



Bond Proposal: RBJ Health Center

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Young Hip Austin is Getting Old: An Experiment in Dealing with the Challenge
LBJ School of Public Affairs

Bottom Line

To address the rapidly increasing need for affordable senior care in Austin, the LBJ School Policy Research Project Team proposes funding a \$3.83 million renovation of one floor of the city-owned RBJ Health Building for a Senior Clinic and Multigenerational Community Care Center. (See TC-TV segment [“Aging in Place”](#))

The Need

Austin’s senior population growth is outpacing health and social care capacity. In 2015, Central Health’s Planning Regions Overview projected that Travis County’s senior population will grow by 39% through 2019, a rate over three times higher than the country average. Previous research has identified that this projected growth will entail a disproportionate increase in the number of low-income and nursing home-eligible seniors. Senior residents that live in the surrounding 78702 catchment area— an area that comprises a total of twelve zip codes— experience economic and health vulnerability, as shown in tables 2 and 3, respectively. Roughly half of senior residents have incomes below 200% of the poverty level, and half of the senior residents report at least one disability and require instrumental assistance for such daily necessities as transportation, meal preparation, and household tasks.

Still, Austin only has one adult day care center and insufficient services for seniors who need case management. This service gap requires that Austin develop new and innovative ways to serve vulnerable senior populations, reduce system costs, and improve senior quality of life.

The Solution

We propose establishing a multigenerational community health center to address unmet care needs for seniors living in one of Austin’s neediest communities. The Holly neighborhood, located in zip code 78702, is home to the Rebekah Baines Johnson Center and a surrounding community of seniors with unmet health and social needs. Over half of seniors in the Holly neighborhood have incomes under 200% of the poverty level (Table 2), and 43% have at least one disability (Table 3). Rebekah Baines Johnson Center residents, who have incomes below \$12,500, have indicated in focus group research that existing services are not meeting many of their health and social needs.

The Rebekah Baines Johnson Center is currently undergoing renovation and is expected to double the number of affordable units it can provide low-income seniors. This new care model consists of a community health center that utilizes best practices in geriatric care to integrate healthcare, social services, and adult daycare in one location to serve approximately 6,000 residents in the center and in the eleven surrounding zip codes. The project will require a total renovation cost of **\$3,833,750**.

Research shows that providing conveniently located basic primary care, adult day care, and social services all in one place is cost-effective, patient-centered, and value-driven. Our research findings suggest that an Age-Inclusive Center can serve as a model for cities across the United States as a new and integrated method of providing health services, an adult day program, and community care to older

individuals with little income and serious health problems. Focus group interviews indicate that Holly residents find this arrangement desirable and that they were enthusiastic about this prospect, especially if they received help with service coordination.

Focus group participants stated they have limited transportation options for transportation to doctor's offices in the City and often miss appointments as a result. Many residents at the Rebekah Baines Johnson Center never leave their rooms or leave the facility. The residents believe that the proposition would foster a mutually supportive network among residents, and encourage individuals to get the care they need, as well as allow individuals to accompany one another to the care facility adjacent to Rebekah Baines Johnson Center. In general, residents did not seem wedded to their current provider, and would be willing to switch to providers at the proposed Age-Inclusive Center's clinic.

An unexpected topic that emerged immediately in focus group interviews was a focus on healthful aging and wellness, which included standard monitoring of blood pressure and glucose levels, advice on diet and nutrition, exercise, and other activities, such as yoga and pet therapy. Results from our Senior Household Health Experience Survey reach a similar conclusion. Data reveal that residents in the Holly neighborhood and surrounding areas would be eager to use a new senior clinic and community care center that provides wellness care located at the RBJ Health Center located at 15 Waller Street. Most respondents in the Holly Neighborhood Health Survey reported that they would like to have access to geriatric primary care, an adult activity center— which provides meals and helps them remain active in the community— as well as a care coordinator conveniently located in one place.

Proposal: Establish renovated space for an integrated community health center for low-income senior residents that co-locates geriatric primary care, adult day center, multigenerational services, and social services at the RBJ Public Health Center, with an expected panel of 6,000 patients and renovation cost of \$3,833,750.

The project will involve redeveloping one floor of the city-owned RBJ Health Center to create a Geriatric Center of Excellence consisting of a community care center with a senior clinic, an Adult Day Center run by Meals on Wheels Central Texas, and social care coordination provided by Family Eldercare Inc. Meals on Wheels and Family Eldercare. Both Partners, which are 501(c)3 organizations partly funded by Austin Public Health, have already signed letters of commitment, and two local federally qualified health centers have committed to the center's core principle and are undergoing strategic planning. The project has also received support/commitment letters from St. David's Foundation and Anderson Foundation.

Based on a demographic analysis of the senior population within a 20-minute drive of this location, we expect that approximately 6,000 patients will utilize the services in this center. Given this panel size, the four collocated centers would require 11,700 square feet and \$3,833,750 to redevelop. This price includes the cost of renovation and build-out, built-in equipment, and deferred maintenance costs.

