



Certificate of Need Program

EXPEDITED LTC RENOVATION/MODERNIZATION APPLICATION

Applicant's Completeness Checklist and Table of Contents

Project Name: Independence Care Center of Perry County & Independence Court Project No: #6192 DT.

Project Description: LTC & RCF Renovation and Modernization

Done Page N/A Description

Divider I. Application Summary:

- 1 1. Applicant Identification and Certification (Form MO 580-1861).
- 2 2. Representative Registration (Form MO 580-1869).
- 3-4 3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.

Divider II. Proposal Description:

- 5 1. Provide a complete detailed project description.
- 6 2. Provide a timeline of events for the project, from the issuance of the CON through project completion.
- 42 3. Provide preliminary schematic drawings for the proposed project.
- 43 4. Provide the existing and proposed gross square footage.
- 44-45 5. Document ownership of the project site.

Divider III. Community Need Criteria and Standards:

- 46 1. Indicate whether the proposed project is needed to comply with current facility code requirements of local, state or federal governments.
- 46 2. Indicate whether the proposed project is needed to meet requirements for licensure, certification or accreditation, which if not undertaken, could result in a loss of accreditation or certification.
- 46 3. Describe any operational efficiencies to be attained through reconfiguration of space and functions.
- 47-146 4. Describe the methodologies used for determining need.
- 46 5. Provide the rationale for the reallocation of space and functions.



Certificate of Need Program

APPLICANT IDENTIFICATION AND CERTIFICATION

The information provided must match the Letter of Intent for this project, without exception.

1. Project Location (Attach additional pages as necessary to identify multiple project sites.)

Table with 2 columns: Title of Proposed Project, Project Number, Project Address, County. Values: Independence Care Center of Perry County & Independence Court, #6192 DT, 800 South Kingshighway, Perryville, Missouri 63775, Perry.

2. Applicant Identification (Information must agree with previously submitted Letter of Intent.)

Table with 3 columns: List All Owner(s), Address, Telephone Number. Value: Perry County, 800 South Kingshighway, Perryville, MO 63775, 573-547-6546.

Table with 3 columns: List All Operator(s), Address, Telephone Number. Value: Independence Health Systems, Inc., 800 South Kingshighway, Perryville, MO 63775, 573-547-6546.

3. Ownership (Check applicable category.)

- Nonprofit Corporation (checked), Individual, City, District, Partnership, Corporation, County, Other.

4. Certification

In submitting this project application, the applicant understands that: (A) The review will be made as to the community need for the proposed beds or equipment in this application; (B) In determining community need, the Missouri Health Facilities Review Committee (Committee) will consider all similar beds or equipment within the service area; (C) The issuance of a Certificate of Need (CON) by the Committee depends on conformance with its Rules and CON statute; (D) A CON shall be subject to forfeiture for failure to incur an expenditure on any approved project six (6) months after the date of issuance, unless obligated or extended by the Committee for an additional six (6) months; (E) Notification will be provided to the CON Program staff if and when the project is abandoned; and (F) A CON, if issued, may not be transferred, relocated, or modified except with the consent of the Committee.

We certify the information and date in this application as accurate to the best of our knowledge and belief by our representative's signature below:

5. Authorized Contact Person (Attach a Contact Person Correction Form if different from the Letter of Intent.)

Table with 2 columns: Name of Contact Person, Title, Telephone Number, Fax Number, E-mail Address, Signature of Contact Person, Date of Signature. Values: Denise A. Leonard, Partner, 216.274.654, Denise.Leonard@plantemorran.com, Denise A Leonard, 6/6/2025.



Certificate of Need Program

REPRESENTATIVE REGISTRATION

(A registration form must be completed for each project presented.)

Project Name: Independence Health Systems Renovation Project; Number: 6192 DT

(Please type or print legibly.)

Name of Representative: Dana Kornado; Title: IHS Administrator

Firm/Corporation/Association of Representative: Independence Health Systems, Inc.; Telephone Number: 573-547-6546 Ext 203

Address (Street/City/State/Zip Code): 800 S Kingshighway, Perryville, MO 63775

Who's interests are being represented? (If more than one, submit a separate Representative Registration Form for each.)

Name of Individual/Agency/Corporation/Organization being Represented: Independence Health Systems, Inc.; Telephone Number: 573-547-6546

Address (Street/City/State/Zip Code): 800 S Kingshighway, Perryville, MO 63775

Check one. Do you:

- Support (checked)
Oppose
Neutral

Relationship to Project:

- None
Employee (checked)
Legal Counsel
Consultant
Lobbyist
Other (explain):

Other Information:

I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in § 105.478, RSMo.

Original Signature: Dana Kornado; Date: 6/02/25



Certificate of Need Program

PROPOSED PROJECT BUDGET

Description

Dollars

COSTS:*

(Fill in every line, even if the amount is "\$0".)

