. Younger seniors may require assistance with activities of daily living due to falls, fractures or the absence of a caregiver and may consider moving to an ALF as early as age 70-75. Therefore, an age qualification of 75 years or older is typically used to measure the demand for assisted living services.

MEMORY CARE: Many ALF properties include a separate wing or floor dedicated to residents with Alzheimer's or other forms of dementia. A property that specializes in the care of residents with Alzheimer's or other forms of dementia that is not a licensed nursing facility, should be considered an assisted living property.

NURSING HOMES: Licensed daily rate or rental properties that are technically referred to as skilled nursing facilities or nursing facilities where the majority of individuals require 24-hour nursing and/or medical care. These facilities are usually licensed for Medicaid and/or Medicare reimbursement, and may include a minority of assisted living and/or Alzheimer's/dementia units.

Carbon County has two-skilled nursing facilities: South Central Wyoming Healthcare & Rehabilitation, a 62-bed facility in Rawlins, and Valley View Care and Rehabilitation Center, a 46-bed facility in Saratoga. Hospice or at-home end of life care is not available in Carbon County; institutional end of life care is available at MHCC.

CONTINUING CARE RETIREMENT COMMUNITIES (CCRC): CCRCs are age-restricted properties that include a combination of independent living, assisted living and skilled nursing services (or independent living and skilled nursing) available to residents all on one campus. The majority of the units are not licensed skilled nursing beds.

WHO IS A CANDIDATE FOR ASSISTED LIVING

According to *The Assisted Living Federation of America (ALFA)*, "assisted living" is defined as offering "personalized assistance, supportive services and healthcare in a professionally managed group living environment." The decision to enter an ALF often depends on the level of an individual's need for assistance and the available alternatives. In general, the typical prospective assisted living resident has the following characteristics:

- Lives alone;
- Is age-qualified; and
- Is income-qualified.
- Requires assistance with activities of daily living (ADLs) such as dressing, bathing, eating, hygiene, mobility, and instrumental activities of daily living (IADLs) including preparing meals, shopping, managing money, using the telephone, doing housework, and taking medication, all of which are generally used to estimate the care needs;



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Some assisted living communities offer specialty care services designed to care for residents with dementia-related disorders, some ALFs offer dedicated dementia units, free-standing specialized dementia care facilities, or depending on the progression and severity of the disease, individuals may require more intensive care in a skilled nursing facility.

The *2009 Overview of Assisted Living* report highlights the following:

- The average age of an assisted living property is now 13.3 years
- The average age of the typical assisted living resident is 86.9 years, an increase of 18 months since the last published document in 2006
- The median income of residents is \$18,972
- The average number of ADLs that residents need help with has declined slightly since 2006
- The average length of stay is 28.3 months
- One-third of all residents will die in the assisted living setting. Of the remaining two-thirds, nearly 59% will move to a nursing home.

The National Center for Assisted Living (NCAL) and the Administration on Aging (AoA), U.S. Department of Health and Human Services A Profile of Older Americans: 2011, provides a further Resident Profile:

- Age - The average age of residents in assisted living facilities in 2009 was 86.9 years.
- Gender - 74% assisted living residents are female; 26 % are male.
- Typical Resident - The typical assisted living resident is an 86-year-old woman who is mobile, but needs assistance with approximately two ADLs.
- Activities of Daily Living - On average, assisted living residents need help with 1.6 ADLs. The chart shows the various ADLs and the percentage of residents needing help with them.
- Number of Residents - More than 900,000 people nationwide live in assisted living settings.
- Other Common Services - 87% of assisted living residents need help with meal preparation, while 81% need help managing their medications.

| Activities of Daily Living | % of Residents Needing Help |
|----------------------------|-----------------------------|
| Bathing | 64% |
| Dressing | 39% |
| Toileting | 26% |
| Transferring | 19% |
| Eating | 12% |

Moving In - Residents come to assisted living facilities from a variety of settings, including:

- 70 % moved from a private home or apartment
- 9 % came from a nursing facility
- 9 % moved from a retirement or independent living community
- 7 % moved from a family residence (such as living with adult children)
- 5 % came from another assisted living residence or group home



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Moving Out - The average length of stay in an assisted living residence is about 28.3 months.

- 59% of residents will move into a nursing facility.
- 33% will pass away.
- The remaining will move home or to another location.

The National Center for Assisted Living (NCAL) is “the assisted living voice of the American Health Care Association (AHCA), the nation’s largest organization representing long term care providers.” The information above is from the “2009 Overview of Assisted Living,” published by the American Association of Homes and Services for the Aging, American Seniors Housing Association, Assisted Living Federation of American, National Center for Assisted Living, and National Investment Center for the Seniors Housing & Care Industry.

EVALUATING THE MARKET FOR ASSISTED LIVING SERVICES

There are many qualitative factors that are important when evaluating a market for assisted living services such as community support, site location, other alternatives for care, and unique personality characteristics of the area. This study focuses on quantifying the demand for assisted living services and the components involved in capturing the targeted market. There are six basic components to consider for assisted living services:

- Primary market area definition, including the regional resident draw percentage;
- Age qualification;
- Income qualification;
- Percentage of seniors living alone;
- Percentage of seniors requiring assistance;
- Competitive or other available alternatives.

PRIMARY MARKET AREA

A primary market area (PMA) for an assisted living project is typically determined by the demographics of the area and the experience of existing providers within the region. Based on the nature of the services, most seniors requiring assisted living services typically originate from within a close proximity of an ALF, generally within a 5 to 10-mile radius of the facility, depending on whether it is located in an urban (smaller PMA), suburban or rural area (larger PMA). Nationally, ALFA reports nearly 20% of all residents in assisted living facilities relocated from outside the market area of the facility.

The second dynamic in place is the desire of the adult children to have their elderly loved ones remain in or relocate to their community when the time comes for long term care decisions. Two needs are met when the community can provide for the needs of the elderly person while bringing them closer to the family caregiver.

According to the *2009 Overview of Assisted Living*, more than 60% of residents relocate to within 10 miles of their closest adult child or relative and almost 80 percent relocate to within 25 miles.



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Because of the significant influence that adult caregivers have regarding parental decisions to seek care, many facilities are experiencing higher draw percentages from outside the primary market area, particularly in high-growth markets with high concentrations of adult children. Remaining or relocation to be near family is a strong motivator for choice of a congregate and assisted living program.

Another study, by *Clarity and the EAR Foundation* shows that older people fear losing independence (26%) and moving to a nursing home (13%) much more than they fear death (3%). *The MetLife Report on Aging in Place 2.0, Rethinking Solutions to the Home Care Challenge, September 2010.*

| Geography | Total Both Sexes | 55-64 Both Sexes | 65+ Both Sexes | 75+ Both Sexes |
|--------------------------------------------------------------------------------------------------------|------------------|------------------|----------------|----------------|
| Wyoming | 563,626 | 73,513 | 70,090 | 30,522 |
| Carbon County | 15,885 | 2,226 | 2,044 | 814 |
| Primary Market Area | | | | |
| Rawlins city | 9,259 | 1,109 | 858 | 358 |
| Secondary Market Area | | | | |
| Sinclair town | 433 | 61 | 54 | 18 |
| Elk Mountain town | 191 | 31 | 35 | 16 |
| Medicine Bow town | 284 | 41 | 72 | 31 |
| Hanna town | 841 | 123 | 143 | 59 |
| Saratoga town (20%) | 338 | 60 | 73 | 29 |
| | 2,087 | 316 | 377 | 153 |
| Tertiary Market Area | | | | |
| Saratoga town (80%) | 1,352 | 241 | 292 | 116 |
| Encampment town | 450 | 89 | 106 | 35 |
| Riverside town | 52 | 16 | 15 | 3 |
| Baggs town | 440 | 48 | 46 | 14 |
| Dixon town | 97 | 14 | 12 | 6 |
| | 2,391 | 408 | 471 | 174 |
| Rural Unincorporated Area | 2,148 | 393 | 338 | 129 |
| <i>Rural Unincorporated includes Lamont, Elmo, McFadden, Arlington, Savery</i> | | | | |
| <i>Source: U.S. Census Bureau, 2010 Census, Population by Age by Sex for Counties and Cities/Towns</i> | | | | |

An *AARP* study shows over 80% of those over age 75 say they want to remain in their own homes even when they need assistance. That motivation was verified through a series of County-wide interviews BRG conducted with senior population groups and health care providers. The local residents were also very vocal about their preferences for an ALF location if that was their next step for care. Most would strongly prefer to remain in their own home (preferably with in-home health care assistance), near family and friends, but if that was not a choice, there was a distinct division of destination preferences in the County:

- Most residents of the northern half of the County would chose either Rawlins, Casper, or



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Laramie/Cheyenne.

- Most residents of the southern half of the County would chose Craig, Laramie, Cheyenne, Saratoga, Steamboat, or Fort Collins.

Based on the geography, population distribution, and local preferences, for purposes of this study the Primary Market Area (PMA) is defined as the City of Rawlins. This area would be supplemented by 50% of the Secondary Market Area (SMA) and 20% of the Rural Unincorporated Area RUA). It is assumed that the Tertiary Market Area or TMA and the remainder of the County population would not be a factor influencing potential population of the primary market. The Market Areas then can be defined as shown in the table above.



The total Primary Market Area is then defined and detailed in the table at the right - 1,114 seniors age 65 and over, or **460** seniors age 75 and over, and is predominantly in the northern half of the County. The relative populations through Carbon County are projected to increase approximately 17% for seniors age 75+, which would then increase the Total PMA to **539** seniors in 2015.

| Market Area | Total | 65+ | 75+ |
|------------------|-------|--------------|------------|
| PMA | 9,259 | 858 | 358 |
| SMA | 2,087 | 377 | 153 |
| 50% | | 189 | 77 |
| RUA | 2,148 | 338 | 129 |
| 20% | | 68 | 26 |
| Total PMA | | 1,114 | 460 |

AGE QUALIFICATION

The *2009 Overview of Assisted Living* reports the median age of residents admitted into assisted living is 87 years old. Younger seniors may require assistance with ADLs and IADLs because of falls, fractures or the absence of a caregiver, and may consider a move to an ALF as early as age 65. The U.S. Census Bureau reports statistics on the percentage of elderly requiring assistance with ADL and IADL for ages 75-79 and ages 80 and over. Therefore, an age qualification of 75 years or older is typically used to measure the demand for assisted living services.

INCOME QUALIFICATION

Annual income qualifications for prospective assisted living residents are generally based on the average monthly service fees required to move into an ALF. *The 2009 MetLife Market Survey of Long-Term Care Costs* places the national average at \$3,131 and the Wyoming average base rate at \$3,039 (\$1,260 Low to \$4,137 High).



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According to the *Genworth Financial, Cost of Care Survey 2012*, the national median monthly service fee per unit (One Bedroom/Single Occupancy) in a freestanding ALF is \$3,261, and the Wyoming median monthly rate as \$3,298 (\$2,350 min. to \$4,605 max.). This study also shows that approximately 33% of assisted living facilities charge a one-time, non-refundable fee.

These rates for Wyoming equate to a minimum annual income qualification ranging from approximately \$28,200 (Low) to \$39,600 (Average) to \$55,260 (High). However, according to the same source, the median resident annual income is \$18,819 (\$24,000 median for men, \$14,000 median for women) (with 25 percent of assisted living residents surveyed earning approximately \$11,500 annually). For all older persons (65+) reporting income in 2010 (37.9 million), 19.6% reported less than \$10,000 and 37.6% reported \$25,000 or more. *State of the Senior Housing Industry, A white paper presented by The Society of Certified Senior Advisors, 2011*

In 2009, Social Security benefits accounted for 38% of the aggregate income of the older population. The bulk of the remainder consisted of earnings (29%), asset income (11%), and pensions (19%).

Some demand methodologies also consider homeowners with a lower income threshold to be included based on the assumed “spend-down” of a senior’s asset base that will provide the financial means to afford assisted living services. According to the *2009 Overview of Assisted Living*, the median resident asset value, including home equity, is \$205,000, and the average home value in Carbon County was \$158,000 in 2010. Therefore, non-income qualified seniors may utilize other financial means, such as the proceeds from the sale of their home or other assets, in order to assist with the cost of care.

Sources vary with regard to the amount of family support assisted living residents generally receive. The *2009 Overview of Assisted Living* reports that approximately 10% of assisted living residents surveyed indicated “family” as their primary payment source. In addition, 15% indicated “family” as their secondary payment source for care in a freestanding ALF.

The Survey reports that 26% of adult children or a family member assist in paying for assisted living services, with an average contribution of \$598 per month (or approximately \$7,200 per year). For this reason, assisted living rates are shown as a range between age-qualified individuals and age-and-income-qualified individuals.

Consider seniors age 75 and older in Carbon County with the following annual incomes to be qualified for assisted living services:

- Homeowners earning \$35,000 or more = 38% of seniors 75+
- Homeowners earning between \$15,000 and \$34,999 = 29% of seniors 75+
- Total income qualified seniors = 175 + 133 = 308, or 67% of the PMA



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PERCENTAGE OF SENIORS LIVING ALONE

According to the 2010 U.S. Census for the United States, approximately 45% of seniors 65 and older, and 55% of seniors age 75 and older, live alone. The percentage of individuals living alone varies by market area and is about 10-15% lower in Wyoming, Carbon County and Rawlins.

| Population Living Alone | Wyoming | | Carbon County | | Rawlins | |
|-----------------------------|---------|---------|---------------|---------|---------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Total 65 years and over | 70,090 | 100% | 2,044 | 100% | 858 | 100% |
| Total 65 years and over L/A | 19,992 | 28.5% | 591 | 28.9% | 250 | 29.1% |
| Total 75 years and over | 30,522 | 100% | 814 | 100% | 358 | 100% |
| Total 75 years and over L/A | 11,244 | 36.8% | 292 | 35.9% | 127 | 35.5% |

PERCENTAGE OF SENIORS REQUIRING ASSISTANCE

The decision to enter an ALF often depends on the individual's level of need for assistance and the available alternatives in the market. The following table shows the national percentage of the elderly requiring assistance with ADL and IADL, according to the U.S. Census Bureau 2005. The percentage of seniors requiring assistance generally falls between 25 and 36 percent, according to the *2009 Overview of Assisted Living*. The 2010 US Census Bureau American Community Survey (ACS), reported 37.1% of adults 65 and older in Wyoming have disabilities requiring assistance with ADL's.

