



**ALLEGAN COUNTY MEDICAL CARE COMMUNITY
AUGUST 2023 UPDATE**



OVER 150 YEARS OF CARE



Allegan County Medical Care Community traces its roots to 1866, when Allegan County established the County Poor Farm to provide for the poor, sick, homeless, and disabled of the County and to act as a safety net for those with needs that could not be met at home. Many counties across the State of Michigan developed similar poor farms or poor houses to meet the needs of their county as well. Public Act 280 of the Public Acts of 1939 provided the statutory framework for the creation and operation of County Medical Care Facilities of the State of Michigan. The Allegan County Poor Farm was closed in 1968 as construction of the Allegan County Medical Care Facility, our current community, began on the same property. ACMCC has been in operation since 1971.



MISSION AND VALUES



Mission: *To Serve the Aged and Disabled With Care, Love, and Dignity*

Values:

- *RESPECT*
- *COMPASSION*
- *HONESTY*
- *INTEGRITY*
- *DEDICATION*

COVID-19—END OF THE PHE AND BEYOND

For most of society, COVID-19 restrictions ended nearly a year ago. For skilled nursing and other segments of healthcare, it continued without many changes until May 11, 2023, when the Public Health Emergency finally ended. Some provisions continue, but:

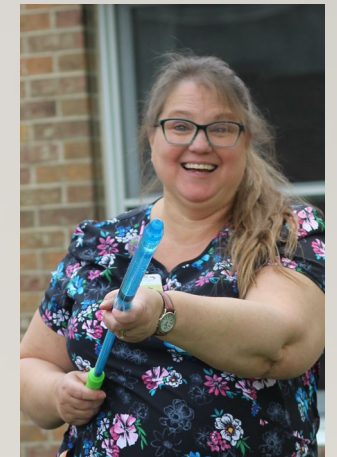
- Mask use occurs only when in outbreak (1 case in staff member or resident), if specifically directed by the Local Health Department, or when our community has a high incident of respiratory illness.
- Ended routine physical distancing
- Visitation without restrictions
- End of separate designated COVID section. Shelter-in-place in own room if COVID positive.



COVID-19—END OF THE PHE AND BEYOND

Improvements:

- Increased morale facility-wide—residents, staff, family members/visitors, Generations adult day clients
- Smiles are priceless.
- No longer practicing physical distancing allows for the return of more normal activities, dining, growth in the Generations program, family members enjoying meals with residents, to name just a few.
- Eden Alternative lifestyle able to return.
- Increased recruitment and ability to retain staff.



COVID-19 RATES IN AREA FACILITIES



Recent Facility Resident and Staff Vaccination Rates and Other Data, as reported for week 7/16/2023