1. New Construction Costs ***	\$0
2. Renovation Costs ***	\$4,582,500
3. Subtotal Construction Costs (#1 plus #2)	\$4,582,500
4. Architectural/Engineering Fees	\$217,700
5. Other Equipment (not in construction contract)	\$1,010,300
6. Major Medical Equipment	\$0
7. Land Acquisition Costs ***	\$0
8. Consultants' Fees/Legal Fees ***	\$432,300
9. Interest During Construction (net of interest earned) ***	\$700,400
10. Other Costs ***	\$643,300
11. Subtotal Non-Construction Costs (sum of #4 through #10)	\$3,004,000
12. Total Project Development Costs (#3 plus #11)	\$7,586,500 **

FINANCING:

13. Unrestricted Funds	\$1,365,570
14. Bonds	\$6,220,930
15. Loans	_____
16. Other Methods (specify)	_____
17. Total Project Financing (sum of #13 through #16)	\$7,586,500 **

18. New Construction Total Square Footage	_____
19. New Construction Costs Per Square Foot *****	_____
20. Renovated Space Total Square Footage	20,284
21. Renovated Space Costs Per Square Foot *****	\$374

* Attach additional page(s) detailing how each line item was determined, including all methods and assumptions used. Provide documentation of all major costs.

** These amounts should be the same.

*** Capitalizable items to be recognized as capital expenditures after project completion.

**** Include as Other Costs the following: other costs of financing; the value of existing lands, buildings and equipment not previously used for health care services, such as a renovated house converted to residential care, determined by original cost, fair market value, or appraised value; or the fair market value of any leased equipment or building, or the cost of beds to be purchased.

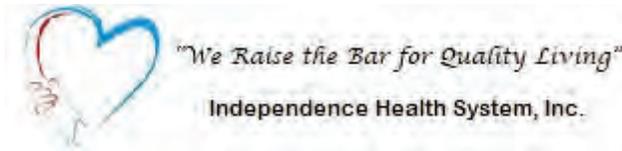
***** Divide new construction costs by total new construction square footage.

***** Divide renovation costs by total renovation square footage.

Independence Health Systems, Inc.

Hard Construction Costs	Cost/SF (Including GCs)	SF	\$	Coded to on 1863
Base Renovation			\$2,713,600	2. Renovation Cost
100 Wing			\$127,500	2. Renovation Cost
Windows			\$528,300	2. Renovation Cost
400 Wing			\$269,700	2. Renovation Cost
Parkview Addition			\$425,700	2. Renovation Cost
RTU Generator			\$100,000	2. Renovation Cost
Contingency - 4%	4.00%	% of Const.	\$166,600	2. Renovation Cost
Insurance = 1%	1.00%	% of Above	\$43,300	2. Renovation Cost
Fee = 4.75%	4.75%	% of Above	\$207,800	2. Renovation Cost
Total		20,284	\$4,582,500	2. Renovation Cost

Soft Cost Summary	Quantity	Unit	Cost/Unit	Costs	Coded to on 1863
AE Fees	4.00%	% of Const.		\$ 185,000	4. Architectural/Engineering Fees
AE Construction Administration	0.7%	% of Const.		\$ 32,700	4. Architectural/Engineering Fees
City Fees	1.3%	% of Const.	% of Const.	\$ 57,300	8. Consultant Fees / Legal Fees
Insurance	1	Lump Sum		\$ 85,000	8. Consultant Fees / Legal Fees
Furniture	95	Units	\$ 9,895	\$ 940,000	5. Other Equipment
Technology	95	Units	\$ 740	\$ 70,300	5. Other Equipment
Owners Rep Fees	1	Lump Sum		\$ 290,000	8. Consultant Fees / Legal Fees
Relocation Costs	95	Units	\$ 1,500	\$ 142,500	10. Other Costs
Owners Contingency	5.5%	% of Above Costs		\$ 351,200	10. Other Costs
Cost of Issuance	1	Lump Sum		\$ 149,600	10. Other Costs
Funded Interest	1	Assumes 6.5% Int for 34 Mont		\$ 700,400	9. Interest During Construction
Total Soft Costs				\$ 3,004,000	
Total Costs				\$ 7,586,500	



Date: February 2025

Re: Independence Health Systems
Renovation and Addition Project
Section 4 – Project Description Certificate of Need

Project Description Narrative

Independence Health Systems (IHS), located at 800 S. Kingshighway in Perryville, MO, is a fully licensed senior living organization that currently provides skilled nursing, Residential Care Facility (RCF), and rental independent living services to the members of the community. In 2023 and 2024, IHS underwent a strategic master planning process to address various challenges facing the senior living industry and the organization in general. Declining census, changing demographics, rising operating costs, aging facilities, and staffing shortages all were top priorities for IHS to address during this process.

Through extensive research, data analytics, and guidance from industry experts during this strategic master planning process, IHS determined that it would undergo a repositioning and capital improvement project to better position itself to provide high quality senior living services today and into the future.

The project will consist of the following:

Renovation and interior upgrades of the existing skilled nursing wings which will include converting semi-private units to additional private units throughout the facility. The project will consist of interior finish upgrades, mechanical, electrical, and associated furniture upgrades. The project will take place over a two-year period, strategically phased into a total of five phases that will ultimately end up decreasing the total licensed SNF bed count from 133 to 95.

