



Elder Care

BUSINESS PLAN

SUMMER GARDENS RESIDENTIAL CARE FACILITY FOR THE AMBULATORY ELDERLY

472 Gull Flight Ave.
Freemont Hills, CA 56789

February 14, 1993

Summer Gardens is a living facility providing food preparation, laundry, housekeeping, and personal care services to its senior residents. Run by a professional nurse, the facility hopes to provide an alternative to traditional nursing homes .

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PRODUCT PROFILE

According to an article published in the Executive Female, "Companies offering alternatives to the nursing home are taking off." Residential Care Facilities for the Elderly (RCFE) are a recognized, cost-effective alternative to the nursing home. Summer Gardens Residential Care Facility for the Ambulatory Elderly will be a community-based living and care giving facility established to serve the needs of our rapidly increasing elderly population.

Residential care facilities have existed in various forms for decades. Over the past twenty years, most states have developed licensure requirements as a means of standardizing the quality of these facilities. RCFE's operating in the state of California must be licensed and must operate under the comprehensive Code of California Regulations.

Summer Gardens will comply with all licensure and Title 22 requirements. The facility will focus on providing services which promote independence in a safe and pleasant environment. As the elderly struggle to stay out of nursing homes and hospitals, they seek help with food preparation, laundry, and housekeeping. As an alternative to nursing home placement, Summer Gardens will provide housing and assistance to its residents, including meal preparation (general and special diets), laundry, linen, housekeeping, and personal care.

Источник бизнес-плана: <http://www.referenceforbusiness.com>



Appropriate staff will assist in recreational activities. Staff will also arrange physician appointments and coordinate transportation.

Elderly men and women frequently express a desire for basic companionship or the need for assistance, but prefer not to impose on family members. Concerned family members may be forced to acknowledge that it has become increasingly difficult for loved ones to take care of themselves and their homes. Summer Gardens will provide needed services to adults 60 years of age and older who require assistance to remain safely independent. Summer Gardens will be able to accommodate eight residents, 24 hours a day, seven days a week. The facility will be staffed 24 hours a day with qualified employees who are trained to respect the individuality and promote the dignity of every resident.

While there are other residential care facilities in the area, Summer Gardens is the only one owned and operated by a Masters-prepared Registered Professional Nurse. My fifteen years of nursing experience include the start-up and management of a Medicare-certified home health agency, and the management of a private home health services branch office. Additionally, I have been on the staff of Andrews Hospice as an on-call advisory nurse for two years. Both relatives and residents will feel confident that the appropriate level of care will be provided, along with monitoring and supervision. As a professional nurse, I am a credible and competent link to the physician. I am qualified to make nursing assessments and able to communicate findings to physicians as appropriate.

The elderly population in this country is increasing. In Aaron County, the population aged 62 and older has increased from 8% of the population in 1980 to 14.9% in 1990 (See Addendum A). The elderly are living longer and requiring alternative living arrangements. RCFE's are fulfilling a need. Qualified owner/administrators of care facilities are in demand.

A loan in the amount of \$25,000 will facilitate the acquisition of property to house this community-based RCFE. The loan will also provide beginning capital for lease deposit, leasehold improvements, insurance and furniture.

MARKET

The residents at Summer Gardens and their families will live in the San Francisco Bay area; most will live in Aaron County. The Aaron County location chosen for Summer Gardens is important because the elderly will want to continue to live in an area familiar to them and families will want their loved ones close enough to visit regularly.

The primary users of residential care services are men and women who cannot live safely in their own homes, but do not require the full-time skilled nursing care provided by convalescent hospitals. The targeted client market for the services provided at Summer Gardens RCFE is comprised of people who are 60 years of age and older. According to the Continuing Care Resources newsletter, the average age of residents of RCFE's is mid-to-late eighties. Of the 34,240 people in Aaron county aged 62 and older, 6,177 are already aged 80 and older, with the other 28,063 nearing age 80. Many of these elderly adults are single or widowed individuals who may have outlived other relatives and friends. If they are left alone at home, confusion or forgetfulness may render them unsafe and may affect their ability to care for themselves. However, with supervision and minimal assistance, these elderly will be able to maintain dignity, remain safe and independent, and conserve needed funds for future medical care. In addition, state and federal funds need not be used to provide care for these elderly at a level much higher and much more costly than they require.

