

MAREJ COM

By Richard B. St. Maur III

Alzheimer's Care Facilities: What makes them so challenging

The Need: The Boomers are coming, the Boomers are coming!

According to the U.S. Census Bureau, 78.2 million of our Senior Citizens are beginning to retire. Many independent research studies indicate that while approximately 1 out of 4, at age 82, will suffer from some form of dementia, the number of those afflicted rises to about 1 out of 2 by the age of 86. Even the simplest of math indicates a need to care for more than 20 million folks over the course of the next few decades, so we know there is definitely a NEED!

Present State: While 4,500 years ago, we had indications of the "Pharaoh's forgetfulness", it wasn't until 1984 that the National Institute on Aging (NIA) decided to develop a research program that focused on the causes of Alzheimer's Disease. In a relatively short period of time, there have been five drugs developed that sometimes give some temporary relief to some of those suffering from Alzheimer's. That doesn't sound too promising: some relief to some..... sometimes! However on the bright side, there is now some serious progress being made in the areas of early detection for those who may be prone towards the disease. That leads the way to better strategies to delay or even avoid succumbing to Alzheimer's disease.

The Challenge: Truly understanding the needs of an Alzheimer's Care Facility, is extremely difficult for many



Richard B.
St. Maur III

reasons. As an example, from a design standpoint, an Architect many times will tour an Assisted Living Facility, in a wheel chair. He can somewhat pretend that he is wheel chair bound. He can personally experience what works well and what needs to be improved, resulting in better design. Unfortunately, there is just no way that he can pretend that he has Alzheimer's disease. That is why a majority of Independent Living and Assisted Living facilities are designed fairly well, and it's also why most Alzheimer's Care facilities miss the mark by miles.

The Missing Link: In order to provide the best possible care for the growing Alzheimer's population, it is imperative to pursue ways to build a link between two different worlds: The world of the developer and his design team, building these ALZ facilities, and the world of those medical professionals studying the disease and learning about early detection, what advances the pharmaceutical industries are making and the newest philosophies and strategies in caring for those afflicted. Those who find ways to create this missing link will reap huge rewards while making the world a better place for all; the residents and their families, the care givers, the management companies, and the investors.

The Solution: Through understanding and intense coordination of cutting edge philosophies of care giving and ongoing training of managers and caregivers, as well as clear communication of those needs to the developer's design team, a far better place can be created in which residents can live, at

the same or lower cost than the average facility charges. A monthly rental model eliminates the need to raise an initial "buy in" fee, from the sale of a home.

How it Works: Typically, the financial breakeven point is reached with 90% occupancy. The bank or lending institution wants to see a developed proforma at 95% occupancy. That 5% differential equates to the profit. With the properly coordinated program of design and management, the occupancy can be raised to 100% with a waiting list, resulting in double the profits of the average facility. Half of that additional profit is invested back into the community for ongoing research and development on the care side, ongoing up-to-date training of caregivers, as well as supporting the marketing efforts.

Bottom Line: With this approach, we can offer residency in a community that has been designed to provide Caregiver and Resident a better quality of life, at the same cost as the average competitor, while producing a net 50% higher return on investment to the investors.

Richard Benson St. Maur III is managing member of Coordinated Project Solutions. LLC. ■