Data from the *Wyoming Department of Health, Wyoming Behavioral Risk Factor Surveillance System* shows in 2010, 38.9% of Wyoming adults ages 65+, reported disabilities: that is, they are limited in any way in any activities because of physical, mental, or emotional problems or they have a health problem that requires the use of special equipment such as a cane, wheelchair, special bed, or special telephone. For purposes of determining market demand, a 39% number will be used here.

| Percentage of Elderly Requiring Assistance with ADL and IADL | |
|--------------------------------------------------------------|-----------------------------------------------------------------------------|
| Age Group | Percentage of Population Requiring and Seeking Assistance with ADL and IADL |
| 75 – 79 | 16.1% |
| 80 and over | 29.2% |

Source: U.S. Census Bureau, Americans With Disabilities: 2005, P. 4, Washington, DC, May 2008.

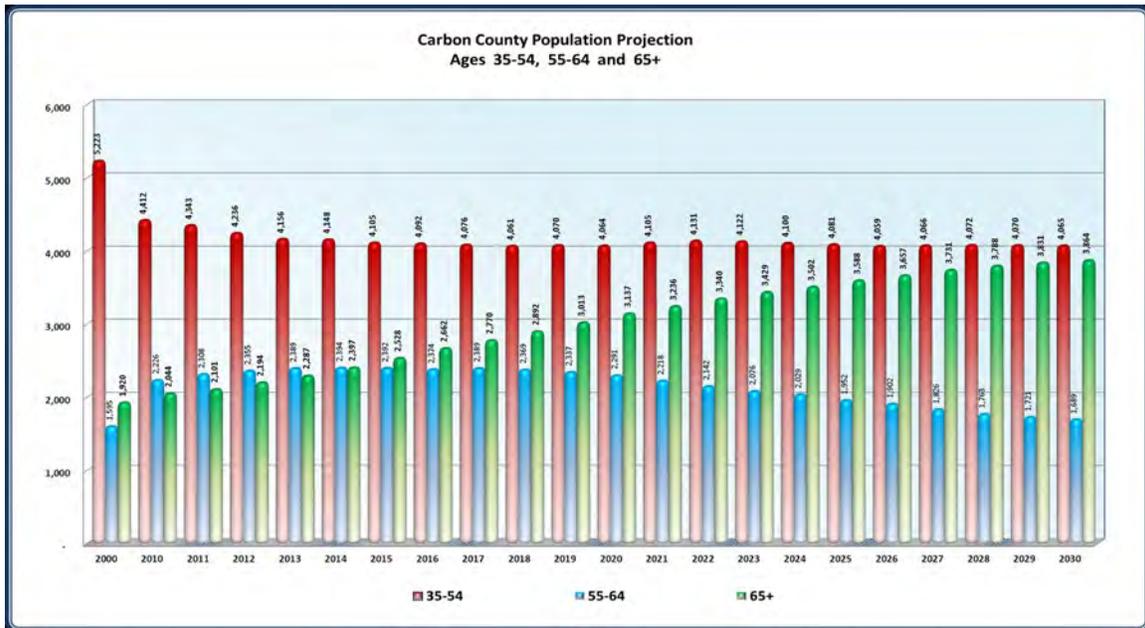
ADULT CAREGIVER INFLUENCE

Although there is no generally accepted methodology for capturing the influence of adult caregivers in a market area, it is important to understand the size and economic status of the adult child market. As previously described, these adults often serve as caregivers and provide financial support for their aging parents. Seniors also tend to relocate to the same geographical areas as their adult children and their families. In Carbon County the population is projected as follows over the next 20 years:

- Ages 35-54 - 7.9% Decrease
- Ages 55-64 - 24.1% Decrease
- Ages 65+ - 89.0% Increase

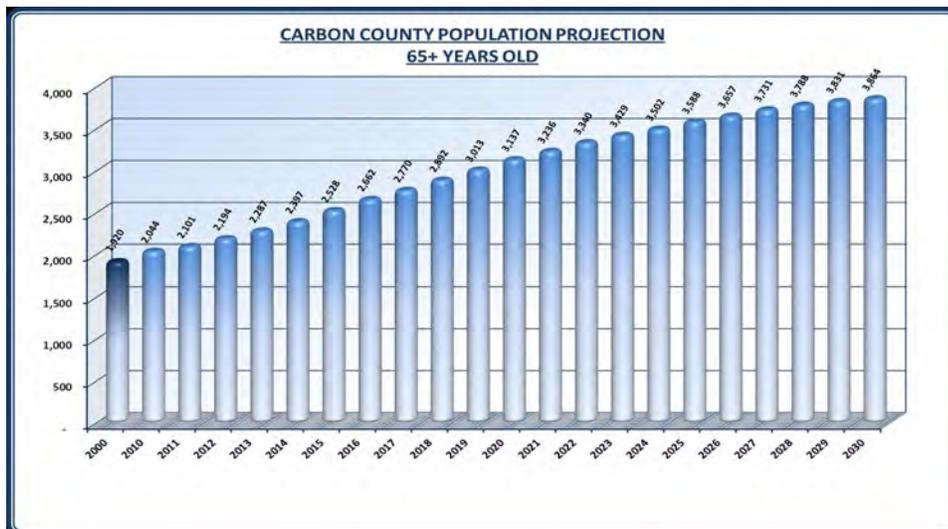


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The graphs included on this page illustrate the characteristics of various age groups within Carbon County. The population age 35-54 years of age is very stable with minimal growth which would indicate little changes with long-term impact in employment opportunities over the 2000-2030 period. Changes in this population sector is important as it may represent adult-children of the increasing senior population, age 65+.

The graph further illustrate as individuals reach retirement age, 55-64, the decline in population would indicate an out-migration of this age group. Beginning in approximately 2015 through 2030, the projections forecast a steady increase in the age 65+ population, which would indicate a increased demand for a wide range of senior services as defined by the continuum of care.





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CAPTURING THE DEMAND FOR DEMENTIA-RELATED DISORDERS

According to NIC, since 2005 and through the first quarter of 2008, the dementia care segment has grown the fastest with the largest net increase in supply (9.9%) compared to other senior living care levels including independent living (7.4%) and assisted living (3.6%). The National Alzheimer’s Association reports currently, 5.4 million Americans have Alzheimer’s disease. 5.2 million are aged 65 and over, meaning that one in eight seniors has Alzheimer’s disease, and approximately 18.7% of persons aged 75 to 84 and 47.2% of persons aged 85 and older have Alzheimer’s disease or some form of dementia. This number is expected to increase 30% by 2025 and triple by 2050.

There are several indicators that help size the available market and potential opportunity to assist this affected population in a residential setting. As a subset of assisted living, the percentage of assisted living beds dedicated to dementia care varies by geographic region and market, but tends to range between 15 and 30%.

WYOMING AGED 65 AND OLDER WITH ALZHEIMER’S BY AGE

| YEAR 2010 | AGE 65-74 | AGE 75-84 | AGE 85+ | TOTAL |
|-----------|-----------|-----------|---------|--------|
| | 500 | 4,900 | 4,700 | 10,000 |

The *2009 Overview of Assisted Living* reports that almost 40% of assisted living residents have a diagnosis of Alzheimer’s disease or another form of dementia. Many individuals with dementia-related disorders reside in a traditional assisted living community or nursing home, others seek care in dementia-designated beds, which could be located within an assisted living or nursing facility, or by a family caregiver. Once the person with Alzheimer’s moves into an assisted living community or other care option, the family caregiver usually continues to provide financial or legal assistance along with emotional support.

In 2012, the national annual direct care costs for those with Alzheimer’s disease are estimated to be \$200 billion. Most of these costs are paid for through Medicare and Medicaid, with less than one fourth paid privately. The average Base Rate for Alzheimer’s and Dementia Care is \$4,435 monthly or \$53,220 annually.



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CHAPTER 4 ASSESSING THE DEMAND

Analysis of the five basic components that were considered for assisted living services in the **Defining The Market** Section are summarized here:

- Primary Market Area definition, including the regional resident draw percentage.
- Age qualification = 460 seniors in the PMA
- Percentage of seniors requiring assistance = 39%
- Percent income qualified = 67%
- Percentage of seniors living alone = 36%

The results of the analysis are displayed in the following tables. The matrix screens the target population components and variables in a logical order, resulting in a current Total Potential Assisted Living Demand of 36 units.

| 2010 MARKET RATE ASSISTED LIVING DEMAND | | | | | |
|----------------------------------------------------------|------------|-----------------------------------------|---------------------------|---------------------------------------|-------------------------|
| Age Qualified | PMA People | Percent Needing Assistance ⁴ | Number Needing Assistance | Percent Income Qualified ⁵ | Number Income Qualified |
| 75+ | 460 | 39% | 179 | 67% | 120 |
| Total Potential Market | | | | | 120 |
| Percent Living Alone | | | | | 36% |
| Age/Income qualified singles needing assistance | | | | | 43 |
| Proportion of demand from couples ¹ | | | | | 5 |
| Total Age/income qualified market needing assistance | | | | | 48 |
| Potential Penetration Rate ² | | | | | 75% |
| Total Potential Assisted Living Demand | | | | | 36 |
| Competitive or other available alternatives ³ | | | | | 0 |

NOTES:

1. The 2009 Overview of Assisted Living found that 12% of assisted living residents are couples.
2. We estimate that 25% of the qualified market needing assistance with ADLs could either remain in their homes or reside at less advanced senior housing with the assistance of a family member or home health care, or would need greater care provided in a nursing home.
3. There are no competitive assisted living facilities in the Primary Market Area or pending facilities. The alternatives would be a nursing home or senior apartments.



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4. *The demand for assisted living housing is need-driven, which reduces the qualified market to only the portion of seniors who need assistance.*
5. *Includes 75+ homeowners with incomes above \$35,000 (who could afford monthly rents of \$3,000+), plus homeowners with incomes of \$15,000 to \$34,000 (who will spend down assets, including home-equity in order to live in assisted living housing).*

As a comparison, the following table lists the Assisted Living Facilities in Wyoming, licensed by the Wyoming Department of Health as of March 1, 2012.

| Licensed and/or Certified Healthcare Facilities in the State of Wyoming | | | | |
|-------------------------------------------------------------------------|----------------|------------|--------------|-------------|
| Wyoming Department of Health (list updated March 1, 2012) | | | | |
| <i>Privately Operated Assisted Living Facilities</i> | # of Lic. Beds | # Occupied | % Occupied | City |
| Agape Manor Inc | 26 | 11 | 41% | Buffalo |
| Beehive Home of Buffalo | 15 | 5 | 31% | Buffalo |
| Garden Square of Casper | 50 | 40 | 79% | Casper |
| Meadow Wind Assisted Living Community | 75 | 73 | 97% | Casper |
| Park Place Assisted Living Community | 116 | 60 | 52% | Casper |
| Primrose Retirement Community of Casper | 42 | 34 | 81% | Casper |
| Aspen Wind Assisted Living Community | 94 | 67 | 71% | Cheyenne |
| Pointe Frontier Retirement Community | 50 | 42 | 84% | Cheyenne |
| Sierra Hills Assisted Living Community | 100 | 67 | 67% | Cheyenne |
| Absaroka Assisted Living Community | 51 | 38 | 74% | Cody |
| Bee Hive Homes of Evanston | 16 | 13 | 81% | Evanston |
| Tender Heart Assisted Living Facility | 16 | 14 | 85% | Evanston |
| Primrose Retirement Community of Gillette | 45 | 0 | na | Gillette |
| River Rock Lodge Assisted Living Community | 65 | 44 | 68% | Jackson |
| Showboat Retirement Center | 50 | 44 | 88% | Lander |
| Spring Wind Assisted Living Community | 75 | 54 | 72% | Laramie |
| New Horizons Assisted Living Facility | 9 | 7 | 73% | Lovell |
| The Heartland | 24 | 22 | 91% | Powell |
| Homestead Assisted Living | 49 | 35 | 72% | Riverton |
| Sugarland Ridge Senior Living Community | 65 | 60 | 93% | Sheridan |
| Sundance Assisted Care | 15 | 14 | 95% | Sundance |
| Legacy Homes Assisted Living | 16 | 13 | 81% | Thayne |
| Totals | 1064 | 755 | 71.0% | |
| Average Occupancy | 48 | 34 | 71.0% | |
| <i>Publicly Operated Assisted Living Facilities</i> | | | | |
| Veterans' Home of Wyoming | 117 | 84 | 72% | Buffalo |
| Wyoming Pioneer Home | 52 | 26 | 50% | Thermopolis |

The population of Carbon County, in the PMA is projected to increase by 17% in 2015, resulting in a demand projection increase to 48 units by 2015 as illustrated in the following table.



RAWLINS AGING IN PLACE FEASIBILITY STUDY

| 2015 MARKET RATE ASSISTED LIVING DEMAND | | | | | |
|----------------------------------------------------------|------------|-----------------------------------------|---------------------------|---------------------------------------|-------------------------|
| Age Qualified | PMA People | Percent Needing Assistance ⁴ | Number Needing Assistance | Percent Income Qualified ⁵ | Number Income Qualified |
| 75+ | 539 | 39% | 210 | 75% | 158 |
| Total Potential Market | | | | | 158 |
| Percent Living Alone | | | | | 36% |
| Age/Income qualified singles needing assistance | | | | | 57 |
| Proportion of demand from couples ¹ | | | | | 7 |
| Total Age/income qualified market needing assistance | | | | | 64 |
| Potential Penetration Rate ² | | | | | 75% |
| Total Potential Assisted Living Demand | | | | | 48 |
| Competitive or other available alternatives ³ | | | | | 0 |

FACILITY SIZE RECOMMENDATIONS

For the purposes of this study, it is recommended to begin the project planning on a facility size of 36 units, described in detail later. The site selection property then should be large enough to allow for future expansion up to 48 units, should the population projections be realized.