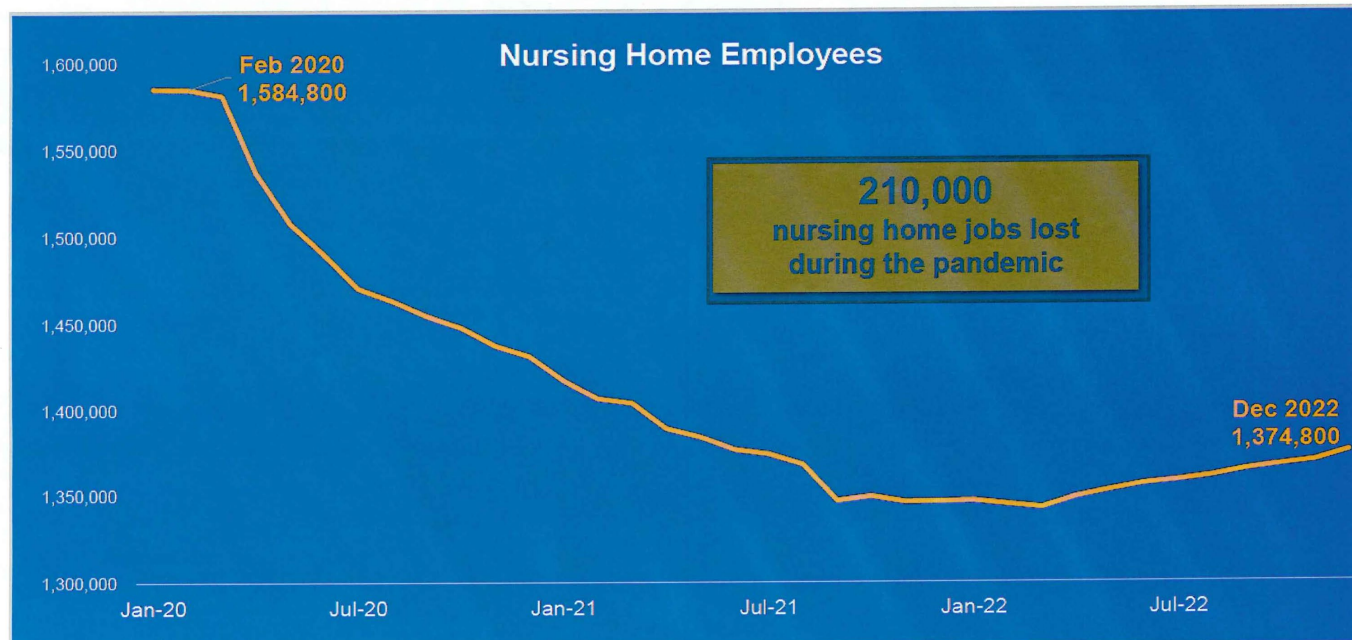
Federal Provider Number	Provider Address	Provider City	Provider State	Provider Zip Code	County	Residents Total Confirmed COVID-19	Residents Total COVID-19 Deaths
'235213	3265 122ND AVE R2	ALLEGAN	MI	49010	Allegan	12	2
'235264	1200 ELY ST	ALLEGAN	MI	49010	Allegan	109	11
'235313	425 E ELM ST	WAYLAND	MI	49348	Allegan	103	14
'235378	280 W 40TH ST	HOLLAND	MI	49423	Allegan	120	13
'235447	243 WILEY ROAD	DOUGLAS	MI	49406	Allegan	102	8
'235471	320 BRIGHAM ST	PLAINWELL	MI	49080	Allegan	134	5
'235009	2700 NASHVILLE RD	HASTINGS	MI	49058	Barry	157	4
'235050	2400 PORTAGE ST	KALAMAZOO	MI	49001	Kalamazoo	117	13
'235248	1400 N DRAKE RD	KALAMAZOO	MI	49006	Kalamazoo	55	9
'235282	1701 S 11TH ST	KALAMAZOO	MI	49009	Kalamazoo	90	25
'235311	8290 W CAVE	KALAMAZOO	MI	49009	Kalamazoo	107	21
'235637	3260 EAST B AVE	PLAINWELL	MI	49080	Kalamazoo	82	7
'235347	285 N STATE ST	ZEELAND	MI	49464	Ottawa	144	18
'235270	850 PHILLIPS	SOUTH HAVEN	MI	49090	Van Buren	84	12
'235640	42235 COUNTY ROAD 390	BLOOMINGDALE	MI	49026	Van Buren	85	11



COVID-19'S IMPACT ON THE SKILLED NURSING INDUSTRY AND ACMCC



Workforce Challenges



Source: Bureau of Labor Statistics (BLS) January 2020 – December 2022

Staffing challenges impacted ACMCC as well, with the hardest times occurring in 2022. To maintain quality resident care with the number of hands we had and recruitment at an all time low, we offered numerous staff incentives to pick up for critical hours to meet staffing needs. We also had to limit admissions to ensure we could care for those already in our facility.

