

## White Paper



# *Repositioning*

Unlocking the Potential of  
Aging Senior Environments

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## **Executive Summary**

With Increased competition, changing demographics and growing senior expectations, providers in all segments of senior housing and long term care are being challenged by the industry to renovate aging plants in order to reflect the changing philosophy of care. In order to remain viable in a rapidly emerging market, forward thinking providers, limited to what is financially feasible under existing business models, are exploring the concept of repositioning as an avenue to capture new or enhanced revenue streams while holding costs and position themselves as the provider of choice in the marketplace.

Recognizing the potential of this concept, this paper will identify and explore strategies to reposition aging plants, aimed at aligning facilities with core business objectives and the demands of the industry and marketplace they serve.

As a generation of baby boomers reaches retirement age, long term care leaders are looking for ways to meet changing consumer demands in a sea of dwindling reimbursement resources and a growing competitive market. Acutely focused on avenues to remain financially viable, providers are looking to enhance revenue streams while developing greater strongholds in an evolving continuum of care.

### **Effecting True Change**

As providers look at the evolution of their facilities or the development of new projects, changing demographics, regulated funding sources and the expectations of seniors can have a great impact on how they will modify their environments and service provisions at large.

Most will first attempt to address these demands through renovation or upgrades to the existing physical environment. However, moving from a sterile institutional model to a home-like environment is only half the battle. Residents of tomorrow are looking for more than an aesthetically appealing living space; they are looking for choice. Not only in the healthcare they receive, but also the opportunities for housing alternatives, living, wellness, socialization and community involvement they are provided.

As these industry expectations continue to grow, the need to reposition their facilities can often exceed the need for simple renovation. While renovation can update or freshen an environment, repositioning can address a greater myriad of issues facing senior housing and healthcare providers today, including:

- Changes in resident composition
- Obsolescence or inefficiencies within the facility
- Changes in demographics
- Changes in reimbursements



- Increased competition in the marketplace
- Changes in market focus by the organization (i.e. reaching a new geographic area, increased or decreased service components)

Providers in all segments of senior housing and long term care are challenged by the increasing need to improve aging plants, but are limited to what is financially viable under existing models. As Medicare inadequacies continue to grow, providers are looking at the addition of new housing components, services and/or alternative programming to capture new or enhanced revenue streams. This strategy works not only to reinforce their bottom line, but further identifies their market positioning.

### **Holding Costs**

As the long term care model evolves, many providers are seeing growing inefficiencies and obsolescence in their plants with future residents seeking village style living environments. As most providers cannot abandon existing structures to build more effective models, repositioning often provides facilities an opportunity to assess and optimize space use.

Through the reconfiguration or absorption of unnecessary elements or the inclusion of alternative, but compatible services, facilities can be afforded the potential to grow program and/or bed space with adding new construction or unnecessary building costs.

### **Enhancing Revenue Streams**

Financial stability steadfastly remains on the top of minds for most healthcare providers today. With consistent under funding and bleak financial forecasts, forward thinking providers are looking towards other revenue sources to secure their financial future.

#### *Elim – Buffalo*

#### *New Additions to Existing Long Term Care Campus*



#### *Independent & Assisted Living Housing*



#### *New Campus Ministry Center*

## *Repositioning*

Unlocking the Potential of Aging Senior Environments

Whether ancillary or complimentary, most providers are exploring other business lines that will synergize with their existing services and corporate mission to generate new or enhanced revenue streams. In many cases, the obvious addition to long term care campuses is that of independent and assisted living housing. These components offer attractive options for seniors looking to maintain autonomy while allowing access to healthcare and daily living assistance their housing goals and health needs change. Unfortunately, while it is a natural partnership for long term care, senior housing does bring challenges of its own due to the state of flux as it builds its own market definition, regulation and stable position in the senior continuum of care.

For those with established assisted or independent housing options, appropriate diversification strategies may include therapy programs, health education and wellness centers to aid residents as they aspire to remain as independent and active for as long as possible. Additional options may include the incorporation of intergenerational care programs, lifelong learning and other community wide programming which seeks to draw participation and revenue from the outside community.