RAWLINS AGING IN PLACE FEASIBILITY STUDY

CHAPTER 5 FACILITY CONCEPTS

The design concepts for this Assisted Living Facility must first consider and incorporate the State and Federal Rules and Regulations for Licensure of Assisted Living Facilities, and Rules for Program Administration. See *Wyoming Department of Health, Healthcare Licensing and Surveys* (<http://www.health.wyo.gov/ohls/index.html>) for complete regulatory descriptions and requirements. In summary:

WYOMING ASSISTED LIVING FACILITY REQUIREMENTS:

No more than two residents can live in a unit, and each single unit must offer no less than 100 square feet of living space, while double-occupancy units must provide at least 80 square feet. One toilet and sink must be provided for every two residents and one bathing unit must be provided for every 10 residents. At least one half of the licensed beds shall be private rooms.

WYOMING ASSISTED LIVING STAFFING REQUIREMENTS:

Direct care staff must be sufficient in number to meet the needs of the residents. If there are more than eight residents, one staff person must be on duty and awake at all times. A CNA, LPN, or RN must be on duty at all times. Additional staff are required to maintain order, safety, and cleanliness of the premises; prepare and serve meals; assist the residents with personal needs and recreational activities; and meet the other operational needs of the facility. An administrator or manager must be responsible for the facility 24 hours a day. Administrators must be 21, pass a licensure test, and complete a variety of educational requirements. So that ongoing resident evaluations may be performed in order to ensure appropriate, timely interventions, and to supervise PRN medication, a licensed CNA must be on duty on all shifts.

SIZING THE FACILITY

FACILITY CONFIGURATION:

The basis for sizing the Carbon County Assisted Living Facility begins with the number of units from the Market Rate Assisted Living Demand developed earlier.

The State requires that the size of the singles units must be greater than 100 sf and 160 sf for couples units. For this study, the unit size is estimated based on the average size of similar ALF facilities in similar communities, which range from 320 sf/unit to 860 sf/unit. Applying average sizes to this Study, we used 515 sf for single units and 750 sf for couples units.

- 30 singles units @ 515 sf/unit = 15,450 sf
- 6 two bedroom units @ 750 sf/unit = 4,500 sf

There would be a total of 36 apartments with capacity for 42 persons. At 95% occupancy the design capacity would be 40 persons. The space concept should encourage tenants to engage each other in conversation, exercise, hobbies, and other activities within a weather-protected environment.



RAWLINS AGING IN PLACE FEASIBILITY STUDY

The design should offer amenities such as short hallways, a single floor design, access to a common laundry area, group dining, socializing space, house services, staff and visitors. Safety is enhanced by security locks and intercom communications as well as 24 hour staffing.

The total building is estimated at 31,675 square feet. 63% will be used for the apartment units and 37% of the total space will provide common areas, dining, kitchen, social activity spaces and circulation throughout the building.

Common spaces include

- Congregate dining room with accommodations for residents and visitors
- Complete kitchen for daily food preparation and serving three meals
- Informal living room with comfortable seating, fireplace, reading and visiting
- Dedicated area for daily resident activities and special occasions
- Resident accessible laundry areas equipped for personal use
- Staff laundry for safe management of linens, towels and house laundry
- Administrative offices, reception and resident services.

Dining will be provided in a sit down arrangement with staff delivery of the meal to the resident, waitress style. Table arrangements will enhance the experience without institutionalizing it.

The common areas are arranged for maximum use by the residents as a part of their everyday living experiences within the facility. Comfortable seating, safe and secure flooring for easy transfer, appropriate, non-institutionalized lighting adds home like décor as do the wide hallways serving the apartments.

Licensing of all apartment units as 'Assisted Living' will allow maximum flexibility when developing plans for the individual residents. Admissions will take place under regulatory screening procedures and residents will be provided service levels consistent with their needs.

Total space considerations include allocations detailed in the following table:



RAWLINS AGING IN PLACE FEASIBILITY STUDY

| Facility Space Allocation | |
|-----------------------------------------------------------------|---------------|
| Resident Service Components | |
| Dining Room sit down meal service | 2,100 |
| Living Room common socializing areas | 600 |
| Multi-purpose Room activities, parties, chapel, library | 750 |
| Tub Room bathing and whirlpool | 250 |
| Resident Laundry washer/dryers | 350 |
| Total | 4,050 |
| Support Components | |
| Full Service Kitchen meal preparation, clean up | 800 |
| Reception greeting, information, control | 150 |
| Offices (2 each) business/resident services | 300 |
| Staff Workroom planning/work spaces | 125 |
| Public Restrooms 2 each privacy toilets/sinks | 200 |
| Housekeeping 2 locations/storage | 500 |
| Clean/Soiled Utility 2 locations separate functions | 300 |
| General Storage storage for building functions | 350 |
| Building Services equipment rooms/electrical/HVAC | 450 |
| Non-Assigned circulation and utility | 4,500 |
| Total | 7,675 |
| Residential Units | |
| One Bedroom Units 30 each including bath/kitchenette (515/unit) | 15,450 |
| Two Bedroom Units 6 each including bath/kitchenette (750/unit) | 4,500 |
| Total | 19,950 |
| Total Facility SQ FT (880/unit) | 31,675 |

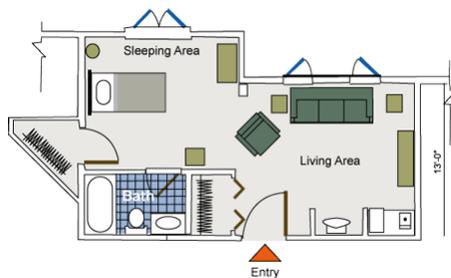
In addition to the above, depending on the Management/Owner/Developer vision, consideration may be given to allocating space for Adult Day Care and/or Memory Care. Other regulations and licensing requirements would apply.

The following are examples of some typical layout configurations of existing ALF's. The final layout and design will depend on negotiations with the developer, architect, construction contractor, management company and the City project coordinator.

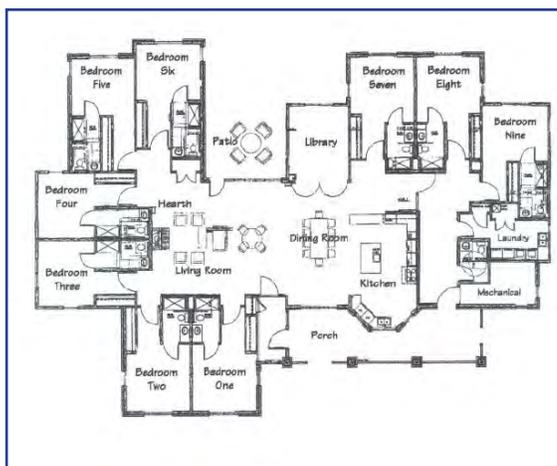




RAWLINS AGING IN PLACE FEASIBILITY STUDY



- | | |
|--------------------|---------------------|
| 1 Apartments | 9 Private Dining |
| 2 Covered Porch | 10 TV Lounge |
| 3 Lobby | 11 Resident Kitchen |
| 4 Parlor | 12 Resident Laundry |
| 5 Sunroom | 13 Kitchen |
| 6 Bistro | 14 Bathing Suite |
| 7 Ice Cream Parlor | 15 Administrative |
| 8 Formal Dining | 16 Nursing Suite |



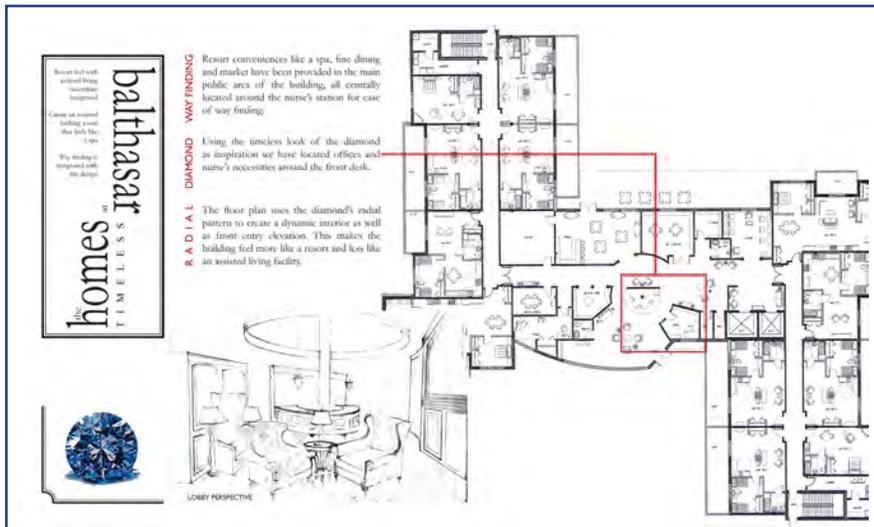
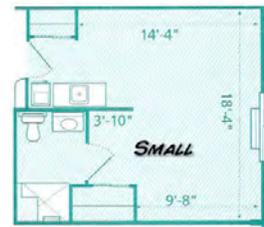
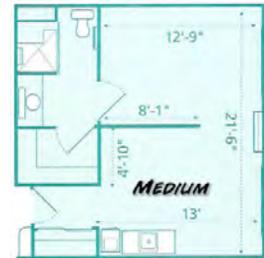
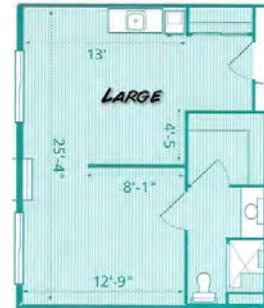


RAWLINS AGING IN PLACE FEASIBILITY STUDY

GARDEN SQUARE OF CASPER
48-UNIT ALF



COUNTRYSIDE VILLA,
WAUSA, NE



C 1-Bed 1-Bath
47' Open Plan



D 1-Bed 1-Bath
42' Open Plan



E 1-Bed 1-Bath
42' Open Plan



F 2-Bed 2-Bath
619' Open Plan



RAWLINS AGING IN PLACE FEASIBILITY STUDY

CHAPTER 6 SITE ANALYSIS

BRG worked closely with the Rawlins Committee to Foster Aging in Place, City of Rawlins staff, stakeholders, senior services and healthcare providers throughout the county to identify the perceptions of needs, services available, most critical service gaps, and vision for an aging in place facility. For purposes of this Study, the concept of aging in place is defined as having facilities in place that support the aging process to allow the elderly to remain in the community.

Carbon County has an efficient and caring network of Senior Centers that provide seniors with congregate and home delivered meals, an opportunity for social interaction and activities, and the caring concern of managers and staff. Community based in-home services are provided by MHCC through the Wyoming State Community Based In-Home Services program (CBIHS). The program provides services to adults who are unable to perform daily tasks on their own. There are two-skilled nursing facilities: South Central Wyoming Healthcare & Rehabilitation, a 62-bed facility in Rawlins, and Valley View Care and Rehabilitation Center, a 46-bed facility in Saratoga. Hospice or at-home end of life care is not available in Carbon County; institutional end of life care can be accessed at MHCC. There are no Assisted Living or Adult Day Care facilities in Carbon County.

To address the identified gaps, BRG focused on three areas of need along the spectrum of senior living options: senior independent living, assisted living and memory care (both day care and long term care). The primary focus of the Study is an ALF. Adult day care and independent senior living facilities must be addressed in a supplemental study.

CREATING A SENIOR CAMPUS

Communities are planned and developed around the clustering, or campus concept, of similar services for the convenience of those utilizing the services. The clustering of senior services, including aging in place options, provides multiple benefits for seniors, their families and healthcare service providers:

- The neighborhood is familiar, lessening the potential trauma for an individual when relocating from one level of elder care to another
- Seniors can maintain relationships with friend/family who require a different levels of care
- Interaction of residents at all facilities for meals, parties, and other enrichment opportunities
- An opportunity for the various service providers to leverage resources: skilled staff, training, transportation services, commodities, etc.

When developing a cluster of senior services, proximity to a hospital, medical clinic and physicians offices is important. Other amenities that contribute to the appeal of a senior campus, are the availability of retail and hospitality services: such as, hotel/motels, restaurants, florist, gift shops and grocery or convenience stores, etc.



RAWLINS AGING IN PLACE FEASIBILITY STUDY

Many of the essential components of a senior campus are currently in place. The Rawlins Senior Center, Cathy Gardens Apartments (partially occupied by seniors) and South Central Wyoming Healthcare & Rehabilitation are located in a contiguous three-block area. MHCC is approximately five block to the west. The surrounding retail area offers hotels/motels, restaurants, a florist shop, convenience stores and gas stations, and other retail establishments. The area is easily accessible from downtown Rawlins and U.S. Interstate 80. North of the Rawlins Senior Center are two open-space parks with playgrounds, picnic areas and other amenities.



#1. SOUTH CENTRAL WYOMING HEALTHCARE & REHABILITATION



#2. CATHY GARDENS APARTMENTS





RAWLINS AGING IN PLACE FEASIBILITY STUDY

#3. RAWLINS SENIOR CENTER



RAWLINS ASSISTED LIVING FACILITY SITE OPTIONS

Four potential sites within the City of Rawlins have been identified as adequate to accommodate an ALF based on current demand and allow for future expansion. Three of the identified site options are within close proximity to existing senior services where placement of the Rawlins ALF would advance the senior campus concept.



PROPOSED ALF SITE #1

A 3-to-5 acres site of open land adjacent to South Central Wyoming Healthcare & Rehabilitation north driveway, at the corner of Maple and 16th Street. A portion of the site is owned by the City of Rawlins, the other portion is owned by Carbon County. Development of this site would create an expanded Senior Campus and facilitate interaction between residents of the ALF, nursing home, Cathy Gardens and members of the Rawlins Senior Center. The major benefits of developing this property are its public ownership, proximity to existing senior facilities and the MHCC.

To determine potential consideration of this site, preliminary discussions regarding the property have taken place with Chairman of the County Commissioners and Rawlins City Manager, to determine availability. This is the most favored site option of the Rawlins Committee to Foster Aging in Place.