The various common areas will be upgraded throughout the facility by updating interior finishes, mechanical, electrical infrastructure needs, and associated furniture. In addition to the renovation work, a new 2,100 SF addition will be added to the community to offer additional common and support space to the building.

The existing RCF wings will also undergo a renovation at a similar time.

Please reference the below timeline and attached area of work plans provided in conjunction with this narrative.



"We Raise the Bar for Quality Living"

Independence Health System, Inc.

Timeline				Beds Offline	Beds Online	Project Occupancy	Project Occupancy %
	Start	End	Duration (Months)				
Full Design & Financing							
Design	Ongoing	7/1/2025	NA				
Expediated CON approval process	2/1/2025	8/1/2025	6				
Permitting, Procurement, Financing	7/1/2025	9/1/2025	2				
Phase 1a. RCF / RCF & Memory Care							
500 Wing	9/1/2025	2/1/2026	5				
600 Wing	2/1/2026	7/1/2026	5				
700 Wing (Memory Care)	7/1/2026	12/1/2026	5				
Memory Care Lease Up	12/1/2026	6/1/2027	6				
Phase 1b. Skilled Nursing				0	133	90.8	68%
Move Residents / Ramp Down	5/1/2025	9/1/2025	4	44	90	89.8	100%
SNF Phase 1	9/1/2025	2/1/2026	5				
Move Residents / Ramp Down	1/1/2026	3/1/2026	2	30	96	89.8	94%
SNF Phase 2	3/1/2026	8/1/2026	5				
Move Residents / Ramp Down	7/1/2026	9/1/2026	2	28	90	89.8	100%
SNF Phase 3	9/1/2026	2/1/2027	5				
Move Residents / Ramp Down	1/1/2027	3/1/2027	2	16	95	89.8	95%
SNF Phase 4	3/1/2027	8/1/2027	5				
Move Residents / Ramp Up	4/1/2027	8/1/2027	4	16	87	87.0	100%
SNF Phase 5	8/1/2027	1/1/2028	5				
Move Residents / Ramp Up	2/1/2028	12/1/2028	10	0	95	90.8	0%

RENOVATIONS AND ADDITIONS FOR INDEPENDENCE HEALTH SYSTEMS

800 S KINGSHIGHWAY, PERRYVILLE, MO 63775



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architects
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email: sda@sdas.com

NOTIFY ARCHITECT FILED FOR CONSTRUCTION PERMITS. OWNER'S CONTRACTORS IN THE DRAWINGS OR SPECIFICATIONS. THE CONTRACTOR IS NOT AUTHORIZED TO SCALE THE DRAWINGS. ALL QUESTIONS IN REFERENCE TO THE CONTRACT DOCUMENTS SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.

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RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

PARKVIEW ADDITION RENDERING



DRAWING INDEX

NUMBER	NAME
A001	COVER SHEET
A002	GENERAL NOTES AND CODE INFORMATION
A003	ALTERATION PLAN
A004	LIFE SAFETY PLANS
A005	ACCESSIBILITY PLANS
A081	ARCHITECTURAL SITE PLAN
A100	SITE DETAILS
A103	OVERALL DEMOLITION PLAN
A104	DEMOLITION PLAN 100 WING
A105	DEMOLITION PLAN SKILLED NURSING WINGS
A106	DEMOLITION PLAN 400 WING
A107	DEMOLITION PLANS 500 AND 600 WINGS
A108	DEMOLITION PLAN 700 WING
A110	OVERALL FLOOR PLAN
A111	FLOOR PLAN 100 WING
A112	FLOOR PLAN SKILLED NURSING WING
A113	FLOOR PLAN 400 WING
A114	FLOOR PLANS 500 AND 600 WINGS
A115	FLOOR PLAN 700 WING
A120	OVERALL REFLECTED CEILING PLAN
A121	REFLECTED CEILING PLAN 100 WING
A122	REFLECTED CEILING PLAN SKILLED NURSING WING
A123	REFLECTED CEILING PLAN 400 WING
A124	REFLECTED CEILING PLANS 500 AND 600 WINGS
A125	REFLECTED CEILING PLAN 700 WING
A130	ENLARGED PARKVIEW OPEN ADDITION PLANS
A131	ENLARGED PARKVIEW OPEN ADDITION PLANS
A132	ENLARGED AL-ROF 2 BED AND STUDIO UNIT PLANS
A133	ENLARGED AL-ROF 1 BED UNIT PLANS
A134	ENLARGED AL-ROF 2 BED AND STUDIO UNIT PLANS
A135	ENLARGED SKILLED NURSING UNIT PLANS
A136	ENLARGED UNIT PLANS
A201	EXTERIOR ELEVATIONS
A202	EXTERIOR ELEVATIONS
A203	EXTERIOR ELEVATIONS
A301	BUILDING SECTIONS
A302	BUILDING SECTIONS
A303	EXTERIOR DETAILS
A304	EXTERIOR DETAILS
A305	EXTERIOR DETAILS
A401	PARTITION WALL TYPES
A402	FLOOR AND ROOF TYPES
A403	DOOR INFORMATION AND DETAILS
A404	WINDOW INFORMATION AND DETAILS
A501	INTERIOR ELEVATIONS
A502	INTERIOR ELEVATIONS
A503	INTERIOR ELEVATIONS
A504	INTERIOR ELEVATIONS
A505	INTERIOR DETAILS
A506	INTERIOR DETAILS
A507	INTERIOR DETAILS
C100	FINISH SPECIFICATIONS AND LEGEND
E108	ENLARGED UNIT FINISH PLANS
E109	ENLARGED SECTION FINISH PLANS

