

2015

Frequently Asked Questions

New Assisted Living Facility

Newport Hospital & Health Services (Hospital District) is placing a ballot initiative before voters in the November general election. The District will build a new assisted living facility using bonds paid for with a special property tax levy.



Frequently Asked Questions – Assisted Living Building

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Frequently Asked Questions – Assisted Living Building

Q. - Why replace the current nursing home?

Answer: We opened our nursing home in 1967 and have maintained it well for over 45 years, but we can no longer meet community need.

Q. - Is there anything wrong with our nursing home building?

Answer: Technically, no. However, our existing building would not meet **new building codes** for nursing home or assisted living facilities.

Q. - Why an assisted living facility and not a new nursing home?

Answer: Two reasons: 1) over the last 15 years, there has been a shift in demand from nursing home to assisted living care; and 2) nursing home services cost more than assisted living care. Assisted living facilities now offer similar care to nursing homes of thirty years ago, at a lower cost; one reason why the number of nursing home beds in the State of Washington has decreased over the past fifteen years [70 closures – reducing total beds from 29,000 to less than 21,000 during the 1996 to 2013 time period]

Q. - What is the cost difference between assisted living and a nursing home services?

Answer:

Monthly service fee range for Assisted Living =	\$2,100 to \$4,000
Monthly service fee range for Nursing Home =	\$5,500 to \$8,500

Q. – What is the basis for the cost difference between assisted living and nursing home services?

Answer: Regulatory, building, and staffing requirements are different. Nursing homes typically have a much higher ratio of registered nurses to total staff. Assisted living facilities also have registered nurses to treat and oversee care, but have a much higher ratio of certified nurse’s aides for daily care.

Currently, all of our nursing home residents would qualify for assisted living services – **if** more assisted living beds were available. The need for *skilled nursing* (nursing home) care is low and we currently treat residents in need of *skilled nursing* care in the acute care unit of our hospital.

Q. - Will the level of care change for existing residents?

Answer: No. Service and care levels will remain the same. Our new building will contain three 18-room neighborhoods of care designed for resident needs. One neighborhood of care will be specifically designed for memory (dementia) care.

Q. – What will happen to the residents currently in the nursing home?

Answer: We would expect **ALL** existing nursing home residents would be able to move! As noted above, services we provide today in our nursing home are similar to services provided in an assisted living facility that is designed and staffed to treat residents in need of a higher level of care. Our level of care/service will remain the same, only our environment of care is expected to change.

Frequently Asked Questions – Assisted Living Building

Q. - Why are you proposing a taxpayer bond?

Answer: Presently, our nursing home services, standing alone, do not generate sufficient cash flow to pay the debt service for a new building.

Q. - What will the bond cost me – as a property owner?

Answer: If you own real estate in the District, the estimated cost is \$0.53 to \$0.65 (53 to 65 cents per \$1,000 of assessed property value). The cost range was estimated using: actual 2014 District property values with a \$10 million bond for: twenty-five years at 3.5% interest = \$0.53; to twenty years at 4.0% interest = \$0.65. Final market interest rates will not be determined until the date bonds are sold.

Taxpayer total cost (assuming an avg. \$200,000 assessed property value over the term of the bond)

- Added tax: \$10M, 25-yrs, 3.5% = \$107/year or \$2,593 over twenty-five years.
\$10M, 20-yrs, 4.0% = \$130/year or \$2,673 over twenty years.

Note: if *needed*, based upon *current District rates*, the difference in cost between assisted living and nursing home is \$4,000 ***per month***. A \$2,600 (20-25 year total taxes) would be recouped in *one month*.

Q. - Why are you building a new clinic and not a residential care facility, first?

Answer: Our determination was based upon capacity (to serve patients) and financial considerations. Our clinic provides the greater service - serving more than 12,000 people/30,000 visits per year. We needed additional clinic space in order to recruit and house new medical providers. We simply had no space available and we are now trying to recruit for a new medical provider.

Q. - What is the cost and proposed development schedule for the new buildings?

Answer: The clinic is in the final bid process. We expect to award the bid in September in order to have the clinic complete in the Fall-2016. The cost of the building and ground work is estimated to be \$5.8 million. The assisted living facility, if the bond levy is passed in Nov. 2015, will start design in early 2016 and complete construction in the 2018. The expected cost of the building is \$10.0-11.0 million.

Q. - How long will our nursing home building continue to be viable (# years)?

Answer: We will continue to maintain our buildings and services at the highest level possible for as long as we can.

Q. - Is there any guarantee that if one needs the service there will be room available in the new assisted living facility?

Answer: Just as it is today, there is no guarantee. Availability for residential care is determined on a first-come, first-serve basis. We do maintain waiting lists to notify those interested if a vacancy occurs.

Frequently Asked Questions – Assisted Living Building

Q. - Will home health services be available in the new residential care facility?

Answer: Yes. Assisted living is considered a home setting and we can accommodate the service. Our building is intended to allow residents to age in place and bring support services to their home.

Q. - What will happen to the existing nursing home facility?

Answer: Our plan is to convert this space into a different business use – predominantly office space.