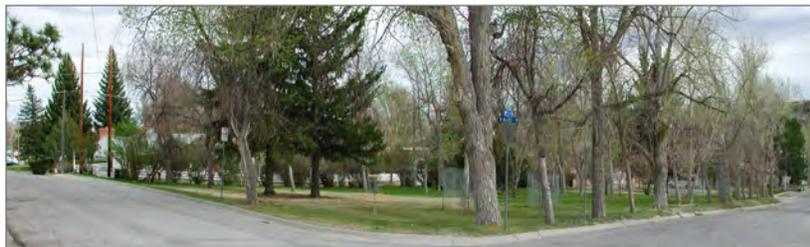
RAWLINS AGING IN PLACE FEASIBILITY STUDY



PROPOSED ALF SITE #2

Site #2 is a 3-acre privately-owned abandoned, poorly maintained motel site. This property also fits well into the Senior Campus concept as it is across the street south of Cathy Gardens. Future expansion of a Rawlins ALF may be somewhat restricted, as the property fills the entire block. The property is privately owned and the owners have not been contacted regarding their

future plans for the property, if the property is available for purchase, or asking price. The primary advantages of this site are its convenient proximity to Rawlins Senior Center, Cathy Gardens and the nursing home which would facilitate resident interaction among all senior facilities.



PROPOSED ALF SITE #3

This is the smallest of the four potential sites, 1.5 acres. It is conveniently located north of the Rawlins Senior Center. The site is owned by the City of Rawlins and has been developed as a city

park. Due to the size of the property, this option could limit future expansion of a Rawlins ALF unless the expansion is considered at the time of initial construction to accommodate a multiple floor facility and perhaps underground secure parking. Multiple floor ALFs are common in metropolitan areas and can be very efficient and appealing.



PROPOSED ALF SITE #4

The fourth option is on the east side of Rawlins offering a beautiful view of the mountains and prairie. The site is approximately 10 acres of undeveloped land, owned by the City of Rawlins, on Harshman Street across from the Recreation Center. The surrounding neighborhood is primarily residential, with a high school and middle school in close proximity. The major benefits of the site are its public ownership and the availability of open land for facility expansion and/or landscaped open space.

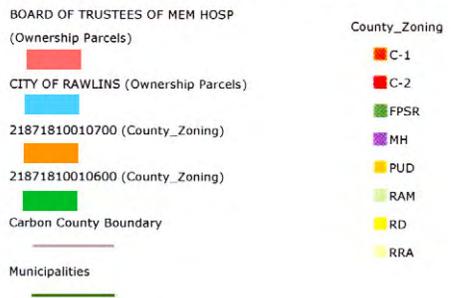
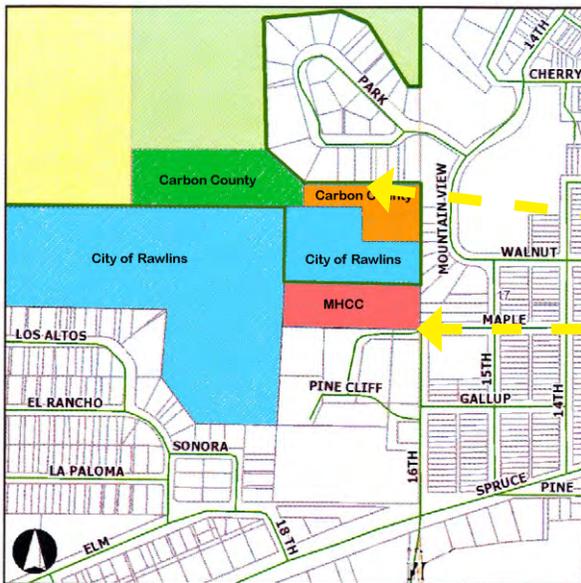


RAWLINS AGING IN PLACE FEASIBILITY STUDY

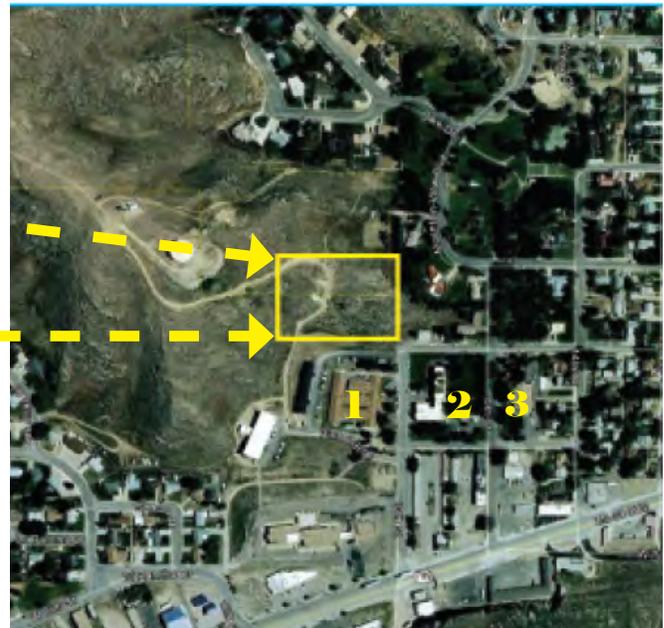


PROPOSED ALF SITE #4,
continued

SENIOR CAMPUS AREA DEVELOPMENT MAP



PROPOSED ALF SITE #1



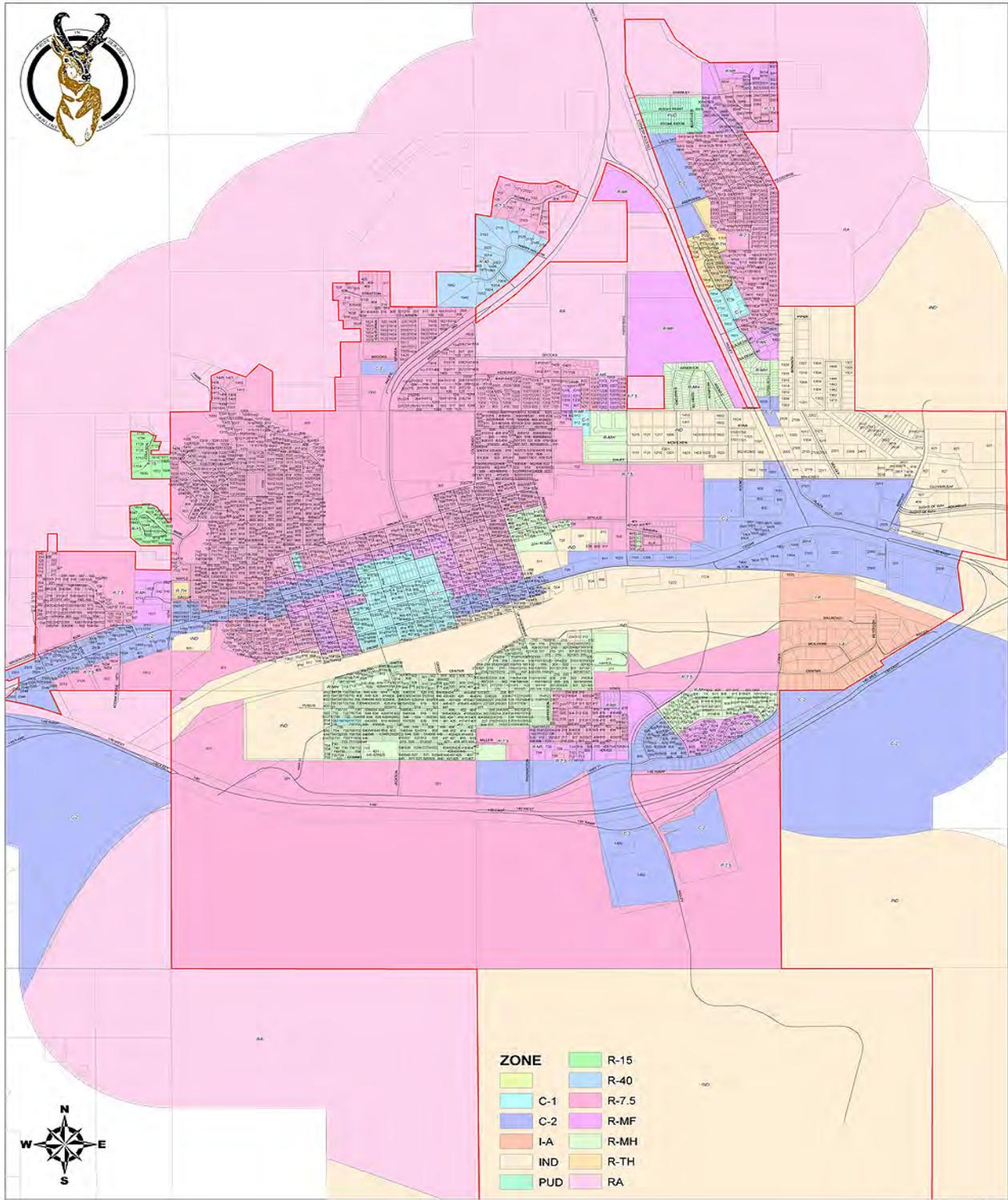
1. South Central Wyoming Healthcare & Rehabilitation
2. Cathy Gardens Apartments
3. Rawlins Senior Center

Note: Access and utilities to proposed Site #1, available from the corner of 16th and Maple



RAWLINS AGING IN PLACE FEASIBILITY STUDY

CITY OF RAWLINS ZONING MAP 2011





RAWLINS AGING IN PLACE FEASIBILITY STUDY

LAND USE MAP

Wyoming Multi-Hazard Mitigation Plan June 2011 - Rawlins

Driven by a combination of the State Penitentiary and the energy industry, Rawlins experiences rapid population as well as socio-economic change. Rawlins experiences rapid economic growth with the growth of the mining industry. Coalbed methane has tremendous potential to spur economic growth. The population and economy are also growing due to service, non-farm proprietors, government and trade sector growth. County leaders mentioned significant growth in construction, mechanical services, truck shops, and electronic support facilities. Service sector jobs are expected to continue growing, largely because of technology improvements. The temporary and transient nature of housing and development prohibits a detailed and accurate vulnerability assessment for this area.

Carbon County, where Rawlins is located, published their Land Use Plan in 1998. Fortunately, the city is threatened by minimal flood areas and no abandoned mine lands. With these factors, growth can be adequately planned and encouraged.





RAWLINS AGING IN PLACE FEASIBILITY STUDY

CHAPTER 7 FINANCIAL ANALYSIS

The financial analysis included in this Study incorporate multiple components to address project viability: staffing, resident cost of care, funding sources and facility financial projections. Each is addressed separately and is incorporated into the financial projections. A change in one component could effect the potential project viability. A financial analysis is offered in the Study as a guide or prospective for the Rawlins Committee to Foster Aging in Place and the community stakeholders.

The expressed desire of the City, County, Committee and stakeholders is to engage a private developer to initiate the project. Private developers with experience in the construction and operation of ALFs, will have a successful model adaptable to a facility of this size in a rural community. The analysis provided here may be of more interest should a private entity with limited ALF experience, or a group of local investors, come forward as a viable option for project development.

THE COST OF CARE

The population and other demographics of Carbon County and the City of Rawlins indicate a senior population sufficient to support a ALF, community research has identified the need and desire for expanded aging in place facilities that will allow seniors to remain in their home community as long as possible, and it appears the community is supportive of the project. As a component of the project financial analysis, it is important to address the cost of residency in an ALF and how individuals and families can ensure these services are accessible.

Median monthly rent for assisted living apartments in Wyoming is \$3,298.00, according to the 2012 Genworth Cost of Care Survey. Wyoming ranks 23rd highest among the 50 states in the median annual cost of assisted living facilities. Additional median annual cost data from the 2010 and 2012 Genworth Survey is included below as indication of the trends in the cost of elder care.

| ANNUAL MEDIAN COST OF CARE | 2010 NATIONAL ANNUAL MEDIAN COST | 2010 WYOMING ANNUAL MEDIAN COST | 2012 WYOMING ANNUAL MEDIAN COST |
|-------------------------------|----------------------------------|---------------------------------|---------------------------------|
| HOME CARE | | | |
| Homemaker Services (Licensed) | \$41,184 | \$43,472 | \$45,700 |
| Home Health Aides (Licensed) | \$43,472 | \$45,760 | \$46,904 |
| Adult Day Care | \$15,600 | \$14,144 | \$14,495 |
| Assisted Living Facility | \$39,135 | \$40,884 | \$39,570 |
| Nursing Home Facility | | | |
| Semi-Private Room | \$70,445 | \$70,080 | \$72,270 |
| Private Room | \$77,745 | \$74,825 | \$80,301 |



RAWLINS AGING IN PLACE FEASIBILITY STUDY

ASSISTED LIVING FACILITY STAFFING

Assisted living facilities may have a range of staffing philosophies, but usually the staff is determined by the makeup and size of the facility and the range of services offered to residents. If the ALF is connected to, or shares a campus with, a skilled nursing facility, hospital, clinic, or other senior services, then those resources may be leveraged and shared among several senior services. Some staff members may be designated to perform a multitude of tasks. In order to maximize resources, it is highly recommended that the full time employee (FTE) staff be supplemented by a range of trained volunteers, as is the common practice in other ALFs, hospitals, and nursing homes. A FTE is equivalent to 2080 hours per a 12 month period.

According to the Wyoming Assisted Living Staffing Requirements as regulated by the **Wyoming Department of Health, Office of Healthcare Licensing and Surveys**:

“Staffing must be sufficient to meet the needs of all residents. For facilities with eight or more residents, there must be at least one staff person on duty and awake at all times. A CNA, LPN, or RN must be on duty at all times. There must be a registered nurse, licensed practical nurse, or certified nursing assistant (CNA) on every shift. The facility must designate an administrator or manager who is responsible for the facility and the 24-hour supervision of residents. Administrators must be at least 21, pass a licensure test, and complete a variety of educational requirements. There must be additional staff on duty to maintain order, safety, and cleanliness of the premises; prepare and serve meals; assist the residents with personal needs and recreational activities; and meet the other operational needs of the facility”.