SHEETS SHADDED IN GRAY ARE PLACEHOLDERS NOT INCLUDED IN THIS SCHEMATIC DESIGN ISSUE

ICON LEGEND

ROOM NAME
XXXX ROOM NAME AND NUMBER

DTL. NO.
BUILDING OR WALL SECTION INDICATOR

DTL. NO.
EXTERIOR ELEVATION

DTL. NO.
INTERIOR ELEVATION

DTL. NO.
DETAIL CALLOUT

LOCATION
SPOT ELEVATION

STAR DIRECTION
BOTTOM OF CEILING HEIGHT ABOVE FINISH FLOOR

INTERIOR PARTITION OR EXTERIOR WALL TYPE

DOOR NUMBER WINDOW TYPE STOREFRONT TYPE

SEE INFORMATION ON THE FOLLOWING TAGS:

XX-000 FLOOR, WALL OR CEILING FINISH

TA-000 BATHROOM ACCESSORY

XX-000 FUTURE FURNITURE AND/OR EQUIPMENT

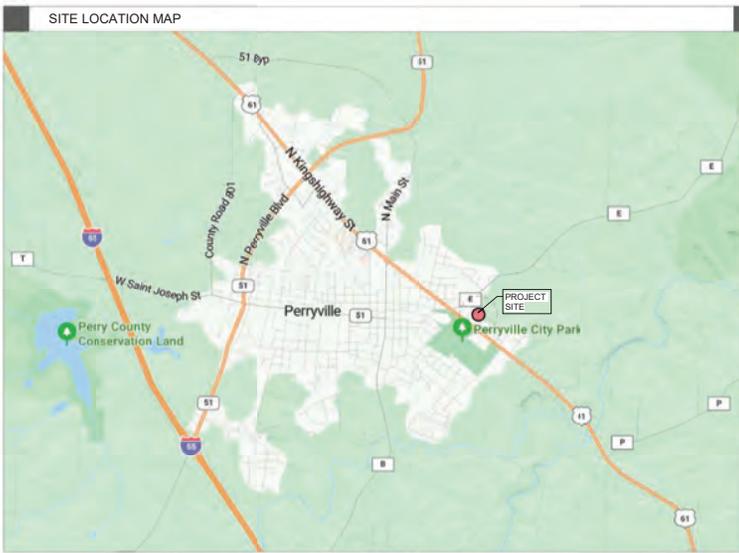
XXX-000 PLUMBING FIXTURE

ERA-000 APPLIANCE

ABBREVIATIONS

AFP	ABOVE FINISH FLOOR
ACT	ACOUSTICAL CEILING TILE
ALT	ALTERNATE
BD	BOTTOM OF
CFCI	CONTRACTOR FURNISHED, CONTRACTOR INSTALLED CONTROL JOINT
CJ	CEILING
CMU	CONCRETE MASONRY UNIT
CONC	CONCRETE
CONT	CONTINUOUS
CPT	CARPET
CT	CERAMIC TILE
DB	DOWNPOUT
DBL	DOUBLE
DW	DIAMETER
DP	DOWNSPUR
EF	EMULSIF FIN
EJ	EXPANSION JOINT
EQU	EQUIPMENT
EXP	EXPANSION
EYE	EYE WASH
FD	FLOOR DRAIN
FR	FACE OF
FRSH	FREEZE PROOF ROOF HYDRANT
FS	FLOOR SINK
FRY	FIELD RIFERY
FIN	FINISH
GA	GAUGE
GYP BD, GB	GYPSPUM BOARD
HSB	HOLLOW METAL
HM	HOLLOW METAL
MM	MINIUM
MTL	METAL
N/C	NOT IN CONTRACT
NOM	NOMINAL
OC	OWNER FURNISHED, CONTRACTOR INSTALLED
OC	ON CENTER
PREFN	PREFINISHED
PT	PAINT
REF	REFRIGERATOR
RD	ROOF DRAIN
RS	SELF ADHESIVE PLASTERING
SCWD	SOLID CORE WOOD
ST	STEEL
TAB	TOP AND BOTTOM
TAG	TONGUE AND GROOVE
TOP	TOP OF
TWF	THROUGH WALL FLASHING
TEMP	TEMPERED
TPD	THERMOPLASTIC POLYOLEFIN TYPICAL
UNCL, UN	UNLESS NOTED OTHERWISE
VBL	VINYL BASE
VCT	VINYL COMPOSITION TILE
W/C	WEATHER RESISTANT BARRIER
WSP	WOOD STRUCTURAL PANEL
WWF	WEATHER RESISTANT FABRIC