For providers looking to remain focused on long term care, it may mean the diversification of care provided to capture needed revenue streams. This can be seen as typical skilled nursing facilities adapt their services to include transitional, sub-acute, burn, wound care and other specialized nursing care, incorporating unit neighborhoods into the care classification and delivery.

Likewise, the development of highly specialized housing and care can also provide opportunity to secure viable revenue streams while positioning the facility as the provider of choice to key markets. Such is the case for Alzheimer's care. With the number of Alzheimer's and dementia sufferers expected to grow exponentially over the next two decades, the need for dedicated housing and care across the continuum of senior living grows as



*Before*



*Elim – Parkview*



*After*



well. Through campuses devoted entirely to dementia housing and care, residents are afforded locations with seamless transition from early onset care and independent or assisted living housing to end stage nursing and hospice programs.

While the conditions of this disease cannot be medically reversed at this time, compensatory and therapeutic environments can make a tremendous difference in the quality of life for residents and reassurance to their families.

### **Environment as a Partner**

In all cases, the act of repositioning takes into account the ability of the environment to support the mission and services of the facility. In this approach, the environment becomes a partner with the facility's provision of services and its design works to support the care and services provided therein.

Through the creation of transparent service delivery systems and neighborhood design strategies, providers can break up the old models of healthcare to provide new lifestyle initiatives where residents find freedom of movement and freedom of choice. Instead of merely adding a wing, changing décor or relocating services, the repositioning can move the existing service delivery core from an institutional gathering place for services to a free flowing community within a community wherein residents participate in their own care delivery and experience improved quality of care and quality of life.

In this approach, long monotonous hallways give way to neighborhood-like unit clusters, each with their own dining and activity space. These neighborhood configurations remove the daunting institutional model that can be overwhelming to residents and replace it with home-scale models that are familiar and comforting to residents. By removing large group gatherings for meals and activities and replacing it with localized delivery of services, facilities can utilize designs that bring services to residents, instead of the other way



*Before*



*Walker Methodist*



*After*



around, saving transportation time for both staff and residents while allowing for more complete care.

Providing support for resident autonomy and choice provision, facilities see greater opportunities for staff and resident relationship building and closer staff monitoring and involvement. Likewise, residents enjoy the community-like structure wherein neighborhoods are often connected by a town square with opportunities for streetside cafés, barber/beauty shops, small stores, learning, wellness and other points of interest that encourage socialization and new avenues for resident gathering and movement.

### **Provider of the Future**

The act of positioning analysis affords additional opportunities for providers to acclimate to the rapidly growing and changing market. As the industry evolves, providers who will see the greatest long term success will be those who create flexible positioning strategies which prepare their campuses to adapt as market needs dictate. This means not only addressing the flexibility or expansion of service provisions to accommodate the growth and degeneration of the baby boomer population, but also the ability to implement new products and services as trends and opportunities are identified and take hold.

### **Provider of Choice**

A successful positioning strategy requires the careful collaboration of environment, service and care components to secure the facility as the provider of choice in the market. With increased competition, growing popularity of continuous care retirement communities and spotlights on design innovations, providers are being weighed with increased scrutiny.

Unlike their parents, the new 'active' senior population is demanding more providers than the three B's of senior long term care – Bed. Bible. Bingo. Elements such as wellness centers or larger community based programs are

### *Sisters of the Sorrowful Mother*



*Conference Center*



*Coffee Bistro*



*Wellness Center*



*Reading Library*

making their way to repositioned campuses to allow residents to age in place while providing for a broad spectrum of needs and desires. These campuses are now seeing the incorporation of education centers, multi-level wellness facilities and town squares complete with restaurants, theaters, conference spaces and many other amenities. These innovations help position them as the provider of choice, showing superior quality of care and quality of life to residents while creating a positive workplace environment for staff satisfaction and retention.

### **Proof Positive**

The integration of repositioning strategies can help each provider realize their full potential in the marketplace. Repositioning philosophies can not only improve the financial performance of a facility, but also the environment and services offered to its residents.

Such is the case with the recent repositioning of the Walker Methodist Alzheimer's Unit. To address advances in medical research and growing expectations of Alzheimer's residents and their families, Walker Methodist Health Center sought to renovate two existing floors in their skilled nursing facility dedicated to dementia care. Unfortunately, prior renovation attempts proved fruitless with resident behaviors and unit concerns returning after little more than six months post renovation.