COVID-19'S IMPACT ON THE SKILLED NURSING INDUSTRY AND ACMCC



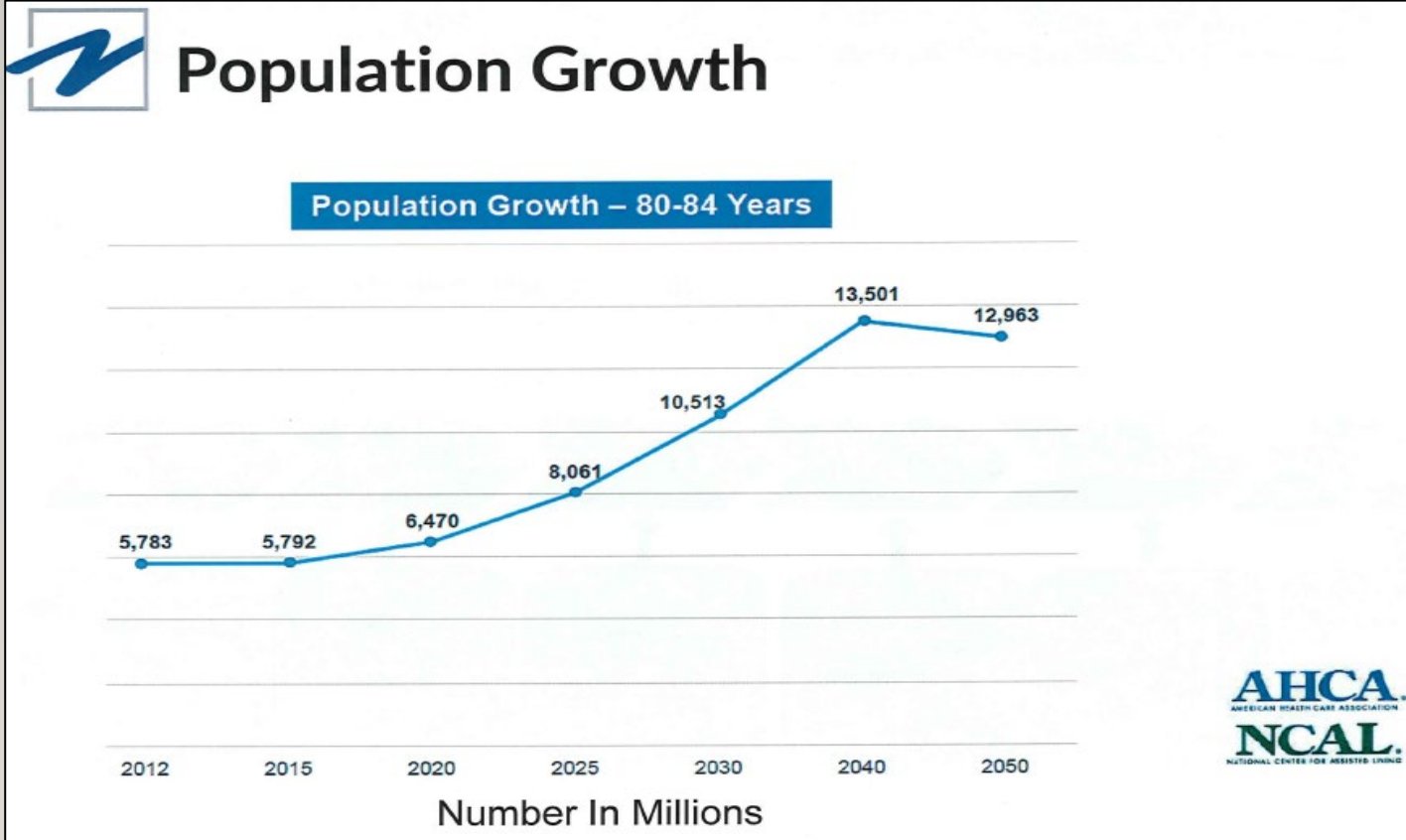
Employment % change since 2020: Across the nation, Michigan was among the top 3 states with the largest % of employment loss in skilled nursing:

Wisconsin -21%
Pennsylvania -21%
Michigan -20%

Alaska +52% ???



COVID-19'S IMPACT ON THE SKILLED NURSING INDUSTRY AND ACMCC



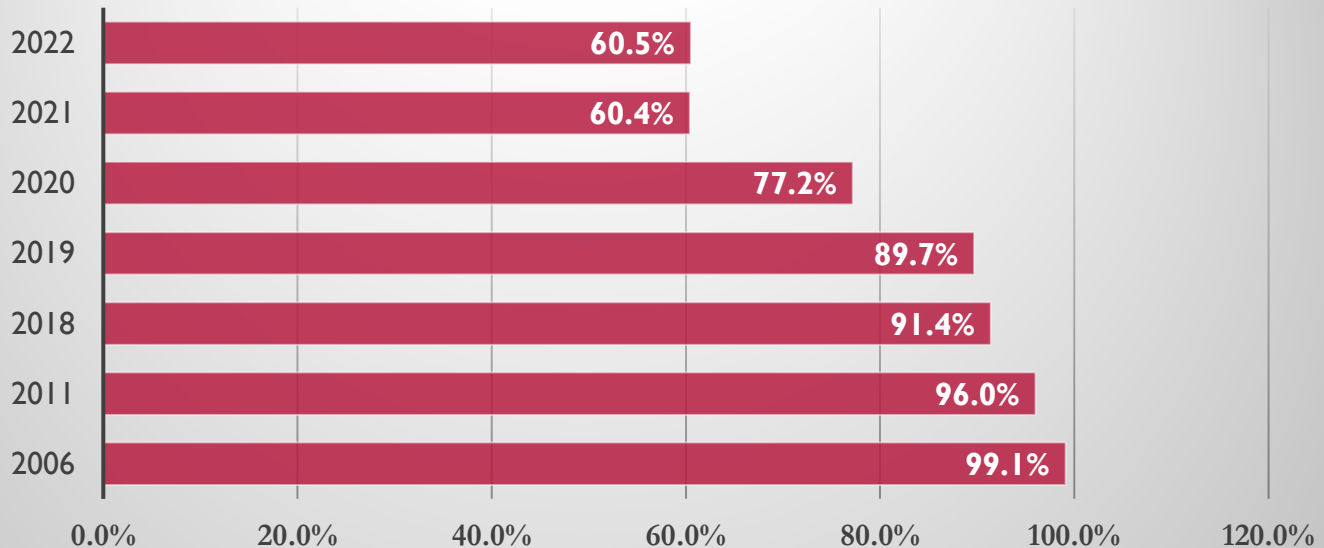
Yet, the 80-84 year old population continues to grow and services will continue to be needed to meet not only the current demand but the growing demand, while the nation faces a staffing challenge.