SITE LOCATION MAP



MATERIALS

- ACOUSTICAL TILE
- ALUMINUM
- BRICK (COMMON OR FACE)
- CONCRETE MASONRY UNITS (CMU)
- CONCRETE - STRUCTURAL (CAST IN PLACE, OR PRECAST)
- CUT STONE, CAST STONE
- EARTH
- EXTERIOR INSULATING FINISH SYSTEM
- GRANULAR FILL (STONE OR GRAVEL AS POROUS SUB BASE)
- GYPSUM BOARD
- INSULATION - BATT
- INSULATION - RIGID
- MARBLE
- PLASTER, SAND, CEMENT, GROUT
- PLYWOOD OR OSB
- STEEL OR IRON
- SOLID, SYNTHETIC MATERIAL
- WOOD
- WOOD SAWN (CONTINUOUS)
- WOOD SAWN (BLOCKING)

PROJECT TEAM

OWNER
INDEPENDENCE HEALTH SYSTEMS
800 S KINGSHIGHWAY, PERRYVILLE, MO 63775
CONTACT: DANA KORANDO
314.471.4648
dkorand@ihscare.org

OWNER'S REPRESENTATIVE
PLANTE MORON
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CINCINNATI, OH 45222
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No.	Description	Date

COVER SHEET

Project number: 2024063
Date: Jan 10 2025

A001



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 800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

No.	Description	Date

ALTERATION PLAN

Project number 2024063
Date Jan 10 2025

A003



1 FIRST FLOOR - ENTIRE BUILDING
SCALE: 1" = 20'-0"

DESCRIPTION	AREA	IBEC ALTERATION LEVEL	NOTE
EXISTING TOTAL GROSS AREA	97,406 SF		
AREA OF FURNITURE/EQUIPMENT REPLACEMENT	33,866 SF	LEVEL 1	NO AREA LIMIT ON LEVEL 1 ALTERATIONS
AREA OF SPACE RECONFIGURATION ALTERATIONS "WORK AREA"	16,275 SF	LEVEL 2 (1% OF TOTAL AREA)	BELOW 50% THRESHOLD OF LEVEL 3 ALTERATION. COMPLY WITH CHAPTER 8 & 9 IBEC
ADDITIONS	2,060 SF	PRESCRIPTIVE, COMPLY WITH IBEC	NEW CONSTRUCTION WILL MEET 2001 IBC
*PER IBEC DEFINITIONS CHAPTER 2, WORK AREA CONSISTS OF ALL "RECONFIGURED" SPACE			



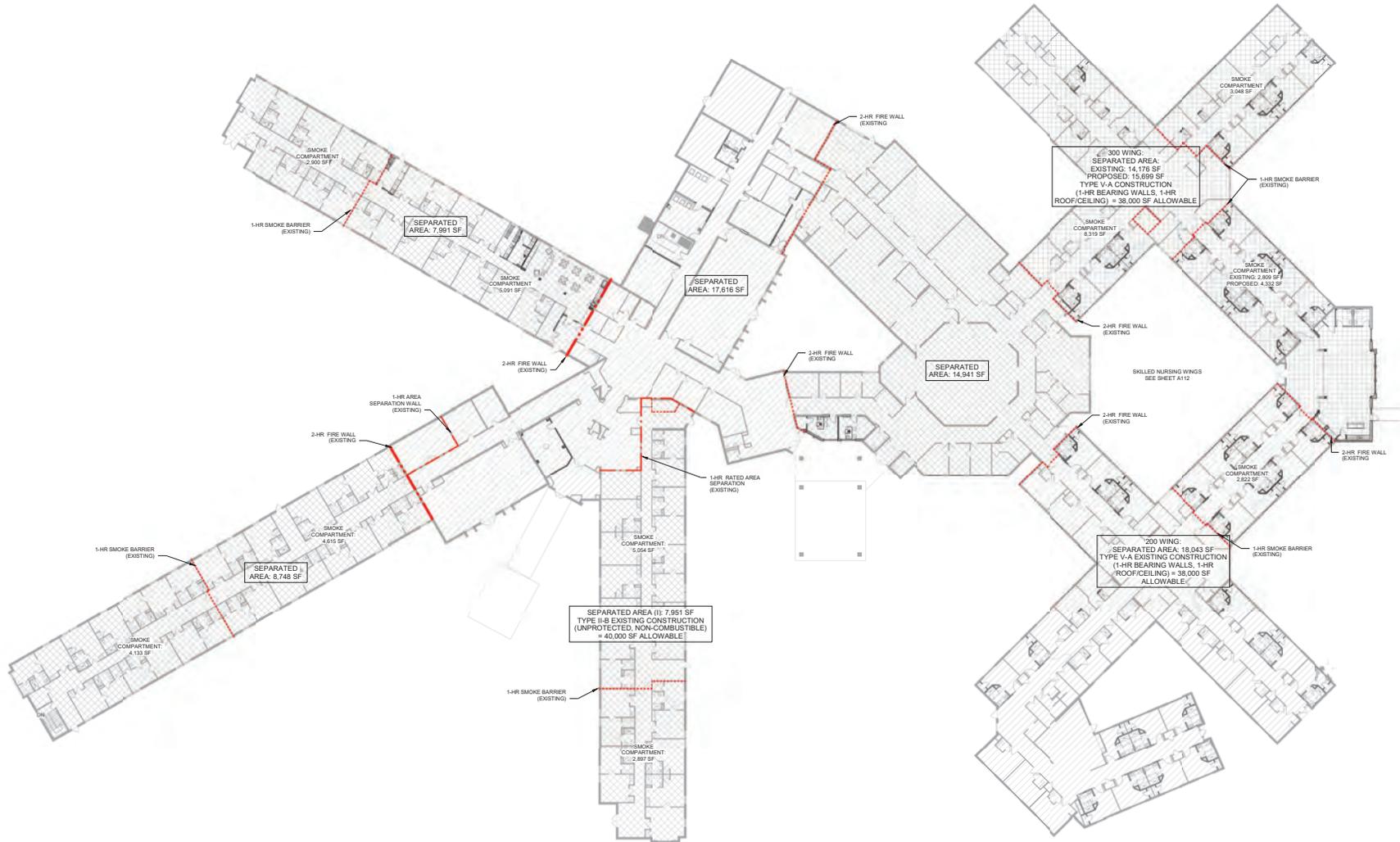
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RENOVATIONS AND ADDITIONS FOR