An additional innovation to the project is an age-inclusive child care center which will serve 25 children aged 18 months to 4 years old. This model is based on an approach pioneered by UT Austin's Child Development Center, and has been proven to reduce loneliness, social isolation, and increase overall

health for seniors in adult day centers. Further, the center will help low-income parents who must care for both children and aging parents.

Project Scope

Renovate one floor of the five-story RBJ Health Administration Building located at 15 Waller Street in 78702 (District 3), adjacent to Rebekah Baines Johnson Independent Living Center at 21 Waller Street.

Cost Specifications

The estimated cost to renovate one floor of the building is \$3.83 million is shown in Table 1.

Table 1

Item		ft ²	\$/ft ²	Cost
Renovation and Build Out				
Senior Clinic		6,000	\$300	\$ 1,800,000.00
Adult Day Center		1,675	\$150	\$ 251,250.00
Child Care Center		2,825	\$150	\$ 423,750.00
Wrap-around Services		1,200	\$150	\$ 180,000.00
	Subtotal			\$ 2,655,000.00
Equipment, FTE				
Office and Medical Equipment				\$ 678,750.00
IT infrastructure				\$ 100,000.00
	Subtotal			\$ 778,750.00
Deferred Maintenance				\$ 400,000.00
	Total	11,700 ft ²		\$ 3,833,750.00

Creating the Estimated Budget

For the preliminary estimates of what we expect the startup (capital) costs for the Age Inclusive Center to be we looked to proformas and operating budgets from similar component institutions. Because our model of care is based on cost estimates from the Program of All-Inclusive Care for the Elderly (PACE), we employed the costs of Bienvivir PACE program in El Paso, TX as a comparison. Given that the El Paso program offers nearly identical health services to those we propose, and employs similar square footage like that of as our program, we believe it to be a reasonably accurate model for our financial outline. Additional references to equipment, renovation, and staffing costs were compared to a feasibility study and pro forma conducted by Bienvivir PACE to evaluate the PACE model in San Antonio in 2014.

Further estimates on renovation costs were provided by Ascension Health (SETON) design and construction team, which recently completed major capital projects and analysis relating to the possible renovation of University Medical Center Brackenridge and eventually the successful completion of the Dell Seton Medical Center at The University of Texas. They suggested that we delineate the significant cost differences between medical/clinical renovation costs and our mixed-use open office and meeting spaces costs, including the Adult Day Center and Wrap-Around Services. Eric Stockton, Building

Services Officer for the City of Austin, indicated that there may be an applicable deferred maintenance for the proposed clinic's share of the building's maintenance. This allocation to budget is, estimated at \$400,000.00.

Further, we provide an estimate of the interest costs of the bond-financed capital improvements at the RBJ Health Center based on the expertise of Dr. Martin Luby, Professor of Public Management at the LBJ School of Public Policy. Assuming a 3.5% interest rate — (a rate based on Austin's tax-exempt bond yields on their 2017 General Obligation bonds with a slight adjustment upward because interest rates have risen since 2017)— level debt service with interest paid semiannually, and a 30-year final maturity, the annual debt service cost on \$3,833,750 is roughly \$206,000. This results in approximately \$2,346,250 in interest expenses on the bonds for financing the project. This amount represents no cost to the project (i.e., the financing cost).

Maintenance, Operational and Equipment Expenses

These expenses cover food, classrooms needs, and facility costs with the exclusion of rent and utilities. The in-kind support the center would need for this budget to work is rent, utilities and building maintenance.

Operational Requirements: Space and Staff

Senior Clinic

We estimate the following ratios:

- 1 medical provider per 1,000 patients
- 3 exam rooms per 1 medical provider
- 1 flex room per medical provider
- 2,000 sq. ft. per 1 medical provider
- For example, if there were 3,000 geriatric patients that would need services, we would expect:
- 3 providers to manage that population
- 9 exam rooms
- 3 flex rooms

Given the above information, we estimate a need of 6,000 square ft.

Source: Memo, Matt Balthazar, CommUnityCare, 2018

Adult Day Center

We estimate the following ratios:

- The proposed facility could potentially serve up to 50 people daily.
- Group activity space for recreational therapy programs, breakfast, lunch and snack time
- Laundry Room
- Kitchenette- Meals on Wheels will deliver breakfast and lunch
- 1,000 sq. ft. – activity room
- 600 sq. ft. office space for supervisor, staff and assistants.

Given the above information, we estimate a need of about 1,675 square feet.

Sources: Memo, Adam Hauser, Meals on Wheels, 2018; LBJ School PRP Mid-term Report Young Hip Austin is Getting Old: A New Experiment in Confronting the Challenge 2018, p. 7 (adjusted estimate)

Wrap-Around Services

Estimated Number of Clients 30-40/social worker

- 3 rooms (private office space) per 1 geriatric social worker serving 30-40 clients
- 400 sq. ft. per staff member

Given the above information, we estimate a need of about 1,200 square ft.

