

Testimony for Long-Term Care Committee

Golden Manor, Inc
Thursday, May 6, 2010

Chairman Kreidt, members of the Long-Term Care Committee, I am Paul Bakkum, President of Golden Manor, Inc. I will provide an update on the status of Golden Manor's renovation associated with HB 1327.

The best description of our situation is challenging.

Golden Manor is comprised of 7 volunteer board members with no staff. In late 2009 5 new board members were elected. None of whom had experience in the long-term care field.

The first months after the bill's passage was spent working with possible long term care providers to assist Golden Manor in a joint venture with this project. When it became apparent that this avenue was not proceeding at a sufficient pace Golden Manor hired Muriel Peterson as a consultant to assist Golden Manor thru this process. Golden Manor's current plan is to operate the facility, but will continue to look at joint venture options which may add economies of scale to the delivery of services.

Golden Manor engaged the services of Helenske Design Group to prepare cost estimates to renovate the facility for 10 assisted living and 10 basic care residents. Initial costs estimates were far in excess of Golden Manor's resources including the \$150,000 from House Bill 1327. As of April 28, 2010 we have

completed our fourth revision of the plan and are getting very close to an acceptable cost. To reduce the cost to an amount which the board is comfortable, the plan is to renovate one wing into 5 assisted living units and complete limited improvements to the rooms in the other two wings which will be the locations of the basic care rooms. The most recent plan includes 15 basic care private rooms or up to 18 private and semi private basic care rooms. This plan requires Golden Manor to acquire up to 8 additional basic care bed licenses in addition to the 10 to be received from Medcenter.

Our ongoing assessment and pulse of the assisted living and basic care industry in our area, which includes Bismarck, has indicated a rapid change in the past 6 to 9 months. This has caused the Golden Manor board to be even more cautious about making the most informed decision as to the renovation of the facility.

The Golden Manor board remains committed to utilize the facility to assist the aging population of Steele, Kidder County and surrounding communities.

Golden Manor has spent a significant amount of time and consultant fees working on a rent subsidy model with the Department of Human Services. I will have Muriel Peterson add more specifics about that process.