INDEPENDENCE HEALTH SYSTEMS

800 S KINGSHIGHWAY, PERRYVILLE, MO 63775



1 CODE AREA PLAN
SCALE: 1" = 20'-0"

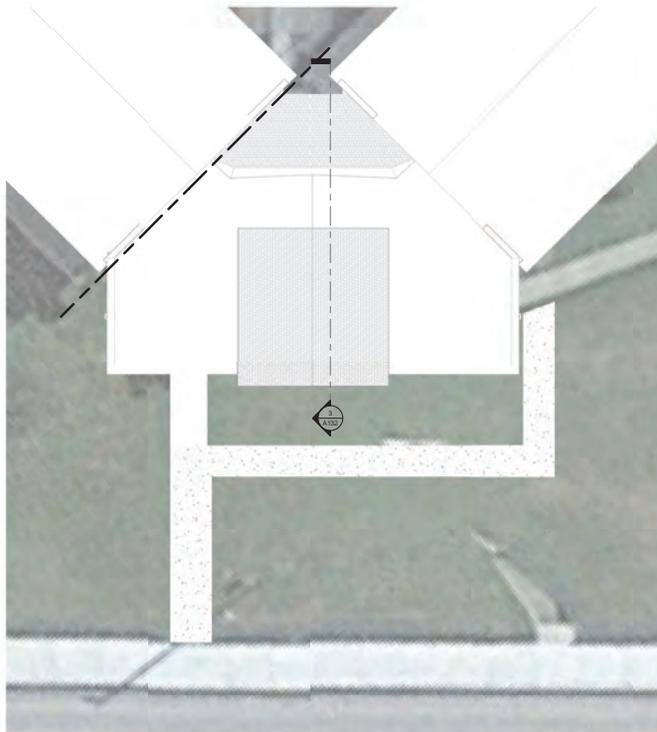
No.	Description	Date

LIFE SAFETY PLANS

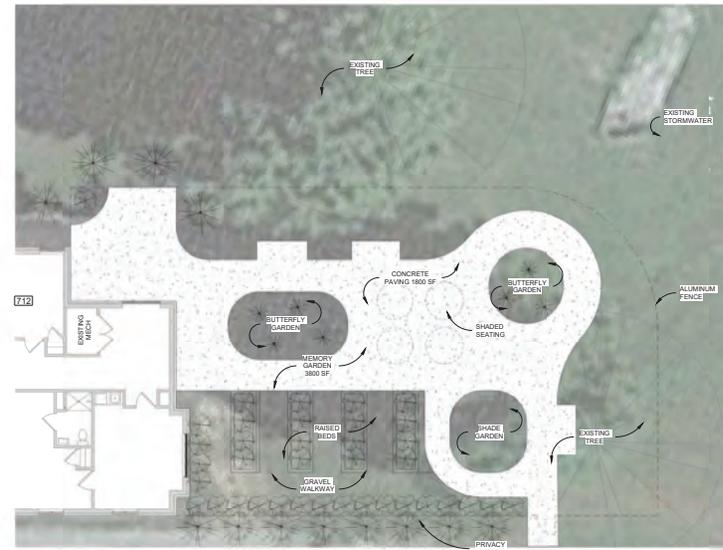
Project number: 2024063
Date: Jan 10 2025

A004

NOTIFY ARCHITECT RE: ANY DISCREPANCIES. OWNER, ARCHITECT, AND/OR CONTRACTOR SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.



