

# **CONVERSE COUNTY LONG-TERM CARE MARKET ANALYSIS**



## **Final Report (March 2014)**

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## Executive Summary

The Converse County Board of County Commissioners and Memorial Hospital of Converse County retained Douglas-based Community Builders, Inc. (CBI) to help evaluate current and projected senior long-term care housing needs in Converse County, Wyoming. This market and financial feasibility study examines long-term care needs, market demand, growth potential and competition in Converse County, with special emphasis on the need for assisted living services in the county. An assisted living facility, by definition, is a group living arrangement providing help for residents with activities of daily living such as eating, bathing, using the bathroom, taking medicine, and getting to appointments as needed. Assisted living facility residents often live in their own room or apartment within a building or group of buildings and have some or all of their meals together.

CBI worked with an Advisory Committee composed of representatives from Converse County, Memorial Hospital of Converse County and the communities of Glenrock and Douglas. The goals and general parameters of the project set by the Advisory Team were:

- To allow residents to age in their own communities rather than having to go outside of the community for long-term care
- To provide an affordable model with high quality of care
- To consider non-profit models for ownership and/or management of long-term care services

CBI developed a public engagement process to evaluate the long-term care needs and desires of the Converse County community. Public and stakeholder input was obtained using a variety of methods. Additionally, CBI developed an objective market analysis, based on demographic trends, industry best practices, and government data. CBI has examined population and other demographic trends in Converse County and, more generally, east-central Wyoming. CBI has also analyzed existing and planned development of long-term care facilities in these areas. Existing long-term care facilities in Converse County include:

- Douglas Care Center LLC, a licensed nursing care facility
- Dream Catcher Adult Day Care, a licensed adult day care facility located in Douglas
- Ann's Best Care LLC, a licensed home health agency

Currently, there are no licensed assisted living facilities, boarding homes, or hospice facilities in Converse County. A recent announcement by the Douglas Care Center indicates that the owners of that nursing home are now proposing to build a 30-unit assisted living facility on the same site as the existing nursing home in Douglas.

Objective demographic observations include the following:

- There is a growing population of seniors age 65 or older

- Wyoming’s elderly population is the fastest growing segment of the state’s population
- People are living longer, but with more limitations in their abilities to perform activities of daily living (ADLs)
- The rural nature and low density of population in Wyoming makes it difficult to identify strong market demand anywhere (for any kind of services)

Following this examination and analysis, CBI identified Converse County’s unmet needs for nursing home facilities, assisted living facilities, and memory care units. Those findings are summarized in the table below:

Market Growth Forecast, by Market Area and Year					
DEMAND FOR NURSING HOME UNITS					
Market Area	Primary Market	Primary Market	Secondary Market		ALL AREAS
Year	Glenrock Area	Douglas Area	State of Wyoming	United States	Total
2012	25	-17	-148	-32,577	-32,717
2013	27	-15	10	-6,271	-6,249
2014	29	-13	169	20,034	20,220
2015	32	-10	327	46,340	46,688
2016	34	-8	486	72,645	73,157
2017	36	-6	644	98,951	99,625
DEMAND FOR ASSISTED LIVING FACILITY UNITS					
Market Area	Primary Market	Primary Market	Secondary Market		ALL AREAS
Year	Glenrock Area	Douglas Area	State of Wyoming	United States	Total
2012	15	24	272	148,392	148,704
2013	17	25	368	163,963	164,373
2014	18	27	463	179,534	180,042
2015	19	28	559	195,106	195,712
2016	20	29	654	210,677	211,381
2017	22	30	750	226,248	227,050
DEMAND FOR MEMORY CARE UNITS					
Market Area	Primary Market	Primary Market	Secondary Market		ALL AREAS
Year	Glenrock Area	Douglas Area	State of Wyoming	United States	Total
2012	14	-5	1,254	757,021	758,284
2013	15	-4	1,346	798,861	800,218
2014	16	-3	1,438	840,701	842,152
2015	18	-3	1,530	882,540	884,085
2016	19	-2	1,622	924,380	926,019
2017	20	-1	1,714	966,220	967,953

Based on these findings, it appears there may be a growing need for additional nursing home units and/or memory care units in Glenrock. Development of assisted living units is needed in both Glenrock and Douglas to meet current demand in Converse County. Given consumer

preferences and operational efficiencies, the community should consider development of two assisted living facilities – one in Glenrock and one in Douglas. Those two facilities should be jointly managed. Additionally, in light of the community’s desire for high quality, and the County’s large percentage of low-income households, it may be necessary to engage local government involvement (to secure grant funding), as well as seek/develop a nonprofit operating company (to keep base rates as low as possible).

If the Douglas Care Center moves forward with their proposal, this analysis should be revisited. It would be difficult for the Converse County market to adequately support two ALFs in Douglas. Further, if the goal is to meet the community’s strong desire for quality and affordability, a nonprofit model may need to be pursued. CBI estimates that the average base monthly cost per resident could be reduced from a high of \$3,817 using conventional debt service financing to construct and operate the facility, compared to a base monthly cost of \$2,412 with no debt service to be recovered.

Finally, it should be noted that Douglas Care Center has already indicated that it will be pricing its base rates using the prevailing market costs of doing business in Douglas (and thus is not in a position to offer low-income subsidies), nor does it plan to develop an ALF in Glenrock. Accordingly, if the needs of those populations are to be met (including their desire to remain in their own community during their golden years), the community as a whole should carefully consider its alternatives.