ACMCC has seen improvement in hiring and experienced a sharp drop in turnover in 2023 compared to 2020-2022.



OCCUPANCY

Average Occupancy Percentages



	2006	2011	2018	2019	2020	2021	2022
■ Average Census	99.1%	96.0%	91.4%	89.7%	77.2%	60.4%	60.5%

ACMCC's census has remained flat throughout 2022 due to the staffing challenges, requirement to have a designated COVID section (which remained primarily vacant), and most recently, our desire to determine our long term room count with potential changes to the facility's service offerings.

CMS FIVE STAR RATING



Nursing home

Allegan County Medical Care Fa

Overall rating:
★★★★★

LOCATION
3265 122nd Ave R2
Allegan, MI 49010

PHONE NUMBER
(269) 673-2102

Save to Favorites

Ratings Details Location

RATINGS

Overall rating
★★★★★
Much above average

The overall rating is based on a nursing home's performance on 3 sources: health inspections, staffing, and quality measures.
[Learn how Medicare calculates this rating](#)

Health inspections ★★★★★ Much above average	Staffing ★★★★★ Much above average	Quality measures ★★★★☆ Above average
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ACMCC's CMS Quality Rating remains a 5 Star overall rating, for several years consistently. The full report is available at Care Compare on Medicare.gov.

Other Allegan County facilities:

- 1 facility has 4 Stars
- 1 facility has 2 Stars
- 2 facilities have 1 Star



FINANCES

2022/2023 finances were impacted by the continued effects of COVID-19 on census until the end of the PHE with the 6 COVID designated rooms remaining vacant, continuing costs related to PPE, staff wages and critical needs bonuses to meet resident needs, and a high amount of uncollectable debt this year from a handful of historical resident accounts with a conservator issue resulting in \$583k of loss.

Fortunately, we received some additional CARES Act and other grant assistance, Direct Care Worker Reimbursements, as well as millage funding, helping us to make it through to a more normal 2nd half of 2023/2024.

New Position:

End of 2020: \$3,490,714

End of 2021: \$3,710,269

End of 2022: \$5,214,006 (including anticipated ERC funding)



STRATEGIC AND MASTER PLANNING

In 2019, ACMCC engaged Plante & Moran Living Forward to analyze the market dynamics of Allegan, Michigan as the facility explored the possibilities of repositioning the community and its care offerings. Results of this study were shared with the BOC as informational materials in November of 2019.

The fall and winter of 2020 and spring of 2021 were dominated by COVID, but finally with some COVID improvement, in August 2021 the DHHS Board made the decision to move forward with a Strategic and Master Planning process with Plante & Moran Living Forward.

MARKET STUDY REVISITED

We have completed many of these steps and have options from the Market Study that need further exploration to best address the Senior Living care needs of Allegan County:

Unit Potential

- The results show the market can support up to 140 additional affordable independent living units (assuming a <\$31,000 income screen).
- The results show the market can support up to 40 additional middle income independent living units (assuming a \$31,000-\$44,000 income screen).
- The results show the market can support up to 80 additional market rate independent living units (assuming a \$44,000+ income screen).
- The results show the market can support up to 70 additional assisted living units (assuming a \$58,000 income screen),
- The results show the market can support up to 30 additional assisted living memory care units (assuming a \$73,000 income screen),
- The results show the nursing home market has excess beds.