2 PARKVIEW ADDITION
SCALE: 1/8" = 1'-0"



1 MEMORY GARDEN
SCALE: 1/8" = 1'-0"

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RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

No.	Description	Date

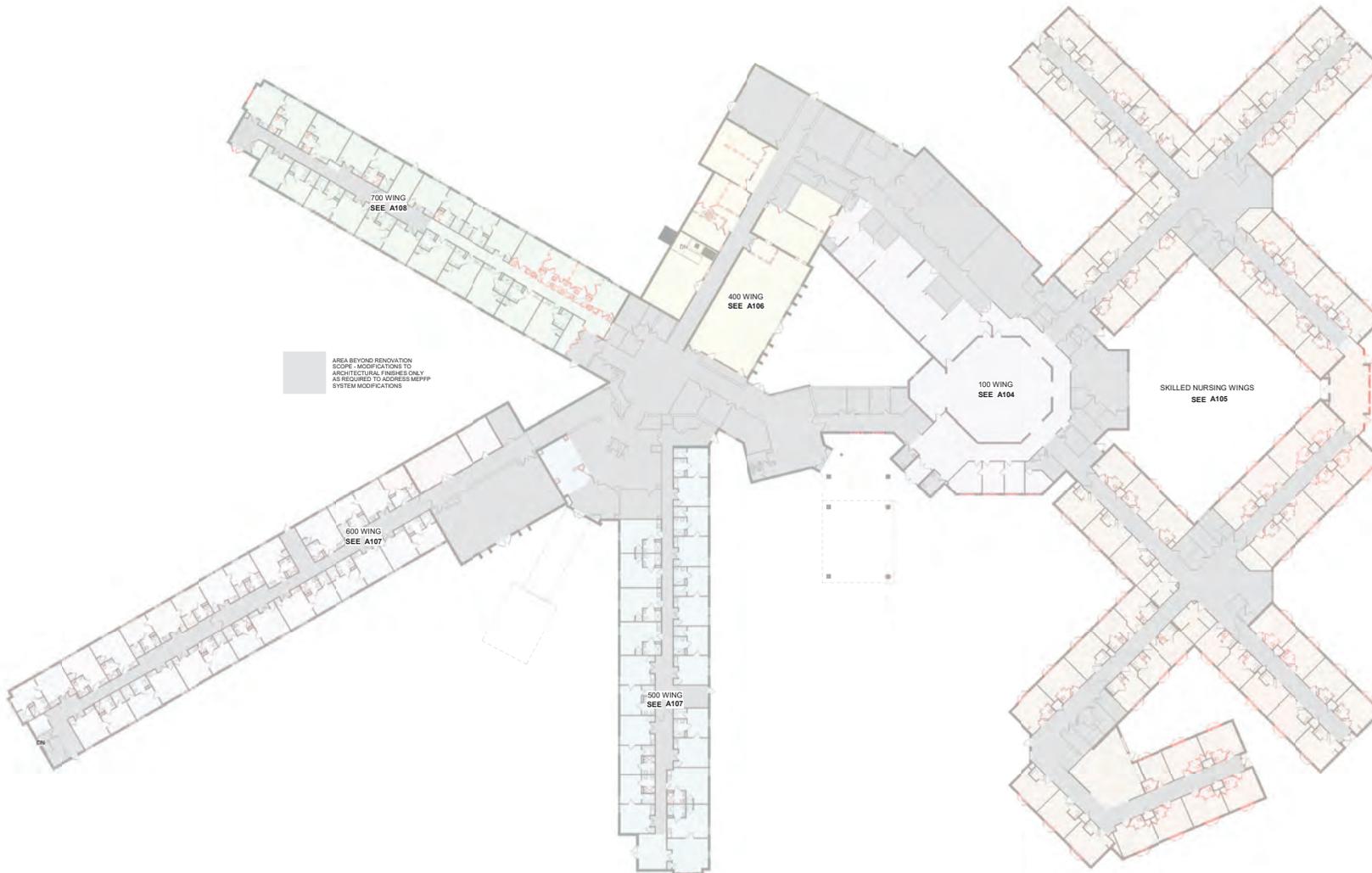
SITE DETAILS

Project number: 2024003
Date: Jan 10 2025

A102

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NOTIFY ARCHITECT BEFORE ANY DISCREPANCIES, OMISSIONS, AND/OR CONFLICTS IN THE DRAWINGS OR SPECIFICATIONS. THE CONTRACTOR IS NOT AUTHORIZED TO SCALE THE DRAWINGS. ALL QUESTIONS IN REFERENCE TO THE CONTRACT DOCUMENTS SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.