The staffing projections for the Rawlins ALF are based on the Wyoming regulatory requirements, and consideration of providing the following resident services :

- Twenty-four hours a day access to medical personnel. A registered nurse, CNA and/or other medically trained staff will be on site 24 hours a day in case of emergency, to provide medication management, and to supervise daily living activities. Staff will include a nurse/administrator, certified nurse assistants, personal care attendants, a health/wellness director, a dietician, cooks, housekeeping and maintenance personnel.
- Assistance (as needed) will be provided with the residents’ activities of daily living, such as bathing, dressing, taking medications, and eating.
- The ALF will also incorporate a health and exercise program (in cooperation with the physical therapy personnel at the nursing home, hospital, and/or contracted services.)
- Three meals a day in a central dining area. Most residential units at the ALF will have a kitchenette equipped with at least a dormitory size refrigerator and/or microwave oven.
- Transportation to local medical facilities, shopping and businesses, including the MHCC.
- Full compliance with all Wyoming license and federal certification requirements, as well as all other applicable local, state, and federal laws.

The following Tables detail the staff descriptions and payroll costs for the first three years:



RAWLINS AGING IN PLACE FEASIBILITY STUDY

| Year 1 STAFF | FTEs | FTE / Res. | Hourly Wage Per FTE (1) | HOURLY COMPENSATION COSTS (per FTE) with 2012 Rates | | | | | | | | |
|---------------------------------------------------------------------------------|-------------|---------------|-------------------------------|-----------------------------------------------------|----------|--------|------------|----------------|------------|--------|-----------|----------------|
| | | | | Soc Sec | Medicare | UI (2) | WC Ins (3) | Tot Tax | Health Ins | 401k | Vacation | Tot |
| | | | | 6.20% | 1.45% | 2.50% | 6.00% | 16.15% | \$200 / mo | 1.00% | 40 hrs/yr | Benefits |
| Management/Administration | | | | | | | | | | | | |
| Health Services Manager/Administrator | 1 | 0.028 | \$35.10 | \$2.18 | \$0.51 | \$0.88 | \$2.11 | \$5.67 | \$1.15 | \$0.35 | \$0.68 | \$2.18 |
| Technical/Professional | | | | | | | | | | | | |
| Registered Nurse (RN) | 1 | 0.028 | \$27.60 | \$1.71 | \$0.40 | \$0.69 | \$1.66 | \$4.46 | \$1.15 | \$0.28 | \$0.53 | \$1.96 |
| Certified Nursing Aides (CNA) | 3 | 0.083 | \$12.80 | \$0.79 | \$0.19 | \$0.32 | \$0.77 | \$2.07 | \$1.15 | \$0.13 | \$0.25 | \$1.53 |
| Support | | | | | | | | | | | | |
| Personal Care Aides | 1 | 0.028 | \$9.54 | \$0.59 | \$0.14 | \$0.24 | \$0.57 | \$1.54 | \$1.15 | \$0.10 | \$0.18 | \$1.43 |
| Medical and Public Health Social Workers | | 0.000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Fitness Trainers | \$0 | 0.000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Office/Clerical | | | | | | | | | | | | |
| Office/Admin Support | 0.5 | 0.014 | \$14.81 | \$0.92 | \$0.21 | \$0.37 | \$0.89 | \$2.39 | \$1.15 | \$0.15 | \$0.28 | \$1.59 |
| Receptionist - combine with | 0.5 | 0.014 | \$10.88 | \$0.67 | \$0.16 | \$0.27 | \$0.65 | \$1.76 | \$1.15 | \$0.11 | \$0.21 | \$1.47 |
| Bookkeeper | 0.5 | 0.014 | \$15.28 | \$0.95 | \$0.22 | \$0.38 | \$0.92 | \$2.47 | \$1.15 | \$0.15 | \$0.29 | \$1.60 |
| Dietary | | | | | | | | | | | | |
| Dietitian (Share with MHCC) | 0.5 | 0.014 | \$21.84 | \$1.35 | \$0.32 | \$0.55 | \$1.31 | \$3.53 | \$1.15 | \$0.22 | \$0.42 | \$1.79 |
| Cooks | 1 | 0.028 | \$10.73 | \$0.67 | \$0.16 | \$0.27 | \$0.64 | \$1.73 | \$1.15 | \$0.11 | \$0.21 | \$1.47 |
| Food Preparation Workers/Helpers | 0.5 | 0.014 | \$9.31 | \$0.58 | \$0.13 | \$0.23 | \$0.56 | \$1.50 | \$1.15 | \$0.09 | \$0.18 | \$1.43 |
| Other | | | | | | | | | | | | |
| Maids and Housekeeping Cleaners | 1 | 0.028 | \$9.56 | \$0.59 | \$0.14 | \$0.24 | \$0.57 | \$1.54 | \$1.15 | \$0.10 | \$0.18 | \$1.43 |
| Maintenance Workers | 1 | 0.028 | \$16.52 | \$1.02 | \$0.24 | \$0.41 | \$0.99 | \$2.67 | \$1.15 | \$0.17 | \$0.32 | \$1.64 |
| Total All Employees | 11.5 | 0.319 | \$10.48 - Avg. | | | | | \$31.33 | | | | \$19.52 |
| Central-SE Region, All Occupations Median Wage | | | \$16.04 | | | | | | | | | |
| <i>Assumed that Staffing will be supplemented by Volunteers where required.</i> | | | | | | | | | | | | |

| MONTHLY COMPENSATION COST | | | | ANNUAL COMPENSATION COSTS | | | |
|---------------------------|----------------|----------------|-----------------|---------------------------|-----------------|-----------------|------------------|
| Mo Wages | Mo Taxes | Mo Benefits | Tot Monthly | Ann Wages | Ann Taxes | Ann Benefits | Tot Annual |
| Tot all FTEs | | | | Tot all FTEs | | | |
| \$6,084 | \$983 | \$378 | \$7,444 | \$73,008 | \$11,791 | \$4,534 | \$89,333 |
| \$4,784 | \$773 | \$340 | \$5,896 | \$57,408 | \$9,271 | \$4,078 | \$70,757 |
| \$6,656 | \$1,075 | \$795 | \$8,526 | \$79,872 | \$12,899 | \$9,535 | \$102,306 |
| \$1,654 | \$267 | \$248 | \$2,169 | \$19,843 | \$3,205 | \$2,980 | \$26,028 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$1,284 | \$207 | \$138 | \$1,628 | \$15,402 | \$2,487 | \$1,650 | \$19,540 |
| \$943 | \$152 | \$128 | \$1,223 | \$11,315 | \$1,827 | \$1,531 | \$14,673 |
| \$1,324 | \$214 | \$139 | \$1,677 | \$15,891 | \$2,566 | \$1,665 | \$20,122 |
| \$1,893 | \$306 | \$155 | \$2,354 | \$22,714 | \$3,668 | \$1,864 | \$28,246 |
| \$1,860 | \$300 | \$254 | \$2,415 | \$22,318 | \$3,604 | \$3,052 | \$28,975 |
| \$807 | \$130 | \$124 | \$1,061 | \$9,682 | \$1,564 | \$1,483 | \$12,729 |
| \$1,657 | \$268 | \$248 | \$2,173 | \$19,885 | \$3,211 | \$2,981 | \$26,077 |
| \$2,863 | \$462 | \$284 | \$3,610 | \$34,362 | \$5,549 | \$3,404 | \$43,315 |
| \$31,808 | \$5,137 | \$3,230 | \$40,175 | \$381,701 | \$61,645 | \$38,757 | \$482,103 |

(1): **Hourly Wages** are based on Wyoming Department of Employment/Research & Planning; Wyoming Occupational Employment and Wages (for the Central-SE Region of Wyoming) for September 2011
<http://doe.state.wy.us/LMI/EDS2011SeptECI/TOC000.HTM>

2012 Social Security Tax Rate
 The Social Security Tax Rate for employers = 6.20%
 The Medicare Tax Rate for employees and employers = 1.45%
<http://www.socialsecurity.gov/>

(2): The Unemployment Insurance rate is the 2012 Tax Rate established by the Wyoming Department of Employment
UI 2012 Tax Rate = 0.025 (2.50%)
 NAICS GROUPING (Sectors 61, 62)
 Education, Health and Social Assistance

(3): The Workers' Compensation Base Rate is the 2012 Tax Rate established by the Wyoming Department of Employment
WC 2012 Tax Rate = 6.0%
 Industry Group - NAICS 623300
 Community Care Facilities for Elderly



RAWLINS AGING IN PLACE FEASIBILITY STUDY

| Years 2 - 3 STAFF | FTEs | FTE / Res. | Hourly Wage Per FTE (1) | HOURLY COMPENSATION COSTS (per FTE) with 2012 Rates | | | | | | | | |
|------------------------------------------|-------------|---------------|-------------------------------|-----------------------------------------------------|----------|--------|------------|----------------|------------|--------|----------------|----------|
| | | | | Soc Sec | Medicare | UI (2) | WC Ins (3) | Tot Tax | Health Ins | 401k | Vacation | Tot |
| | | | | 6.20% | 1.45% | 2.50% | 6.00% | 16.15% | \$200 / mo | 1.00% | 40 hrs/yr | Benefits |
| Management/Administration | | | | | | | | | | | | |
| Health Services Manager/Administrator | 1 | 0.028 | \$35.10 | \$2.18 | \$0.51 | \$0.88 | \$2.11 | \$5.67 | \$1.15 | \$0.35 | \$0.68 | \$2.18 |
| Technical/Professional | | | | | | | | | | | | |
| Registered Nurse (RN) | 1 | 0.028 | \$27.60 | \$1.71 | \$0.40 | \$0.69 | \$1.66 | \$4.46 | \$1.15 | \$0.28 | \$0.53 | \$1.96 |
| Certified Nursing Aides (CNA) | 6 | 0.167 | \$12.80 | \$0.79 | \$0.19 | \$0.32 | \$0.77 | \$2.07 | \$1.15 | \$0.13 | \$0.25 | \$1.53 |
| Support | | | | | | | | | | | | |
| Personal Care Aides | 1 | 0.028 | \$9.54 | \$0.59 | \$0.14 | \$0.24 | \$0.57 | \$1.54 | \$1.15 | \$0.10 | \$0.18 | \$1.43 |
| Medical and Public Health Social Workers | 0.5 | 0.014 | \$15.85 | \$0.98 | \$0.23 | \$0.40 | \$0.95 | \$2.56 | \$1.15 | \$0.16 | \$0.30 | \$1.62 |
| Fitness Trainers | 0.5 | 0.014 | \$8.09 | \$0.50 | \$0.12 | \$0.20 | \$0.49 | \$1.31 | \$1.15 | \$0.08 | \$0.16 | \$1.39 |
| Office/Clerical | | | | | | | | | | | | |
| Office/Admin Support | 1 | 0.028 | \$14.81 | \$0.92 | \$0.21 | \$0.37 | \$0.89 | \$2.39 | \$1.15 | \$0.15 | \$0.28 | \$1.59 |
| Receptionist - combine with | 0.5 | 0.014 | \$10.88 | \$0.67 | \$0.16 | \$0.27 | \$0.65 | \$1.76 | \$1.15 | \$0.11 | \$0.21 | \$1.47 |
| Bookkeeper | 0.5 | 0.014 | \$15.28 | \$0.95 | \$0.22 | \$0.38 | \$0.92 | \$2.47 | \$1.15 | \$0.15 | \$0.29 | \$1.60 |
| Dietary | | | | | | | | | | | | |
| Dietitian (Share with MHCC) | 0.5 | 0.014 | \$21.84 | \$1.35 | \$0.32 | \$0.55 | \$1.31 | \$3.53 | \$1.15 | \$0.22 | \$0.42 | \$1.79 |
| Cooks | 2 | 0.056 | \$10.73 | \$0.67 | \$0.16 | \$0.27 | \$0.64 | \$1.73 | \$1.15 | \$0.11 | \$0.21 | \$1.47 |
| Food Preparation Workers/Helpers | 1 | 0.028 | \$9.31 | \$0.58 | \$0.13 | \$0.23 | \$0.56 | \$1.50 | \$1.15 | \$0.09 | \$0.18 | \$1.43 |
| Other | | | | | | | | | | | | |
| Maids and Housekeeping Cleaners | 2 | 0.056 | \$9.56 | \$0.59 | \$0.14 | \$0.24 | \$0.57 | \$1.54 | \$1.15 | \$0.10 | \$0.18 | \$1.43 |
| Maintenance Workers | 1 | 0.028 | \$16.52 | \$1.02 | \$0.24 | \$0.41 | \$0.99 | \$2.67 | \$1.15 | \$0.17 | \$0.32 | \$1.64 |
| Total All Employees | 18.5 | 0.514 | \$11.78 - Avg. | | | | | \$35.19 | | | \$22.52 | |

Central-SE Region, All Occupations Median Wage

\$16.04

Assumed that Staffing will be supplemented by Volunteers where required.

| MONTHLY COMPENSATION COST | | | | ANNUAL COMPENSATION COSTS | | | |
|---------------------------|----------------|----------------|-----------------|---------------------------|-----------------|-----------------|------------------|
| Mo Wages | Mo Taxes | Mo Benefits | Tot Monthly | Ann Wages | Ann Taxes | Ann Benefits | Tot Annual |
| Tot all FTEs | | | | Tot all FTEs | | | Annual |
| \$6,084 | \$983 | \$378 | \$7,444 | \$73,008 | \$11,791 | \$4,534 | \$89,333 |
| \$4,784 | \$773 | \$340 | \$5,896 | \$57,408 | \$9,271 | \$4,078 | \$70,757 |
| \$13,312 | \$2,150 | \$1,589 | \$17,051 | \$159,744 | \$25,799 | \$19,069 | \$204,612 |
| \$1,654 | \$267 | \$248 | \$2,169 | \$19,843 | \$3,205 | \$2,980 | \$26,028 |
| \$1,374 | \$222 | \$140 | \$1,736 | \$16,484 | \$2,662 | \$1,682 | \$20,828 |
| \$701 | \$113 | \$120 | \$935 | \$8,414 | \$1,359 | \$1,446 | \$11,218 |
| \$2,567 | \$415 | \$275 | \$3,257 | \$30,805 | \$4,975 | \$3,300 | \$39,080 |
| \$943 | \$152 | \$128 | \$1,223 | \$11,315 | \$1,827 | \$1,531 | \$14,673 |
| \$1,324 | \$214 | \$139 | \$1,677 | \$15,891 | \$2,566 | \$1,665 | \$20,122 |
| \$1,893 | \$306 | \$155 | \$2,354 | \$22,714 | \$3,668 | \$1,864 | \$28,246 |
| \$3,720 | \$601 | \$509 | \$4,829 | \$44,637 | \$7,209 | \$6,105 | \$57,950 |
| \$1,614 | \$261 | \$247 | \$2,122 | \$19,365 | \$3,127 | \$2,966 | \$25,458 |
| \$3,314 | \$535 | \$497 | \$4,346 | \$39,770 | \$6,423 | \$5,962 | \$52,155 |
| \$2,863 | \$462 | \$284 | \$3,610 | \$34,362 | \$5,549 | \$3,404 | \$43,315 |
| \$46,147 | \$7,453 | \$5,049 | \$58,648 | \$553,758 | \$89,432 | \$60,587 | \$703,777 |



RAWLINS AGING IN PLACE FEASIBILITY STUDY

In order to attract and retain quality employees, the ALF will provide a generous benefits package to all employees.