As part of the repositioning strategy, a therapeutic environment was integrated into the facility to simulate the winding streets of a village where long monotonous hallways give way to intimate residential neighborhoods. In this new village environment, resident behaviors are not limited but rather compensated for. Such is the case where residential units and neighborhoods are now connected by a town square complete with "street side" cafes, parkscapes, storefront facades and an outdoor patio in order to encourage resident participation and socialization, as well as a sense of community

*Walker Methodist*



*Apple Lounge*



*Nurse's Station with  
Flower Shop Facade*



*Barber Shop*

belonging. In the same vein, wayfinding and orientation are addressed through sight, smell and touch stimulation at various points of interest, including an apple lounge, fruit stand and central clock tower.

In the end, a welcoming and aesthetically pleasing Alzheimer's village was created, far surpassing the expectations of staff, residents and families. What would provide the strongest proof positive of the project's success would be the following statistical changes tracked by the care provider themselves. In the four years surrounding its repositioning project, Walker Methodist has observed the following changes:

- Problematic resident behaviors have dropped from 68% to 40%.
- Frequency rates of resident falls and injuries have been cut in half.
- Incontinence has dropped from 62% to 38%.
- Use of psychopathic medications shows a two-fold improvement.
- Occupancy rates have increased from 78% to an average of 92%.
- Turnover rates have dropped from 45% to 23%.
- Family & resident satisfaction rates have climbed from 3.75 to 4.75 (on a 5.0 scale).

Supported by improved quality indicators, the repositioning project shows the positive impact of a new environment on resident quality of life and care. In the end, a welcoming and aesthetically pleasing Alzheimer's village was created, far surpassing the expectations of staff, residents and families and, ultimately, the provider's bottom line.

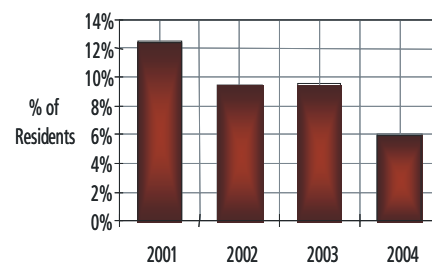
### Living Architecture

In a more progressive avenue, providers of the future are taking holistically new approaches to facility design, recognizing the power of environments to

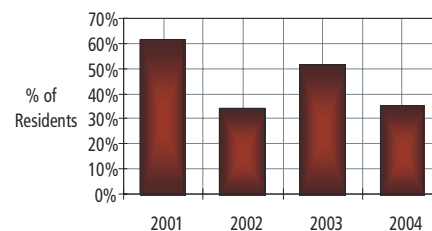
### *Walker Methodist Repositioning Results*

2001 Pre-Construction  
2002-3 Construction Phase  
2004 Post Construction

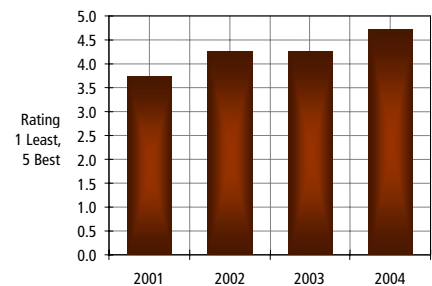
#### *% of Falls w/Injury*



#### *Incontinence*



#### *Family Satisfaction*



support the philosophy of care and services that are provided therein. While structured activities and facility layout may work to engage a resident, a facility's design can have a more profound impact on resident autonomy and quality of life.

Through the concept of living architecture, providers are working more and more to bring real world experiences into their facilities. This can be seen in the use of natural daylighting, cascading water fountains, bird atriums and other natural elements that simulate a stroll through a garden path, or a 'sidewalk' café that offers opportunity to sit and observe the hustle and bustle of the senior community.

Achieving long term success means providing more than an aesthetically pleasing facility. Forward thinking providers will create environments that recognize the value of living architecture and the understanding of what is inherently human.

How opportunities to develop relationships, explore and experience the living world while receiving meaningful care can positively affect one's quality of life, quality of care and, in turn, the bottom line of a facility.