WHY DIVERSIFY?

- Aligns with ACMCC's Mission to Care for the Aged and Disabled with Care, Love, and Dignity.
- Address gaps in the care continuum for Allegan County citizens who are aged and disabled. Helps address waiting lists and high costs of care in assisted living level of care, while continuing skilled nursing, rehab services, and adult day services.
- Provide Allegan County citizens with a high quality care continuum rich with the Eden Alternative philosophies of personal choice, living a meaningful life, and being a vital member of the community.
- Adding to the existing higher cost SNF levels with lower cost, lesser acuity care levels leads to long term financial stability for ACMCC.
- Allows for a smoother transition between care levels when within one care community and is less disruptive and difficult for the individual.



STRATEGIC AND MASTER PLANNING RESULTS: CAPITAL NEEDS ASSESSMENT

Bldg #	Name of Facility	Critical Need (1 - 3 Yrs.)	Deferrable Maintenance (4 - 6 Yrs.)	Property Enhancement (7 - 10)	Complete Cost with Escalation
1	Allegan County Medical Care Community	\$286,877	\$2,320,985	\$1,666,086	\$4,273,947
TOTAL BUILDINGS BUDGET		\$286,877	\$2,320,985	\$1,666,086	\$4,273,947

Costs are based on an annual escalation rate of 4%

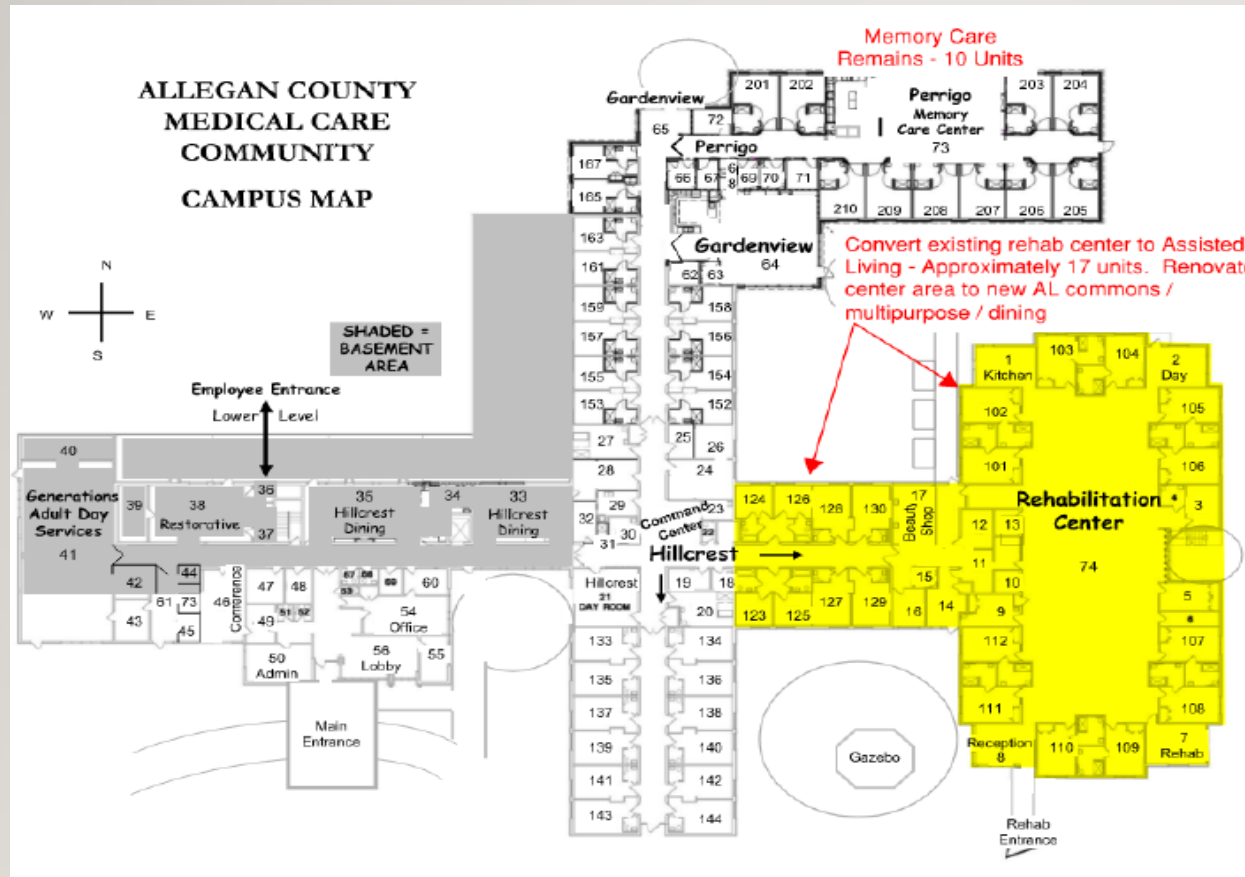
Within the critical needs category, some HVAC updates, domestic boiler replacement, flooring replacement, wireless network upgrade, and call light system upgrade have already occurred.