Benefits include retirement, paid vacations and holidays, and flextime. Full time employees will also receive group health insurance. These benefits exceed the national median costs of benefits on a cost per resident basis, according to The State of Seniors Housing 2010.

For reference, the table on the right lists all the related hourly wages and job descriptions based on Wyoming Department of Employment/ Research & Planning; Wyoming Occupational Employment and Wages (for the Central-SE Region of Wyoming) for Base Year September 2011.

Additional staffing may be supplemented through outside contracts or volunteers, for Physician Assistants, Social Workers, Healthcare Support Workers, and Personal and Home Health Care Aids.

| Job Descriptions | Hourly Pay Rates |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Medical and Health Services Managers (11-9111) Plan, direct, or coordinate medicine and health services in hospitals, clinics, managed care organizations, public health agencies, or similar organizations. | 35.10 |
| Nursing Aides, Orderlies, and Attendants (31-1012) Provide basic patient care under direction of nursing staff. Perform duties, such as feed, bathe, dress, groom, or move patients, or change linens. Exclude "Home Health Aides" (31-1011) and "Psychiatric Aides" (31-1013). | 12.80 |
| Registered Nurses (29-1111) Assess patient health problems and needs, develop and implement nursing care plans, and maintain medical records. Administer nursing care to ill, injured, convalescent, or disabled patients. May advise patients on health maintenance and disease prevention or provide case management. Licensing or registration required. Include advance practice nurses such as: nurse practitioners, clinical nurse specialists, certified nurse midwives, and certified registered nurse anesthetists. Advanced practice nursing is practiced by RNs who have specialized formal, post-basic education and who function in highly autonomous and specialized roles. | 27.60 |
| Physician Assistants (29-1071) Provide healthcare services typically performed by a physician, under the supervision of a physician. Conduct complete physicals, provide treatment, and counsel patients. May, in some cases, prescribe medication. Must graduate from an accredited educational program for physician assistants. Exclude "Emergency Medical Technicians and Paramedics" (29-2041), Medical Assistants (31-9092), and "Registered Nurses" (29-1111). | 34.81 |
| Home Health Aides (31-1011) Provide routine, personal healthcare, such as bathing, dressing, or grooming, to elderly, convalescent, or disabled persons in the home of patients or in a residential care facility. | 9.54 |
| Food Preparation Workers (35-2021) Perform a variety of food preparation duties other than cooking, such as preparing cold foods and shellfish, slicing meat, and brewing coffee or tea | 9.31 |
| Personal and Home Care Aides (39-9021) Assist elderly or disabled adults with daily living activities at the person's home or in a daytime non-residential facility. Doing laundry, washing dishes and preparing meals. May provide meals and supervised activities at non-residential care facilities. May advise families, the elderly, and disabled on such things as nutrition, cleanliness, and household utilities. | 9.49 |
| Receptionists and Information Clerks (43-4171) Answer inquiries and obtain information for general public, customers, visitors, and other interested parties. Provide information regarding activities conducted at establishment; location of departments, offices, and employees within organization. Exclude "Switchboard Operators, Including Answering Service" (43-2011). | 10.88 |
| Bookkeeping, Accounting, and Auditing Clerks (43-3031) Compute, classify, and record numerical data to keep financial records complete. Perform any combination of routine calculating, posting, and verifying duties to obtain primary financial data for use in maintaining accounting records. May also check the accuracy of figures, calculations, and postings pertaining to business transactions recorded by other workers. | 15.28 |
| Social Workers, All Other (21-1029) All social workers not listed separately. | 22.70 |
| Fitness Trainers and Aerobics Instructors (39-9031) Instruct or coach groups or individuals in exercise activities and the fundamentals of sports. Demonstrate techniques and methods of participation. Observe participants and inform them of corrective measures necessary to improve their skills. Those required to hold teaching degrees should be reported in the appropriate teaching category. Exclude "Athletic Trainers" | 8.09 |
| Medical and Public Health Social Workers (21-1022) Provide persons, families, or vulnerable populations with the psychosocial support needed to cope with chronic, acute, or terminal illnesses, such as Alzheimer's, cancer, or AIDS. Services include advising family care givers, providing patient education and counseling, and making necessary referrals for other social services. | 15.85 |
| Dietitians and Nutritionists (29-1031) Plan and conduct food service or nutritional programs to assist in the promotion of health and control of disease. May supervise activities of a department providing quantity food services, counsel individuals, or conduct nutritional research. | 21.84 |
| Healthcare Support Workers, All Other (31-9799) | 14.48 |



RAWLINS AGING IN PLACE FEASIBILITY STUDY

The following Tables compare the design projections for the Rawlins ALF staffing to national levels and other studies of Assisted Living Facilities.

| Department | National Median FTE / Resident | Rawlins ALF FTE / Resident |
|----------------------|--------------------------------|----------------------------|
| Administrative | 0.04 | 0.056 |
| Dietary | 0.10 | 0.097 |
| Housekeeping | 0.03 | 0.056 |
| Maintenance | 0.02 | 0.028 |
| Marketing | 0.01 | 0 |
| Skilled Nursing (RN) | 0.04 | 0.028 |
| NursingAids (CNA) | 0.28 | 0.167 |
| Other | 0.02 | 0.082 |
| TOTAL | 0.50 | 0.514 |

Rawlins ALF Demand = 36 residents
 With 18.5 FTEs when fully stabilized at 95% occupancy ~ 40 res.

NIC "State of Senior Housing" report for 2007 says that a fully staffed assisted living facility would have 0.33 FTEs per resident including nursing services.

The NIC report for 2004 says 0.532 FTEs per resident.

"Assisted Living Strategies for Changing Markets", Moore Diversified Services, Inc, 2009 says 0.45 - 0.55 FTEs per resident

@ .33 FTE /resident = 12
 @ .532 FTE / resident = 19
 @ .45 - .55 FTE / resident = 16-20

It is expected that resident occupancy will "ramp-up" over the first 22-24 months. Therefore, the total projected staffing will not be immediately required, but will begin with pre-hired key required positions, and increase over the first 12-month period to accommodate the increase in resident admissions. The Table below shows the gradual increase in staffing with the associated payroll costs.

| Three Year Staffing and Payroll Costs by Month | | | | | | | | | | | | |
|-------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Month - Year 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Staff | 7 | 10 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Wages | 17,800 | 28,262 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 |
| Taxes | 2,875 | 4,564 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 |
| Benefits | 1,372 | 2,578 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 |
| Month - Year 2 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| Staff | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 |
| Wages | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 |
| Taxes | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 |
| Benefits | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 |
| Month - Year 3 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 |
| Staff | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 |
| Wages | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 |
| Taxes | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 |
| Benefits | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 |
| Year 3 includes 10% increases in wages, benefits and taxes. | | | | | | | | | | | | |



RAWLINS AGING IN PLACE FEASIBILITY STUDY

Assisted Living Facility Revenue

The following Table details the projected “ramp-up” of resident occupancy, and the associated revenue for the first 36 months. It is projected that it will take 22 months to fully occupy the 36 units.

| RESIDENT OCCUPANCY AND REVENUE PROJECTIONS - FIRST THREE YEARS | | | | | | | | | | | | | | |
|----------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Month - Year 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total | |
| @ \$3,300/mo | 5 | 5 | 6 | 6 | 7 | 7 | 8 | 8 | 9 | 9 | 10 | 10 | 530,000 | |
| @ \$2,350/mo | 3 | 3 | 4 | 4 | 5 | 5 | 6 | 6 | 7 | 7 | 8 | 8 | | |
| @ \$4,100/mo | 0 | 0 | 0 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 4 | 4 | | |
| Residents | 8 | 8 | 10 | 11 | 13 | 13 | 16 | 16 | 18 | 18 | 22 | 22 | | |
| @ \$3,300/mo | 16,500 | 16,500 | 19,800 | 19,800 | 23,100 | 23,100 | 26,400 | 26,400 | 29,700 | 29,700 | 33,000 | 33,000 | | |
| @ \$2,350/mo | 7,050 | 7,050 | 9,400 | 9,400 | 11,750 | 11,750 | 14,100 | 14,100 | 16,450 | 16,450 | 18,800 | 18,800 | | |
| @ \$4,100/mo | - | - | - | 4,100 | 4,100 | 4,100 | 8,200 | 8,200 | 8,200 | 8,200 | 16,400 | 16,400 | | |
| Revenue | 23,550 | 23,550 | 29,200 | 33,300 | 38,950 | 38,950 | 48,700 | 48,700 | 54,350 | 54,350 | 68,200 | 68,200 | | |
| Month - Year 2 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | | 1,143,400 |
| @ \$3,300/mo | 11 | 11 | 12 | 12 | 13 | 13 | 14 | 14 | 16 | 16 | 18 | 18 | | |
| @ \$2,350/mo | 9 | 9 | 10 | 10 | 11 | 11 | 12 | 12 | 12 | 12 | 12 | 12 | | |
| @ \$4,100/mo | 4 | 4 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | | |
| Residents | 24 | 24 | 28 | 28 | 30 | 30 | 32 | 32 | 34 | 34 | 36 | 36 | | |
| @ \$3,300/mo | 36,300 | 36,300 | 39,600 | 39,600 | 42,900 | 42,900 | 46,200 | 46,200 | 52,800 | 52,800 | 59,400 | 59,400 | | |
| @ \$2,350/mo | 21,150 | 21,150 | 23,500 | 23,500 | 25,850 | 25,850 | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 | | |
| @ \$4,100/mo | 16,400 | 16,400 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | | |
| Revenue | 73,850 | 73,850 | 87,700 | 87,700 | 93,350 | 93,350 | 99,000 | 99,000 | 105,600 | 105,600 | 112,200 | 112,200 | | |
| Month - Year 3 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 1,346,400 | |
| @ \$3,300/mo | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | | |
| @ \$2,350/mo | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | | |
| @ \$4,100/mo | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | | |
| Residents | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | | |
| @ \$3,300/mo | 59,400 | 59,400 | 59,400 | 59,400 | 59,400 | 59,400 | 59,400 | 59,400 | 59,400 | 59,400 | 59,400 | 59,400 | | |
| @ \$2,350/mo | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 | 28,200 | | |
| @ \$4,100/mo | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | 24,600 | | |
| Revenue | 112,200 | 112,200 | 112,200 | 112,200 | 112,200 | 112,200 | 112,200 | 112,200 | 112,200 | 112,200 | 112,200 | 112,200 | | |



RAWLINS AGING IN PLACE FEASIBILITY STUDY

PRO FORMA FINANCIAL ANALYSIS

It is important that the ALF have a significant cash reserve on hand prior to beginning operations. The facility will take 22-24 months to fill, and will not begin to cash flow until Month 23 without a beginning reserve of at least \$125,000 to offset the shortfall.

In addition to the cash flow reserve, it is anticipated that there will be Pre-Opening Costs of \$326,300 to cover expenses such as staff recruiting and testing, inventories (food, supplies, etc.), fixtures, furniture, communication systems, technology, licensing & fees, etc.

A total of \$500,000 Owner supplied Pre-Opening Reserve is recommended to be available for the above costs. As the facility fills and stabilizes its income and expenses, it begins to cash flow and rebuilds the cash reserve.

Assumptions used in developing the cash flow financial analysis for this ALF are:

1. Revenue (Rental Sales) is based on the fill rate projections developed earlier.
2. Gross wages and payroll costs are from those developed earlier.
3. After initial recruiting and testing, staff testing is estimated at \$75/month/FTE
4. Outside services and activities are for health & fitness, entertainment, etc.
5. No Real Estate / property taxes are projected - assume exempt status, and/or waived by City/ County for the first three years.
6. Food and other dietary and kitchen supplies expenses are estimated using costs developed from industry experience with other operating programs.
7. Plant Operations are estimated based on area rates for utilities and support services including grounds maintenance, pest control, and service contracts.
8. All costs (other than Wages, Payroll and Revenue) are compared to, and modified where appropriate, based on statewide and national costs of similar facilities.

