



WAKE ROBIN CORPORATION
Letter of Intent
Linden Health Center Renovation

July 7, 2016

Ms. Donna Jerry
Healthcare Administration
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620

Dear Ms. Jerry,

Wake Robin, a not-for-profit corporation based in Shelburne, is applying for an expedited review of its request to renovate the licensed skilled (SNF) Medicare portion of the health center, and to add 6 additional Skilled (non-Medicare certified) nursing rooms. It is worth noting that the skilled portion of the health center is not able to accept outside admissions and only provides services and care to the residents who have entered the community through independent living. Wake Robin is a Continue Care Retirement Community (CCRC) that provides housing, long-term care and other amenities to its residents under a contract, which acts as long-term care insurance. Because this project is comprehensive for the community, the total project is included in the explanation of the proposed project with a request for review of the project that involves the skilled portion and requires jurisdictional approval.

The overall project includes four components of the proposed construction work:

1). Independent Living – this portion of the project will add an additional apartment building that will have 38 apartments. These apartments are for residents who have purchased a life care contract and will live independently. The entrance fee and monthly fee revenue from these new residents will help to finance a portion of the construction work to be done in the health center. Ongoing monthly fee revenue from new and existing residents pays the operating expenses or the entire community.



2). Community Center - this portion of the project involves renovation of the community meeting room, dining room, café, revamp of the old meeting room into a larger fitness area, a new larger meeting room for use by the residents of the community and restructuring of other rooms used by residents for activities such as silver-smithing, art, flower arranging etc.

3). Residential Care – this portion of the project involves the renovation of the licensed residential care neighborhood hallway, upgrade to the heating and air conditioning systems. There are currently 31 licensed residential care rooms. The construction would cause 7 existing resident rooms to be removed to allow for the build out that will contain a new, open dining room that will provide the meals for the entire health center. The dining room will be open to the independent living residents to come and dine with their spouse/partner. A deck for outdoor dining will be built and the new addition will also contain common areas for residents, offices and 7 new resident rooms. After completion of this component there will be an additional 10 new residential care rooms. The majority of those rooms will be added by converting the existing space on the ground level of the wing of the health center that currently has an 18 room skilled, dementia focused neighborhood on the floor above. (This ground floor space is currently unfinished and was built with the intention of potential future expansion for Residential Care). Total number of Residential Care rooms on completion, would be 41.

4). Skilled Nursing – this area of the project also involves renovation of the hallway and common areas of the skilled, Medicare certified area of the health center, an update to the HVAC system (as the entire health center building). This area currently has 33 licensed skilled, Medicare certified rooms. 5 existing skilled rooms would be removed to enable the buildout that would contain: 5 replacement skilled rooms, a new open dining area, a den/living room area, and an additional 6 rooms. Total number of skilled rooms at completion of the project would be 39 rooms.

The existing skilled area’s current square footage that would be involved in the renovation project, is 22,478 gsf. The total square footage of the build out is 7,048. The new total square footage of the renovation and build out would be 29, 526 gsf.

Total Expansion Project costs are: \$59,810,000_____.

- 1). Project cost for Component 1, the Independent Living apartments: \$28,251,147
- 2). Project cost for Component 2, the Community Center renovations: \$10,299,265
- 3). Project cost for Component 3, the Residential Care renovations and addition: \$13,089,459
- 4). Project cost for Component 4, the Skilled Nursing renovations and addition: \$8,170,130

Construction in the skilled and residential sections of the health center will be carefully phased with the goal of minimizing the disruption to residents living in these areas. The number of residents who will need to be relocated to other rooms, (permanently or temporarily), will be dependent upon the census of the areas. If the census is low on the skilled construction area, every attempt will be made to manage room placement prior to construction so that the 5 affected rooms are kept empty.

The Residential Care area will also attempt to be managed by keeping the as many of the 7 affected rooms empty prior to construction with the same goal of minimizing disruption to residents. There is a plan in place to build and outfit the residential rooms that would be built in the currently unfinished ground floor space. This phase would allow for 8 rooms to be completed (and upon licensing by DAIL) in the first phase of the project and would enable residents affected by the second phase of construction, to move to these rooms.

Phasing of the project for both the skilled and residential care areas is broken into multiple phases that will be timed to move forward upon completion of the previous phase. Our construction company has experience in building/renovating within occupied resident space and has estimated the length of each phase.

Wake Robin Corporation is a licensed CCRC. It is currently one of two CCRC's in the state and is regulated by Department of Financial Regulation (DFR), the Department of Disabilities, Aging and Independent Living (DAIL) and CMS. The community is structured as a long-term care insurance product for its roughly 312 residents living within the community. A resident purchases the long-term care insurance product through the payment of a one-time entrance fee and then an ongoing monthly fee. In exchange, Wake Robin provides a home, long-term care and other amenities for the rest of the resident's life. "Home" may vary according to the needs of the individual resident. The community offers three levels of living – Independent, Residential, or Skilled. The resident's monthly fee remains the same regardless of the level of care required. The residents of the Wake Robin community are "planners" who have made a point of pre-planning for their health care by purchasing this life care policy.