STRATEGIC AND MASTER PLANNING RESULTS: PROPOSED NEW UNIT MIX

Option 2 Master Plan							
Area Description	Type of Care	2021 Occupancy	2021 Bed Counts	2022 Bed Counts	Revised Unit Mix	Proposed	Misc. Notes
Skilled Nursing		16 Semi / 38 Privates		All Privates	All Privates	Phase	
Hillcrest Neighborhood	LTC	62%	36	20	12	Phase2	Maintain LTC 12 Units/Eliminate 8 Units
Gardenview Household	LTC	92%	12	12	12	Phase2	Maintain LTC 12 Units/Rehab rooms in this area
Perrigo Memory Care Center	LTC Dementia	84%	10	10	10	N/A	Maintain Memory Care 10 Units
Short Term Rehabilitation	Short Term Rehab	6%	12	12	0	Phase 1	Eliminate all short term rehab
	Subtotal	60%	70	54	34		
Assisted Living	Assisted Living	-	-	-	17	Phase 1	Average 300+/- sqft
Common Area / Supports Areas	Support Space	-	-	-	-	Phase 3	Renovate existing common & support spaces
	Subtotal	-	-	-	51		

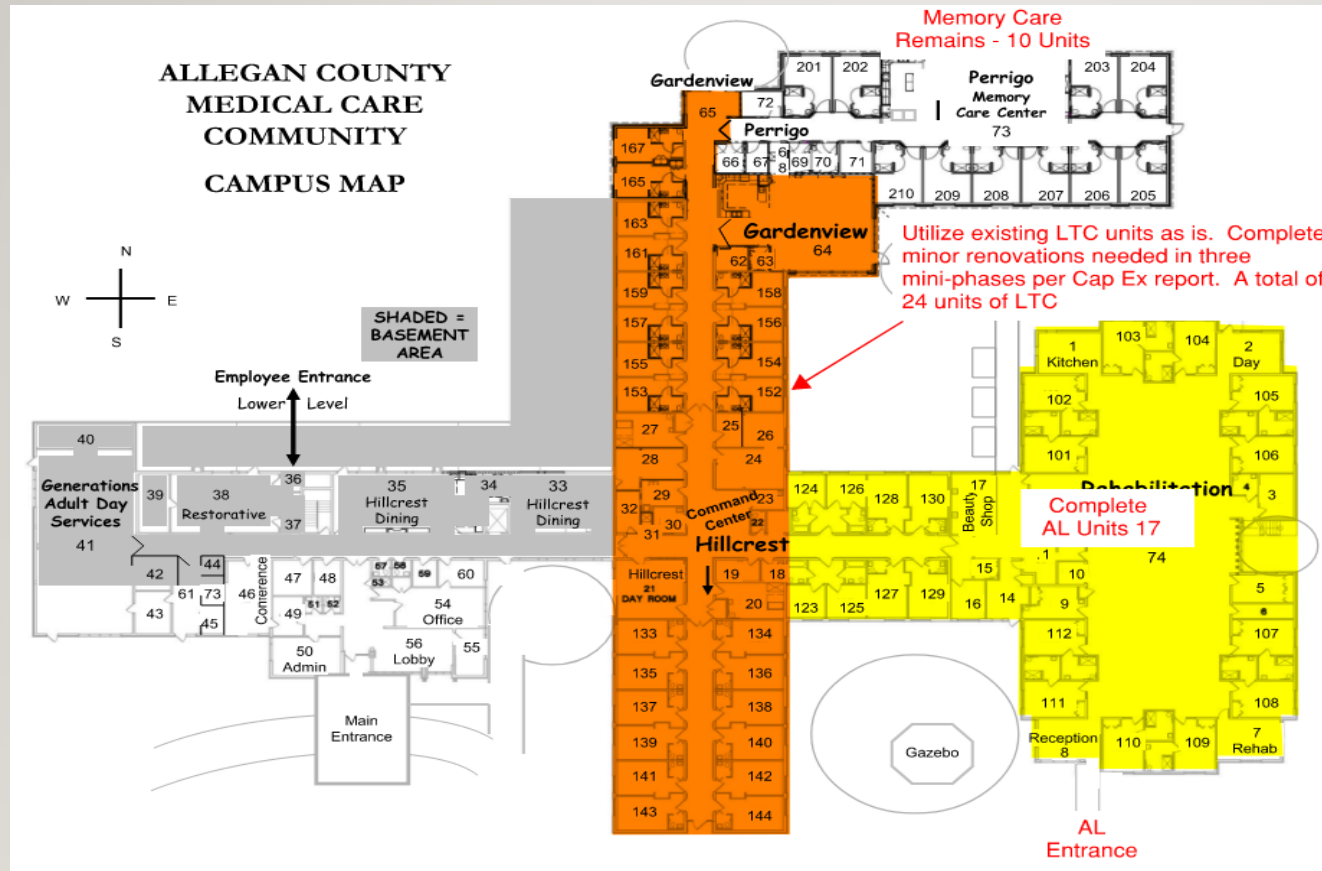
These changes allow for all nursing facility rooms to be private with individual showers, which has been our goal for many years, while renovating the vacant Rehab space/former COVID unit into desired assisted living space. Rehab care would be provided within the Gardenview Household, as we have done throughout the last two years of COVID. ACMCC would offer a continuum of care including skilled nursing, rehabilitation, assisted living, and adult day care.