Source: Family Eldercare Inc., 2018

Child Care Center

Estimated Number of Children- toddler (18 months) to four years old: 25 pupils/day

Indoor Space

- 1,125 sq. ft. Toddler – 4 years,
- 200 sq. ft. Office Space
- 200 sq. ft. Staff Lounge
- 400 sq. ft. Kitchen
- 400 sq. ft. 2 Storage closets
- 400 sq. ft. Mechanical Space

Outdoor Space (costs not outlaid)

- 1,250 sq. ft. Two/four playground
- 2,250 sq. ft. Outdoor Space

Operational Costs

Operational costs will be covered by Family Eldercare, Meals on Wheels of Central Texas, St. David's Foundation and Anderson Foundation (see letters of commitment). Two additional partners for the senior clinic and child development center have been identified, and their commitment is pending. The Austin Geriatric Center has also written a letter of support.

The child development center operational budget associated with the project to provide 25 low- income child care spaces is based on a similar model located at UT Austin's Child Development Center. Primary support for the program comes from tuition revenue for a 4 Star Texas Rising Star certified program and additional support from private not-for-profit organizations, such as the Anderson Charitable Foundation.

Next Steps

We will continue to evaluate additional programming costs with the input of partner stakeholders. While the operations of the space are intended to be flexible, dynamic, and inclusive, this attribute makes it difficult to forecast a singular operating cost. Additionally, the governing strategy of the health center will inform cost and revenue outlays, so a future report will summarize the individual stakeholders' operational costs into a cohesive executive summary.

Supplemental Background

In 2013, the City of Austin Mayor's Taskforce stressed the need for easily accessible health care services and supports for Austin's growing senior population. In 2016, the Austin City Council reaffirmed that observation by adopting a plan to address this problem and to bring about the objectives of the Imagine Austin Comprehensive Plans. In 2017, the City of Austin's Commission on Seniors recommended to

Austin City Council that they consider the RBJ Health Center as a potential location for a public-private partnership to establish a senior clinic and multigenerational community center. In January, a subset of graduate students from a policy research project entitled *Young His Austin is Getting Old: A New Experiment in Dealing with the Challenge* briefed Mayor Adler about the operational plan. Mayor Adler then asked the students of the Policy Research Project Team to work with City staff in presenting a proposal as part of the 2018 Bond Development process.

The Bond proposal would address the service needs of low-income seniors in this high-need Holly neighborhood. The center will be located adjacent to the Rebekah Baines Johnson Center, a large affordable housing complex for seniors. It will bring valuable services to the Rebekah Baines Johnson Center residents as well as the people of the surrounding community. The Center will also serve as a prototype for a particular model for cities across the United States as a new and integrative way to provide health, social, and community-based services to seniors with low incomes. Once established, the center will work with the community to provide multigenerational services and care.

Our research team and collective brain trust expect that the population likely to use the facility extends beyond the Holly neighborhood, and that this larger population will comprise a heavy volume of consumers of the Center's services. Demographic analyses indicate high demand in a larger catchment area that includes neighborhoods within a 20-minute drive-time or less radius of the RBJ Health Center located at 15 Waller Street (78702). Twelve zip codes represent a wide geographic area in Austin, with a total senior population (65 and over) of 17,722. Table 2 shows that one-third of these residents live below 200% of the poverty line, and Table 3 shows that one-third have at least one type of disability in three domains: mental, physical, and self care. Given the sources of vulnerability within this catchment area, we estimate a panel of about 6,000 patients who could use the geriatric primary care services included in our proposal. This estimate is based on the number of seniors in the catchment area living below 200% of the federal poverty level.

Demand for Geriatric Primary Care Services

Table 2
Percent 65 and Over Under 200% FPL

Zip Code	Neighborhood	%
78701	Central business	12.3%
78702	Holly	50.9%
78703	Clarksville	10.7%
78704	South Congress	24.8%
78705	Central/Capital	32.2%
78721	East Austin	57.2%
78722	East Austin	37.6%
78723	Windsor Park	33.5%
78724	Northeast	31.8%
78741	Montopolis	53.7%
78751	Hyde Park	22.0%
78752	North Loop	35.8%
Total	6,041	34.1%

Table 3
Percent 65 and Over With At Least One Disability

Zip Code	Neighborhood	%
78701	Central business	22.2%
78702	Holly	43.4%
78703	Clarksville	16.1%
78704	South Congress	25.8%
78705	Central/Capital	22.7%
78721	East Austin	48.2%
78722	East Austin	39.7%
78723	Windsor Park	37.1%
78724	Northeast	46.1%
78741	Montopolis	34.3%
78751	Hyde Park	28.1%
78752	North Loop	50.3%
Total	6,076	34.3%

Source: American Community Survey, 2012-2016, Five-Year Estimates

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