The following schedules display the detail Cash Flow Analysis for the first three years:

RAWLINS ASSISTED LIVING FACILITY

YEAR 1 - STATEMENT OF CASH FLOW

| | Pre Start-Up | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 | TOTAL |
|---------------------------------------------|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|---------|
| Cash Beginning of Period | | 173,700 | 188,604 | 138,550 | 122,746 | 100,321 | 88,645 | 76,770 | 67,244 | 63,569 | 63,944 | 57,418 | 68,393 | |
| Working Capital, cash on-hand | 500,000 | | | | | | | | | | | | | |
| Rental Sales | | 23,550 | 23,550 | 29,200 | 33,300 | 38,950 | 38,950 | 48,700 | 48,700 | 54,350 | 54,350 | 68,200 | 68,200 | 530,000 |
| Total Sales | | 23,550 | 23,550 | 29,200 | 33,300 | 38,950 | 38,950 | 48,700 | 48,700 | 54,350 | 54,350 | 68,200 | 68,200 | 530,000 |
| Total Cash Available | 500,000 | 197,250 | 182,154 | 167,750 | 156,046 | 139,271 | 127,595 | 125,470 | 115,944 | 117,919 | 118,294 | 125,618 | 136,593 | 530,000 |
| Cash disbursements: | | | | | | | | | | | | | | |
| Merchandise Purchases | | 100 | 150 | 150 | 200 | 200 | 250 | 250 | 300 | 400 | 500 | 600 | 600 | 3,700 |
| Gross Wages | | 17,800 | 28,262 | 28,262 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 | 31,808 | 360,598 |
| Payroll Expenses (Employers Taxes) | | 2,875 | 4,564 | 4,564 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 | 5,137 | 58,236 |
| Employee Benefits, Health/Ret./Vac. | | 1,372 | 2,578 | 2,578 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 35,597 |
| Outside Services & Activities | | | | | | | 500 | | | 500 | | | 500 | 1,500 |
| Supplies (Office and operating) | | 200 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 2,950 |
| Repairs and Maintenance | | | | | 250 | 250 | 250 | 250 | 250 | 250 | 500 | 500 | 500 | 3,000 |
| Advertising & Marketing | | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 14,400 |
| Auto, Delivery, and Travel | | 300 | 300 | 300 | 300 | 500 | 500 | 500 | 750 | 750 | 750 | 1,000 | 1,000 | 6,950 |
| Accounting and Legal | | 500 | | 500 | | 500 | | 500 | | 500 | | 500 | 1,000 | 4,000 |
| Licenses/permits/fees | | 550 | | | | | | 550 | | | | | | 1,100 |
| License Survey (WyDoH) | | 450 | | | | | | | | | | | | 450 |
| Staff Testing | | 1,800 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 11,700 |
| Cable/Satellite Television | | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 4,200 |
| Telephone | | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 7,200 |
| Utilities | | 3,000 | 3,000 | 3,500 | 3,500 | 3,500 | 3,500 | 4,000 | 4,000 | 4,000 | 4,500 | 4,500 | 4,500 | 45,500 |
| Property and Liability Ins. | | 6,000 | | 6,000 | | | | 6,000 | | | 6,000 | | | 24,000 |
| Dietary Supplies | | 250 | 250 | 500 | 500 | 750 | 750 | 1,000 | 1,000 | 1,500 | 1,500 | 2,000 | 3,500 | 13,500 |
| Raw Food Expense for Residents | | 500 | 500 | 500 | 750 | 750 | 1,000 | 1,000 | 1,500 | 1,500 | 2,500 | 3,500 | 5,000 | 19,000 |
| Housekeeping Supplies | | 500 | | 500 | | 500 | | 500 | | 500 | | 500 | 500 | 4,500 |
| Laundry & Linens expense | | | 400 | | 400 | | 400 | | | 400 | | 400 | 400 | 3,200 |
| Personal Care Expenses | | 150 | 150 | 200 | 200 | | | | | | | | | 700 |
| Taxes (Real Estate, etc.) | | | | | | | | | | | | | | |
| Miscellaneous | | 150 | 150 | 150 | 150 | 200 | 200 | 200 | 200 | 200 | 250 | 250 | 250 | 2,350 |
| Sub-Total | 0 | 38,646 | 43,604 | 45,004 | 55,725 | 50,625 | 50,825 | 58,225 | 52,375 | 53,975 | 60,875 | 57,225 | 61,225 | 628,333 |
| Owner Pre-Opening Costs | | | | | | | | | | | | | | |
| Staff Recruiting & Pre-Testing | | 9,250 | | | | | | | | | | | | |
| Pre-Opening Training | | 6,000 | | | | | | | | | | | | |
| Start-up Inventories - Food, Supplies, Etc. | | 11,000 | | | | | | | | | | | | |
| Accounting & Legal Expenses | | 4,500 | | | | | | | | | | | | |
| Capital Purchases - Fixtures, Furn., Equip | | 270,000 | | | | | | | | | | | | |
| Technology | | 10,000 | | | | | | | | | | | | |
| Communication Systems | | 7,500 | | | | | | | | | | | | |
| Security Systems | | 7,500 | | | | | | | | | | | | |
| Licensing & Fees (DoH) | | 550 | | | | | | | | | | | | |
| Capital Purchases | | 326,300 | | | | | | | | | | | | |
| Total Disbursements | | 38,646 | 43,604 | 45,004 | 55,725 | 50,625 | 50,825 | 58,225 | 52,375 | 53,975 | 60,875 | 57,225 | 61,225 | 628,333 |
| Cash end of period | 173,700 | 158,604 | 138,550 | 122,746 | 100,321 | 88,645 | 76,770 | 67,244 | 63,569 | 63,944 | 57,418 | 68,393 | 75,367 | |

| | YEAR 2 - STATEMENT OF CASH FLOW | | | | | | | | | | | | TOTAL |
|-------------------------------------|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | Month 13 | Month 14 | Month 15 | Month 16 | Month 17 | Month 18 | Month 19 | Month 20 | Month 21 | Month 22 | Month 23 | Month 24 | |
| Cash Beginning of Period | 75,367 | 61,319 | 54,770 | 61,572 | 62,873 | 75,325 | 88,276 | 100,328 | 118,429 | 143,631 | 162,832 | 194,133 | |
| Rental Sales | 73,850 | 73,850 | 87,700 | 87,700 | 93,350 | 93,350 | 99,000 | 99,000 | 105,600 | 105,600 | 112,200 | 112,200 | 1,143,400 |
| Total Sales | 73,850 | 73,850 | 87,700 | 87,700 | 93,350 | 93,350 | 99,000 | 99,000 | 105,600 | 105,600 | 112,200 | 112,200 | 1,143,400 |
| Total Cash Available | 149,217 | 135,169 | 142,470 | 149,272 | 156,223 | 188,675 | 187,276 | 199,328 | 224,029 | 249,231 | 275,032 | 306,333 | 1,143,400 |
| Cash disbursements: | | | | | | | | | | | | | |
| Merchandise Purchases | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 7,200 |
| Gross Wages | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 46,147 | 553,758 |
| Payroll Expenses (Employers Taxes) | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 7,453 | 89,436 |
| Employee Benefits, Health/Ret./Vac. | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 5,049 | 60,588 |
| Outside Services & Activities | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 2,500 |
| Supplies (Office and operating) | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| Repairs and Maintenance | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 |
| Advertising & Marketing | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 14,400 |
| Auto, Delivery, and Travel | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 14,400 |
| Accounting and Legal | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 |
| Licenses/permits/fees | 550 | | | | | | 550 | | | | | | 1,100 |
| License Survey (Wy/Doh) | 450 | | | | | | | | | | | | 450 |
| Staff Testing | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 16,200 |
| Cable/Satellite Television | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 4,200 |
| Telephone | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 8,400 |
| Utilities | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 54,000 |
| Property and Liability Ins. | 6,000 | | | | | | 6,000 | | | | | | 24,000 |
| Dietary Supplies | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 42,000 |
| Raw Food Expense for Residents | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| Housekeeping Supplies | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 |
| Laundry & Linens expense | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 4,800 |
| Personal Care Expenses | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 4,800 |
| Taxes (Real Estate, etc.) | | | | | | | | | | | | | |
| Miscellaneous | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,000 |
| Sub-Total | 87,899 | 80,399 | 80,899 | 86,399 | 80,899 | 80,399 | 86,949 | 80,899 | 80,399 | 86,399 | 80,899 | 80,399 | 992,832 |
| Capital Purchases | | | | | | | | | | | | | |
| Total Disbursements | 87,899 | 80,399 | 80,899 | 86,399 | 80,899 | 80,399 | 86,949 | 80,899 | 80,399 | 86,399 | 80,899 | 80,399 | 992,832 |
| Cash end of period | 61,319 | 54,770 | 61,572 | 62,873 | 75,325 | 88,276 | 100,328 | 118,429 | 143,631 | 162,832 | 184,133 | 225,935 | |

YEAR 3 - STATEMENT OF CASH FLOW

RAWLNS ASSISTED LIVING FACILITY

| | Month 25 | Month 26 | Month 27 | Month 28 | Month 29 | Month 30 | Month 31 | Month 32 | Month 33 | Month 34 | Month 35 | Month 36 | TOTAL |
|-------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Cash Beginning of Period | 225,935 | 199,621 | 180,307 | 174,843 | 161,879 | 162,065 | 162,252 | 160,038 | 165,874 | 178,310 | 183,246 | 202,282 | |
| Rental Sales | 73,850 | 73,850 | 87,700 | 87,700 | 93,350 | 93,350 | 99,000 | 99,000 | 105,600 | 105,600 | 112,200 | 112,200 | 1,143,400 |
| Total Sales | 73,850 | 73,850 | 87,700 | 87,700 | 93,350 | 93,350 | 99,000 | 99,000 | 105,600 | 105,600 | 112,200 | 112,200 | 1,143,400 |
| Total Cash Available | 299,785 | 273,471 | 268,007 | 262,543 | 255,229 | 255,415 | 261,252 | 259,038 | 271,474 | 283,910 | 295,446 | 314,482 | 1,143,400 |
| Cash disbursements: | | | | | | | | | | | | | |
| Merchandise Purchases | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 700 | 8,400 |
| Gross Wages (+ 10% inc.) | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 50,762 | 609,140 |
| Payroll Expenses (Employers Taxes) | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 8,198 | 98,380 |
| Employee Benefits, Health/Ret./Vac. | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 5,554 | 66,647 |
| Outside Services & Activities | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 30,000 |
| Supplies (Office and operating) | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 4,200 |
| Repairs and Maintenance | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 14,400 |
| Advertising & Marketing | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 18,000 |
| Auto, Delivery, and Travel | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 18,000 |
| Accounting and Legal | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 7,200 |
| Licenses/permits/fees | 550 | | | | | | 550 | | | | | | 1,100 |
| License Survey (WY/DOH) | 450 | | | | | | | | | | | | 450 |
| Staff Testing | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 21,600 |
| Cable/Satellite Television | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 |
| Telephone | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 9,000 |
| Utilities | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| Property and Liability Ins. | 6,000 | | | 7,500 | | | 7,500 | | | | | | 28,500 |
| Dietary Supplies | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 48,000 |
| Raw Food Expense for Residents | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 72,000 |
| Housekeeping Supplies | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 9,000 |
| Laundry & Linens expense | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 |
| Personal Care Expenses | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 |
| Taxes (Real Estate, etc.) | | | | | | | | | | | | | 0 |
| Miscellaneous | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 |
| Sub-Total | 100,164 | 93,164 | 93,164 | 100,664 | 93,164 | 93,164 | 101,214 | 93,164 | 93,164 | 100,664 | 93,164 | 93,164 | 1,148,017 |
| Capital Purchases | | | | | | | | | | | | | 0 |
| Total Disbursements | 100,164 | 93,164 | 93,164 | 100,664 | 93,164 | 93,164 | 101,214 | 93,164 | 93,164 | 100,664 | 93,164 | 93,164 | 1,148,017 |
| Cash end of period | 199,621 | 180,307 | 174,843 | 161,879 | 162,065 | 162,252 | 160,038 | 165,874 | 178,310 | 183,246 | 202,282 | 221,318 | |



RAWLINS AGING IN PLACE FEASIBILITY STUDY

PRELIMINARY ESTIMATION OF CAPITALIZED COSTS

The following table summarizes estimates of prevailing costs for construction and infrastructure development. These are representative estimates of typical current construction costs for similar ALF facilities, for reference only.

Site development costs will vary depending on the final site selection and the amount of preparation and infrastructure required. The estimate shown is related to Site #1 referenced earlier.

| Preliminary Cost Estimates for Reference Only | | |
|-----------------------------------------------|-------------------------------------------------|------------------|
| 1 | Building Construction 31,675 sf @ \$150.00/sf * | 5,276,250 |
| 2 | Site Development of 4.0 acres @ 15% of 1 ** | 791,438 |
| 3 | Construction Budget sum 1+2 | 6,067,688 |
| 4 | Contingency @ 10% of 3 | 606,769 |
| 5 | Architecture/Engineering Cost @ 10% of 3 | 606,769 |
| 6 | Total Construction Budget | 7,281,225 |

* Local construction cost estimates range from \$85/sf to \$175/sf. Firm quotes to be obtained after location, building layout and other details are finalized.

** Includes site grading, water TV, gas, electrical and sewer service.
Also, includes curb & gutter, parking lot, landscaping, and other infrastructure costs.

Note, the cost estimates above do not include operating expenses, furniture, fixtures, or personnel cost.



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HOW TO PAY FOR ASSISTED LIVING

PRIVATE-PAY

Paying for assisted living entirely ‘Out-of-pocket’ is often referred to as *private-pay*. This means the resident uses personal finances or assets to pay for all care and services. Residents who pay for care with insurance are also considered *private pay*.

LONG-TERM CARE INSURANCE

Long-term-care insurance is designed to offset the costs and expense of long-term-care generally not covered by health insurance, Medicare, or Medicaid. People who already have disabilities or illnesses do not qualify for long-term care insurance, similar to a ‘pre-existing condition. Long-term care insurance generally covers home care, assisted living, adult daycare, respite care, hospice care, nursing home and Alzheimer’s facilities.

MEDICARE

Medicare is rather complex. It is a ‘federal system of health insurance for people over 65 years of age’ and can, at times, help to cover certain younger people with disabilities. Medicare Part A is hospital insurance that helps cover inpatient care in hospitals, skilled nursing facility, hospice, and home health care. Individual may qualify for premium-free Part A, or may qualify to purchase Part A under certain conditions.

Medicare Part A:

Part A will cover a portion of the costs of inpatient hospital care for up to 100 days. After 100 days, the patient pays for care. Medicare will not cover: anything that is not medically necessary (which may include many of the services and amenities offered at assisted living facilities); private rooms (unless it is for quarantine purposes, or is considered a medical necessity); custodial care; and other extras such as internet access, television, telephones, and any other non-medically necessary extras. Medicare Part A, generally covers the following:

- Inpatient care in hospitals (such as critical access hospitals, inpatient rehabilitation facilities, and long-term care hospitals)
- Inpatient care in a skilled nursing facility (not custodial or long term care)
- Hospice care services
- Home health care services
- Inpatient care in a Religious Non medical Health Care Institution

MEDICAID

Medicaid is designed to provide health insurance to those individuals who require financial assistance, and is paid for by federal and state funds. Medicaid is available only to certain low-income individuals and families who fit into an eligibility group that is recognized by federal and state law.