STRATEGIC AND MASTER PLANNING RESULTS: ASSISTED LIVING DESIGN



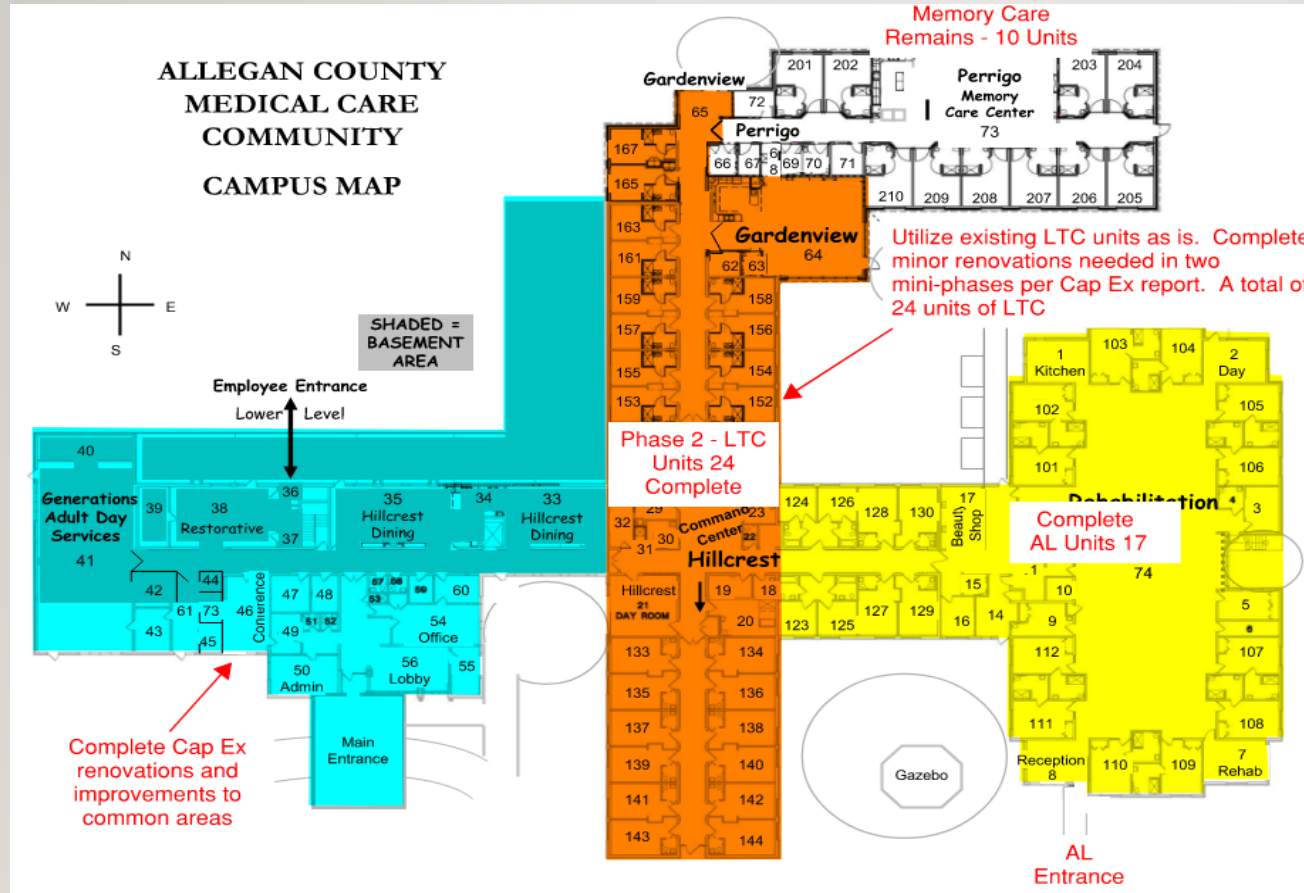
The Hillcrest Neighborhood of 20 rooms would be reduced to 12 with the East Hall becoming part of the Assisted Living. This allows our SNF areas to be 3 true Eden Alternative Households with 10 or 12 residents in each area, fulfilling this vision in the process of creating the Assisted Living.