The health care portion of the community is known as the Linden Health Center and contains a licensed Residential Care neighborhood that is licensed for 31 beds. The skilled nursing portion of the health center currently contains a 33 bed neighborhood that was licensed in 1994 and Medicare certified in 1996. (The original skilled, Medicare neighborhood had 30 licensed, skilled beds until 2011 when the community added 3 additional skilled, Medicare homes).

In 2007, the Linden Health Center received CON approval to add an additional 18 skilled nursing beds in a second neighborhood (unit). These homes (beds) are not Medicare certified and are used to deliver long-term care to the residents of the community with a particular focus on care for people with dementia. We did not seek Medicare certification for these beds because the cost of Medicare certification was not financially responsible. Wake Robin added these additional 18 homes (beds) in order to care for the long term residents with chronic disease. The skilled nursing homes (beds) in the first neighborhood (unit) are Medicare certified, as some of those residents of the community tend to require short stay skilled services. Wake Robin is able

to provide therapy services (Physical, Occupational and Speech therapy) in addition to skilled nursing services.

Wake Robin has been actively working to change the culture of care in the skilled neighborhoods to one that is less medical and more “home-like”. This culture shift work has been active within the Wake Robin community for well over six years. Best practice guidelines and research supports a change from a medical perspective of care to one that respects and honors the individual resident and his/her choice. This is the primary driving force behind the construction project.

The health center has now reached a point in that requires significant renovations to the existing health center in order to support the culture shift. The primary reason for the proposed renovation is to enable the community to continue the culture change by having a health care facility that provides a “home-like” feel – elimination of long hallways and the effort to minimize noise disruption. We seek to provide more common spaces for people to gather, common dining rooms with open country style kitchens, medication dispensing that eliminates the use of medication carts in long hallways, and more.

The Linden Health Center has focused on changing the use of words, and approaches to care to reflect this goal. Individual choice is actively sought and supported. For example, residents determine what their typical daily routine will be. If someone likes to sleep late, they are offered continental breakfast upon waking. The resident who likes to eat breakfast in his/her bathrobe may do so. Bathing routine is customized to the residents’ choice of bath/shower and timing. Medication administration is done with as minimal disruption to daily activities and interests as possible. Activities, hobbies and interests are customized to the resident and support in actively engaging is offered. Meals are served family style in dining rooms that have tablecloths and wait staff. Consistent assignments of the same primary nurse, LNA and activity staff person are designed into the day to day service delivery. This enables residents to receive care from staff that know their preferences, routines, likes and dislikes – all from familiar and recognized caregivers. All of these care approaches support each resident and serve an important role in the reduction of the use of antipsychotic medications often used to “manage challenging behaviors” in some skilled settings.

These renovations will also serve to help the Wake Robin community to remain progressive and competitive with other CCRC’s and to meet future population demand. The pending admissions of baby boomers have clearly illustrated a different set of expectations by this group of consumers and this project seeks to address some of their expectations/demands.

The proposed renovation would renovate the hallway and public spaces of the skilled Medicare certified neighborhood and removal of 5 existing skilled rooms, while adding 6 skilled homes (rooms). A smaller refit of the existing non Medicare Skilled neighborhood would “swap”the location of the existing pantry and dish area. (This is the only intended construction of the dementia focused neighborhood).

The proposed project would also renovate the existing Residential Care area of the health center, remove 7 existing rooms while adding an addition and upgrades. Both areas of construction would be done in phases with pre-planning and strong efforts to minimize resident disruption and displacement for as short a period of time as possible.

This renovation would enable the health center to upgrade its aging heating and cooling systems, and to restructure the traffic flow of visitors to the health center. Dining venues would be updated and added to, giving residents of the health center even more choices in where they dine. The renovation of the Residential Care dining room would provide a larger venue open to all residents of the community – thus further strengthening the integration of the health center residents into the larger Independent Living community.

Proposed construction in the health center is funded by the additional building of an apartment building. These additional residents will require the availability of access to skilled care that can be provided on the campus and not have to have a resident receive care at an off campus facility. The Wake Robin community seeks to build for the future of the community. (The skilled portion of the health center does not accept outside admissions). Wake Robin also serves as an example of aging in place, and clearly demonstrates the benefits of a continuum of care. Spouses, partners and friends all remain closely connected to each other and are involved in each other's lives no matter where the person may live within the community. The overall average length of stay within the community is 11.4 years.

Residents of Wake Robin who live in the health center do not use Medicaid dollars. The community pays for the health center through monthly fees, Medicare dollars and individual residents' supplemental insurance coverage. The addition of the 6 requested skilled nursing beds would not impact Medicaid dollars. Providing skilled care within the health center means that residents are not taking spaces in other skilled facilities that may be needed by other Vermont citizens.

Wake Robin is requesting consideration of a CON for the renovation of the Linden health center, the addition of 6 new skilled homes (rooms), (as well as the addition of 10 residential care rooms). These health center homes (rooms) would be a part of the health care delivery system for the existing and additional independent living residents who would occupy the new 38 home apartment building built to support the construction and operating costs of the renovations and expansion of the health center.

Respectfully submitted,

Patrick McKee
President/CEO
Wake Robin Corp.