According to a 1989 report from the Association of Bay Area Governments, 60% of the heads of households in Aaron County aged 65 and older had an annual income of \$25,000 or more. Less than 25% of the heads of households had an annual income of less than \$15,000. Of the market targeted as potential residents of Summer Gardens, at least 60% will be able to afford the services offered and less than 25% will be dependent solely on SSI (see Addendum B).



The cost of a semi-private room at Summer Gardens will be \$2500 per month, or \$83.00 per day (less than the cost of a hotel room). Future residents and families who investigate available options will find that the cost of the average semi-private room in a convalescent or nursing home in Aaron County is \$105 to \$150 per day, and the cost to hire 24-hour unskilled home care is \$205 per day (see Addendum C).

Residents and families who choose Summer Gardens will do so because of:

- The nursing experience and expertise of the owner
- The high quality of care provided
- The safe, comfortable, and home-like environment
- The locality, which makes visitation easy
- The peace of mind which comes from keeping loved ones out of nursing homes

Presently, the 36 residential care facilities located in the Aaron County area cannot meet the needs of that portion of the 34,240 elderly residents who are already age 62 or above and in need of some degree of assistance. There are waiting lists at most of these facilities. Reports from the County Conservator, Rehabilitation Hospital, and Acute Care Hospital discharge planners show that there are not enough residential options for people who are unable to live alone but not ready for convalescent home care.

LOCATION

Summer Gardens RCFE will be located in Freemont Hills, California. It is important that the facility be located in Aaron County because of its reputation for beauty, relative safety, affluence and proximity to desired clients and their families. The city of Freemont Hills was chosen because property is less expensive than any other city in Aaron County and has less restrictions (e.g. use of water).

Summer Gardens will be located in a large home in a quiet residential area of the city. Residents will be able to sit safely on the patio or take short walks in the neighborhood. The house itself will be built on one level. It will be large enough to accommodate 8 adults comfortably and will be brought into compliance with all state and local safety regulations. (See Floor Plan).

COMPETITION

There are six (6) other RCFE's located in Freemont Hills. Five (5) are of similar size and offer similar services. According to the California Code of Regulations, RCFE facilities cannot be located within 300 feet of another RCFE. The names and locations of the RCFE facilities located in Freemont Hills are:

Riverview Terrace

Administrator: Lee Smith
123 Bay St.
Freemont Hills, CA 56789

Seaside Residential Care

Administrator: Donna Jones
234 Mason Ave.
Freemont Hills, CA 56780

Pine Acres

Administrator: Thomas Beech
345 Pollyanna
Freemont Hills, CA 56789

Lyle B. Morton Care Facility



Administrator: Andrea Morton
4567 J St.
Freemont Hills, CA 56789

Shady Arbor

Administrator: Diane Brown
56789 Irving Lane
Freemont Hills, CA 56780

The similarities between RCFE facilities is due to the California Code of Regulations, Title 22, Division 6, Chapter 8. All facilities offering services to the elderly are strictly supervised and mandated by this Code. Despite the inherent similarities, I do not expect to need to take clients away from my competitors because of the growing elderly population. These businesses are very profitable and many owners (e.g. Andrea Morton) subsequently opened second and third facilities. Once eight residents are found, it may be 1-5 years before an opening exists for another resident.

DISTRIBUTION

I intend to contact individuals who will use my facility through professionals in the community who find appropriate accommodations for the elderly. These referral sources include the county conservators, hospital discharge planners, rehabilitation center discharge planners, day care centers, senior citizen centers, home care agencies, and independent case managers. I plan to mail a brochure describing Summer Gardens along with a cover letter announcing the opening of the new facility. I will follow up with a phone call and a request for referrals. I plan to place a continuous ad in the local "senior" newspaper and advertise in the yellow pages. I will gain access to many referral sources by taking advantage of the contacts made when I was in an administrative position at Miller Health Care Services, which was located in Aaron County.

SALES

I plan to open with one resident in January 1994, and expect to increase to three residents by February, six residents by March, and a full census of eight residents in April. Based on these projections, end of the year assets will be \$83,728.

I have considered what could go wrong with this plan. The condition of the economy could affect the ability of the elderly to pay for their care with private funds. Regardless of the economy, there will be an elderly population. If funds run out and the elderly are placed on SSI, or if I would need to admit some residents whose only source of income was SSI, I would be guaranteed some payment from the State. In the unlikely event that this would occur to some of my clients, it would decrease the amount of profit, but would not result in a negative income.

