



FORWARD IN FAITH.....ENRICHING LIVES

## FREQUENTLY ASKED QUESTIONS

- ✿ What kind of economic/financial impact does St. Luke's have on the local economy?
  - St. Luke's Home has an annual salary expense of \$3,983,000 with 163 employees. If seven times is the predictor for dollar per dollar impact, the community benefits to the tune of \$27,882,000 annually due to salaries alone. No money leaves the community for management fees because St. Luke's is a locally owned and managed corporation.
- ✿ How many beds is St. Luke's going to add with the project?
  - St. Luke's will continue to have 84 skilled licensed beds at the end of the project-no change in number of skilled licensed beds. Dickinson currently has approximately 248 skilled licensed beds. Region 8, the southwestern region of North Dakota, currently has 68.7 licensed beds/1000 elderly people. The state average in 2005 was 65.3 licensed beds/1000. Since Richardton is adding 20 skilled beds, the region 8 number moves to 71.58 licensed beds/1000. The addition of these skilled beds place added pressure on the limited work force for long term care. The state goal of the North Dakota task force on Long Term care Planning is 60 licensed beds/ 1000. In 1989 when the task force was formed, North Dakota had the 6<sup>th</sup> highest number of licensed beds/1000 in the nation. Since that time the number has been dropping as other services have increased. The rural facilities faced with out-migration of the elderly to the urban centers of North Dakota and with staffing shortages are selling off licensed beds to the urban centers. Overall, the number of skilled beds/1000 is declining. In summary, as the state exerts more pressure on increasing the skilled service needs of persons in long term care beds and more options such as assisted living increase, the need for skilled beds will decrease.
- ✿ How will this affect Park Avenue Villa?
  - The only two effects on Park Avenue Villa will be a somewhat shorter link distance between the two campus buildings and a new focus on the availability of therapy space closer to the tenants.
- ✿ What will be unique about the new building?
  - The building will be unique in its focus on residential setting. It will also be unique in the delivery of care. Those long time nursing home institutional physical components such as nurses stations, med carts, and PA systems will all be gone. There will be a maximum of 10 to 11 people living in a household with a kitchen and dining room and great room very much resembling a home. The care will be delivered on a more personal basis. Each private room will have a large bathroom with shower for increased privacy and dignity. There are a limited number of semi-private rooms that offer a two room apartment for a couple. The change in the care delivery process has begun a two year planning and training program for increased focus on person centered care eliminating the institutional processes in favor of a safe environment that retains people's dignity.

- \* How will the new project affect operating expenses?
  - The new building and delivery of care will, hopefully, reduce some of the operating expenses through utilization of efficiencies. Two examples follow:
    - As an example, there will be washers and dryers in each household for personal laundry. The laundry can be washed at night, thereby utilizing night staff and as an added bonus, less probability of lost laundry.
    - The heating and cooling of the old building is inefficient and antiquated. It is hoped to gain efficiencies in utility costs as well.
- \* How will the project affect rates?
  - The average rate per day currently is approximately \$174. The daily rates may be as low as \$143 per day or as high as \$263 per day for extensive rehabilitation. Using the average rate, *the cost of skilled care with all living expenses included at St. Luke's is \$7.25 per hour.* An apartment or home plus utilities can easily run \$1200 to \$1500/month. Food costs need an extra calculation as do 24 hour caregiver with RN onsite care 24 hours per day. Eight years ago it cost \$8 per hour for an untrained care giver in home.
  - The project will definitely affect rates. Property rates are a “pass through” to a set limit. I do not have figures yet projecting the rates, however, the rates will change some the first year as half the residents move into the new building the rates will rise. The rates will rise again when the project is finished. It's such a guess until I receive the auditor's figures, but maybe \$8/day for the first part.
- \* Are you land locked and what will we do about that?
  - Yes, we are absolutely landlocked. We are building up instead of out strictly because of that situation. We have no money to purchase land elsewhere at this time, so have elected to build up (two story). Many facilities are facing the same situation and electing for the same option.
- \* How are we going to finance?
  - We are expecting to finance through bonds a loan guaranteed by USDA. We paid off the existing bond on the building within the past year and are financially sound.
- \* How does the square feet of the old and new buildings compare?
  - Current building space is 47,980 sq feet
  - Total after Phase I = 58,535 SF (remaining existing portion plus new construction)
  - Total after Phase II = 83,870 SF (remaining existing portion plus all new construction – Phase III doesn't add new square footage)