STRATEGIC AND MASTER PLANNING RESULTS: PHASES 2 AND 3



Skilled Nursing Renovations and Capital Improvements

STRATEGIC AND MASTER PLANNING RESULTS: PHASES 2 AND 3



Skilled Nursing Renovations and Capital Improvements

STRATEGIC AND MASTER PLANNING RESULTS: TIMELINE AND BUDGET

Timeline:

- **Complete Assisted Living Renovation and Hillcrest South Skilled Nursing room renovations (to allow for availability of rooms to move residents to while construction occurs) by Spring 2025.**
- **Total project completion by Fall/Winter 2025.**

Budget:

- **Estimate of \$3.9 million for renovation to Assisted Living only, including roof of those areas.**
- **Rough estimate (not from architect/engineer yet) of renovation of Skilled Nursing/Adult Day portions of \$5-\$5.5 million, including every “bell and whistle” possible.**

STRATEGIC AND MASTER PLANNING RESULTS: PROJECT AFFORDABILITY

- With COVID improvements and reductions in staffing incentives and overtime, there is less reliability on the Millage for operations.
- With reduction in Skilled Nursing Facility total licensed beds to under 40, allowing for a drastic reduction in Provider Tax.

Less Than

40 Beds:

\$2.00/Medicaid day

Greater Than

51,000 Medicaid Days:

\$18.65/Medicaid Day

All Other

Providers (ACMCC):

\$28.65/Medicaid day

This tax averages between \$400,000-\$650,000/year for ACMCC—depending on our census. By reducing skilled nursing beds and adding assisted living rooms/beds, we would reduce to the \$2.00/Medicaid day cost. There is no provider tax for assisted living, as they are not Medicaid eligible.

- Lost funds from vacant rehab/COVID section replaced with Assisted Living, estimated at \$1.1 million annually.
- Others—reduced maintenance expenses with overall capital improvements to core systems.

STRATEGIC AND MASTER PLANNING RESULTS

DHHS Board Motion (7/11/2023):

Proceed with the Master Plan goals of a 3 Phase Construction and Renovation project:

- **To convert the Rehab Center and Hillcrest East Hall into Assisted Living with a Home for the Aged licensure**
- **To update and renovate the skilled nursing and adult day portions of the facility to the greatest extent feasible, providing improved HVAC, roofing, décor, wall/floor coverings, kitchens, bathrooms, etc.**

There may be potential modifications to the Plan as a whole, based on the results of the RFP for Architect/Engineer and initial design phase estimates and the potential total project costs. With the partnership with Allegan County Administration and Bendzinsky, ACMCC and the DHHS Board will review interest rates and potential repayment schedules and make modifications as needed, based on these factors.

DISCUSSION OF NEXT STEPS.

QUESTIONS OR COMMENTS.



THANK YOU!!



**The Support of our Allegan County partners,
the DHHS Board, the Allegan County Board
of Commissioners, and the Community of
Allegan County is so appreciated!**