KEY PERSONNEL

As the owner of Summer Gardens, I will be in charge of the business operations (See Resume for qualifications). I will have three employee care givers: two regular employees and one on-call or back-up person to handle sick calls, vacations, and holidays. Tracy Stevens and Samuel Jackson will be regular employees and Lucy Johnson will be on-call as needed.

Tracy Stevens is a Registered Nurse with five years experience in home care, hospice, and rehabilitation hospitals. Samuel Jackson is a Certified Home Health Care Aide with six years experience in acute care hospitals, convalescent hospitals, rehabilitation hospitals, and home care. Lucy Johnson is a Nurse Assistant with six years experience working with the elderly in their own homes. She has also worked in acute care hospitals and convalescent hospitals.



Employees will be responsible for providing personal care and related services for residents, providing companionship, and promoting mental alertness and physical well being. Please contact Marian Currey, the owner, for complete descriptions of employee qualifications and comprehensive job descriptions.

ORGANIZATION

This organization will be a sole proprietorship owned by Marian Currey. My short term goals are: 1) to open Summer Gardens RChbin January 1994, 2) to have 8 residents by April 1994, and 3) to show a small profit by March 1994.

My long term goals are to purchase the leased property in January 1995 and to begin the process of opening a second RCFE in 1996.

REFERENCE LIST

- *Between Home and Nursing Home*, Down and Schnurr, Buffalo NY, 1992
- "More for Your Money," Inc. Magazine, September, 1992
- "Where the jobs are," Executive Female, July/August, 1991
- "Tips for Venture-Capital Seekers," Executive Female, July/August, 1992
- "The Weekly Cash Flow Planner," Inc. Magazine, June, 1992
- "How Much Should I Pay Myself," Inc. Magazine, June, 1992
- "How to Improve America's Medical Care," Mona Magazine, April, 1992
- "Your Business Starting It Growing It," Executive Female, March/April, 1992
- "Health Care Fraud," U.S. News and World Report, February 24, 1992
- "Banking and Capital," Inc. Magazine, June, 1991
- "How to Write a Personnel Manual," Small Business Success, June, 1991
- "How to Write a Business Plan," Small Business Success, June, 1991
- Summary Volume of the Aaron County Cities and CVP 1990
- Association of Bay Area Governments, Oakland, CA
- Aaron County Conservators Office
- Department of Social Services - Community Care Licensing Division

ADDENDUM A

Census of Aaron County

Age	1980	1990
62-64	5,278	6,071
65-74	13,193	
65-69		99,596
75-84	6,141	
70-74		7,142
75-79		5,252
80-84		3358
85 >	2,168	2,819
Population over age 62	26,780	34,240
Total Population	222,568	230,096

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ADDENDUM B

Annual Income of Aaron County 1989

Total number of householders aged 65 and up: 18,574

Income	Householders
<5,000	474
5,000-9,000	1,964
10,000-14,999	1,796
15,000-24,999	3,245
25,000-34,999	2,682
35,000-49,000	2,821
50,000-74,999	2,805
75,000-99,999	1,296
100,000>	1,491

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ADDENDUM C

Convalescent Hospital/Nursing Home	Private	Semi-Private
Murphy Convalescent Hospital	130-140	95
Rosewood Convalescent Hospital	220	110
Ellworth Convalescent Hospital	215	120
Ivy Terrace Convalescent Hospital	NA	96
St. Mary's Convalescent Hospital	180	125

Daily Rates

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Daily Rates

Ellworth Convalescent Hospital	215	120
Ivy Terrace Convalescent Hospital	NA	96
St. Mary's Convalescent Hospital	180	125

24 Hour Live-In:

Jenson Home Care.....	205
Alert Nursing Service.....	175-195
Guardian.....	160-185
Desmond HomeCare.....	180-200
Martin Critical Care.....	185-195
Certified HomeCare.....	175-195

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FLOOR PLAN

A floor plan of the Summer Gardens facility is available through Simon Architecture, Inc., 100 Diamond Ave., Fremont Hills, CA 56780.

CASH FLOW STATEMENT

The Tribunal Accounting Firm has developed a spreadsheet to illustrate cash flow for Summer Gardens during the first year of operation. The statement includes data on cash receipts, investments, capital expenditures, operating expenses, loan payments, taxes, sales, and administrative tasks.

RESUME

A personal resume and references are available upon request.