Medicaid and Long-Term Care pay for ‘basic’ nursing home care with no unnecessary amenities, or extras. Medicaid reimbursement rates are usually set by the state, and not by the assisted living



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facility or nursing home. These rates are often set at a lower rate than what would be paid by other insurance sources, which means that many assisted living facilities will not accept Medicaid patients. Eligibility for Medicaid is established by the state, based on an individual having minimal income and few other financial resources and assets.

MEDIGAP INSURANCE

Medigap insurance is also referred to as “Medicare Supplement” - which refers to privately funded health care coverage and plans that Medicare beneficiaries can purchase to provide coverage for medical expenses not or only partially covered by Medicare. There are a number of standard Medigap plans that ranged from basic coverage to more comprehensive coverage and service.



RAWLINS AGING IN PLACE FEASIBILITY STUDY

OWNERSHIP OPTIONS

Ownership of the proposed Rawlins ALF has been discussed at several of the Rawlins Committee to Foster Aging in Place project review meetings and was a topic raised during BRG interviews with elected officials and community stakeholders. The response was consistent; neither the City of Rawlins nor Carbon County expressed an interest in owning or operating an ALF. Rather, local public officials, their staff and the Committee prefer the ALF is privately owned and operate.

This expressed ownership/operating preference should not be interpreted as a lack of interest or support for the project; rather, it is based on a desire to maximize resources and efficiency of operation. Carbon County and City of Rawlins officials have expressed interest in participating to a successful project outcome. To facilitate the project, both entities have expressed willingness to work with a private developer either through a public-private partnership or through planning, zoning and infrastructure considerations.

Throughout the state, the continuum of care Range of Senior Living Options include nonprofit-owned, publicly-owned, public-private ownership, and privately-owned facilities. Of the various facilities serving Wyoming’s elderly, many have come to fruition with limited public participation. Facility ownership has been structured according to the unique needs and resources available in each community, often with 100% private ownership.

| LICENSED FACILITIES STATEWIDE | # OF FACILITIES STATEWIDE |
|-------------------------------|---------------------------|
| Adult Day Care Centers | 8 |
| Assisted Living Facilities | 24 |
| Home Health Agencies | 44 |
| Hospice Facilities | 20 |
| Nursing Care Facilities | 38 |
| Rural Health Clinics | 18 |

Wyoming’s 24 ALF provide a total of 1,131 beds, with an average occupancy rate of 69%, according to the Wyoming Department of Health, March 2012.

OWNERSHIP OPTIONS

For purposes of this Study the funding options identified are those applicable to private ownership or a public-private partnership. The following financing options do not include ALF operating funds. Use of funds considered in this Chapter can be applied to the following costs:

- Design and Development Costs
- Permits, Licenses & Fees
- Land, Infrastructure & Site Work
- Building, Furniture & Equipment
- Contingencies, start-up & Reserves
- Short-term Loan, Fees and Interest



RAWLINS AGING IN PLACE FEASIBILITY STUDY

FUNDING SCENARIOS

The following funding scenarios are not intended to identify all sources of funds for development and construction of an ALF. For-profit and non-profit private developers, experienced in the development of senior living facilities, may have familiar sources of funding, a cadre investors, a preferred source of conventional financing, private funds, or other sources of project financing. The following sources of funds are offered here as guidance for readers of the Study, acknowledging that selected funding opportunities are available depending on the structure of the development entity.

LOCAL BANKS

Many of the federal programs require the sponsor/owner to make a genuine effort to involve their local banking institutions to be involved in the financing of a project prior to seeking program funding from HUD or USDA. Many projects do include local conventional lending in their project funding mix. Banks will partner with other lenders in some cases.

Banks may have a requirement to participate in local community based projects as a part of their regulatory agreements. They do so through their Community Investment Program (CIP). CIP loans can subsidize interest rates on loans through member banks for affordable rental housing for families with incomes of no more than 115 percent of area median income levels.

WYOMING BUSINESS COUNCIL BUSINESS READY COMMUNITIES GRANT, is available to finance city, town, county, tribe or joint powers board owned project infrastructure for child care and senior care facilities. Maximum grant is \$1 million dollars, and requires a 15% match with the stipulation that ownership is retained by the grantee for 5 years.

To adapt this grant to a public-private partnership project, the private partner would purchase or retain that portion of the land covered by the building footprint. The public entity retains the remaining property where grant funds can be used for landscaping, parking lot, infrastructure, etc.

For more information, contact Pat Robbins, Director, South Central Region, Wyoming Business Council, phone: 307-382.3163.

PRIVATE 501(C)(3) TAX EXEMPT FINANCING, for private non-profit entities where bonds are sold to raise capital for a specific project. The local municipality or county must endorse the project and obtain an allocation from the State of Wyoming volume cap private activity bond allocation through the Governor's office. The funding sources are created by tax-exempt Private Activity Revenue Bonds issued by the municipality or county in support of the project and based on the non-profit organization 501(c)(3) status.

These funds would provide long term debt service as part of the project operating expense. This type of funding is managed by private bond underwriters and qualified investment banking firms.



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U.S. DEPARTMENT OF AGRICULTURE - RURAL DEVELOPMENT, COMMUNITY FACILITIES LOAN PROGRAM, provides low interest loans to non-profit entities for land, buildings, equipment, and infrastructure for projects that meet a community need in small communities of less than 20,000 people. Current terms of the loan are 3.75% interest (April 2012), 30 year amortization term, the loan will finance 100% of the project. Interim project funding for land, development and construction must be separately identified and are reimbursed upon loan funding. The project must demonstrate financial and organizational viability as part of the application process.

USDA-RD also offers loan guarantee programs to for-profit and non-profit projects that address elder care and health care facilities that meet a community need in population centers with fewer than 20,000. USDA-RD works with conventional lenders to initiate this loan guarantee program.

The application process for each of the USDA-RD loan and/or loan guarantee programs is comprehensive, and the terms often require specific amenities be incorporated into the project to qualify.

For more information on USDA-RD loan and loan guarantee programs, contact Lorraine Werner, Regional Director, Wyoming USDA-RD, phone: 307-532-4880.

U. S. SMALL BUSINESS ADMINISTRATION (SBA) 504 LOAN PROGRAM, provides long-term, low interest, fixed-rate financing to private small businesses for construction, purchase or renovation of facilities; or to acquire machinery and equipment. SBA 504 loans for existing businesses typically finance 90% of a project: 50% by a participating commercial lender, 40% by the SBA, and 10% by the business-borrower. Current (April) fixed interest rate for 20-year amortization is 5.09%.

For more information on the SBA 504 and other low interest business financing loan programs contact WIDC•Frontier CDC, phone: 307-234-5351.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY (WCDA)

WCDA was created by state statute to act as an independent corporation for the management and administration of federal funding for housing programs within the state.

HOME Investment Partnerships Program (HOME)

HOME programs provide funds to governmental units to facilitate program strategies for affordable housing for low and very low income persons by covering some hard and soft costs for rental housing production.

HOME funded programs require locally generated matching funds to be provided for any allocated project.

HOME funds are allocated to local governments, Community Housing Development Organizations (CHDOs), public housing authorities, non-profit organizations, and for-profit developers of low income housing.



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While these are examples of possible funding opportunities available, there may be other options or a combination of funding options depending on the structure of the project - private ownership, public private partnership, etc.



RAWLINS AGING IN PLACE FEASIBILITY STUDY

CHAPTER 8 OBSERVATIONS & RECOMMENDATIONS

The following recommendations, observations and comments are offered here as a guide for the Rawlins Committee to Foster Aging in Place, the City of Rawlins, Carbon County and stakeholders concerned for the aging population in their community to address the needs of the County's elderly population now and into the future.

To address Carbon County's Range of Senior Living Options and the Rawlins Committee to Foster Aging in Place mission statement, BRG focused on three areas of need along the spectrum of options: senior independent living, assisted living, and memory care (both day care and long term care), not currently available in Carbon County. These senior living options are particularly critical as they represent viable alternatives to remaining in a family-home that may no longer provide the safest, most healthy environment.

Based on input from the Committee, stakeholder interviews and an assessment of services for the elderly, the priority focus of this Study is the feasibility of a Rawlins ALF. BRG believes an ALF is feasible and has developed the following recommendations and next-step to move the project forward.

FACILITY OWNERSHIP

Throughout the state, the continuum of care Range of Senior Living Options include nonprofit-owned, publicly-owned, public-private partnerships, and privately-owned facilities. Of the various facilities serving Wyoming's elderly, many have come to fruition with limited public participation. Facility ownership has been structured according to the unique needs and resources in the community. Ownership options for the proposed Rawlins ALF have been discussed in *Chapter 7* of this Study.

The most desired option is to move the project forward as a private development, with perhaps limited public participation. This ownership/operating preference does not reflect a lack of interest or support for the project by the City of Rawlins or Carbon County; rather, it is based on the desire to maximize limited public resources. To facilitate the project, the City and County have expressed a willingness to work with a private developers either through a public-private partnership or through planning, zoning and infrastructure considerations, or facilitation of financing opportunities to enable a successful outcome.

SITE LOCATION

Site #1, detailed in *Chapter 6*, is the preferred site of BRG and the Committee for a Rawlins ALF. As open space, owned by the City and County, the site offers opportunity for future expansion and clustering of senior services to create a senior campus. Clustering senior services provides multiple benefits for seniors, their families and healthcare service providers:



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- The neighborhood becomes familiar, lessening the potential trauma for an individual when relocating from one level of elder care to another
- Seniors can maintain relationships with friends/family who require a different levels of care in a nearby facility.
- The potential for interaction of residents at all facilities for meals, parties, service and enrichment opportunities
- Opportunities for the various service providers to leverage resources: skilled staff, training, transportation services, security, purchasing, etc.

The site is within close proximity to MHCC, medical clinic and physicians offices. Other amenities that contribute to the appeal of this senior campus concept is its proximity to retail and hospitality services: hotel/motels, restaurants, florist, gift shops and grocery or convenience stores, etc.

Although the site development costs may be somewhat higher than the other potential sites, due to the topography, it does offer the benefit of creating a “senior campus” and the opportunity for expansion of the ALF, addition of senior independent living, and Adult Day Care.

PROJECT MANAGEMENT

Subject to acceptance of this Study by Rawlins City Council and Carbon County Commissioners, it is recommended that a Project Manager be identified to spearhead the project. The Rawlins Committee to Foster Aging in Place has been very active in moving the project forward and will most likely continue to be involved as the project moves forward, or they may choose to address other aging in place service gaps in the community. At this point of project evolution, the proposed Rawlins ALF will benefit from an experienced project manager as the single point of contact to communicate with potential ALF developers and operators.

BRG recommends the Rawlins ALF become a project of Carbon County Economic Development Corporation. Cindy Wallace, Executive Director, is experienced working with entrepreneurs, business owners and developers. As a member of the Committee, she is fully aware of the work that has been completed on the project to-date, the intent and desires of the Committee, City and County. Wallace knows the project stakeholders, the community and is familiar with the possible use/criteria of partial public funding opportunities applicable to private development.

Note: The City of Rawlins, Carbon County and the CCEDC Board have not been contacted regarding this recommendation. BRG is aware of the limited resources within all of these entities and has attempted to identify an individual whose existing skill set and responsibilities match the requirements of the project.

NEXT STEPS

BRG has identified the following as essential next steps; however, not every detail or potential



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circumstance is addressed. Community development projects are fluid and the Project Manager often is expected to address unanticipated issues:

1. Stage a press conference acknowledging the Committee's work and announcing the proposed Rawlins ALF project as a joint CCEDC, City of Rawlins and Carbon County project.
2. Based on the information in *Chapter 6* of this Study, secure an agreement with the City and County regarding the conditions and criteria relative to a cooperative public offering of Site #1 for project development.
3. The Feasibility Study should be available on the City, County and CCEDC web sites for public access.
4. Develop a Rawlins ALF Request for Proposal, following the City/County established method of RFP publication and distribution for project development.
5. The Committee has developed a list of private ALF developers and operators. The RFP or a notice of intent can be sent to the viable contacts on this list. A few developers are included on the Committee's contact list used throughout the Study process.
6. Establish an RFP response review committee, including representatives from City and County community development, planning and zoning and other stakeholders, such as: finance, healthcare, senior service providers, Department of Health, housing, etc.
7. Invite select RFP responders for presentations to the selection committee.
8. Visit nearby ALFs that RFP responders have developed and/or managed.
9. Select the developer and/or operator of the Rawlins ALF; establish a timeline for completion.
10. Identify City/County level of participation.
11. Provide community liaison and timeline management.

OBSERVATIONS & SENIOR NEEDS

In appreciation of the Carbon County Aging in Place concept, the Study research identified important gaps in senior services. Specifically, the lack of services to assist seniors to remain comfortably and safely in their homes, senior independent living and specialized services not available in assisted living and nursing home facilities.

- Seniors want to remain in their homes as long as possible. The need for in-home services; in-home housekeeping, in-home healthcare was raised by stakeholders, particularly in rural communities throughout the county. In-home services are limited, or nonexistent, therefore seniors remain in their homes and "make-do" which may not be a healthy or safe environment.
- The need for Memory Care was a nearly unanimous stakeholder concern, either as Day Care or as a residential component of an ALF. The ALF RFP, might include a requirement that a small portion of the facility units be dedicated to licensed Memory Care. Also, perhaps there is an opportunity to encourage the private development of licensed Adult Day Care facilities in Rawlins and the larger communities in the County, by offering specialized education and training programs.



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- Stakeholders identified the lack of specialized medical services as one of the primary reason for the out-migration of retirement age and older seniors.
- The network of Senior Centers throughout the County provide *essential* services to seniors in rural communities. In some communities, the Centers provide the only senior services locally available and serve as a touch-stone for individual senior conditions. Managers and staff are familiar with the seniors they serve and often, on their own time, follow-up on the living and physical conditions of member who are absent over some period of time; however, additional resources, services and/or referrals are limited and should be financially supplemented where possible.
- Based on the needs identified through the ALF project research and stakeholder interviews, it is recommended a supplemental study be initiated to address Adult Day Care, senior independent living and in-home services in Carbon County.