1 OVERALL DEMOLITION KEYPLAN (ROTATED)

SCALE: 1" = 20'-0"



TRUE



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architects

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SCHEMATIC DESIGN - NOT FOR CONSTRUCTION

RENOVATIONS AND ADDITIONS FOR

INDEPENDENCE HEALTH SYSTEMS

800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

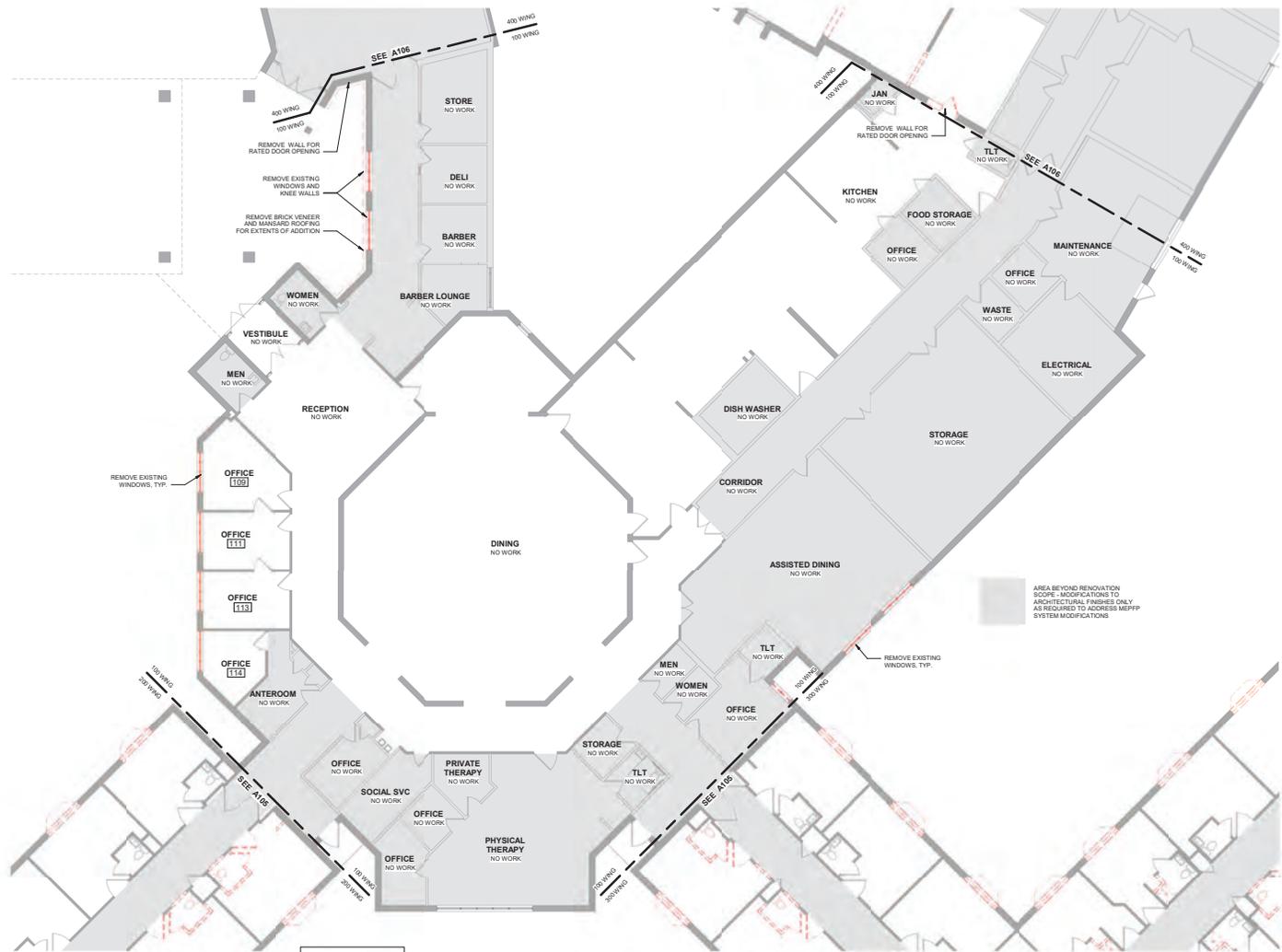
No.	Description	Date

OVERALL DEMOLITION
PLAN

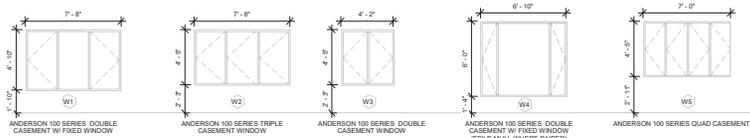
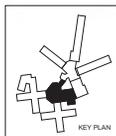
Project number: 2024063
Date: Jan 10 2025

A103

NOTIFY ARCHITECT IN EVENT OF DISCREPANCIES. OMBUDSMAN AND/OR CONTRACTS IN THE DRAWINGS OR SPECIFICATIONS. THE CONTRACTOR IS NOT AUTHORIZED TO SCALE THE DRAWINGS. ALL QUESTIONS IN REFERENCE TO THE CONTRACT DOCUMENTS SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.



1 100 WING DEMOLITION PLAN
SCALE: 1/8" = 1'-0"



WINDOW LEGEND
SCALE: 1/4" = 1'-0"

NOTE: FIELD VERIFY ALL DIMENSIONS

SCHEMATIC DESIGN - NOT FOR CONSTRUCTION

RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

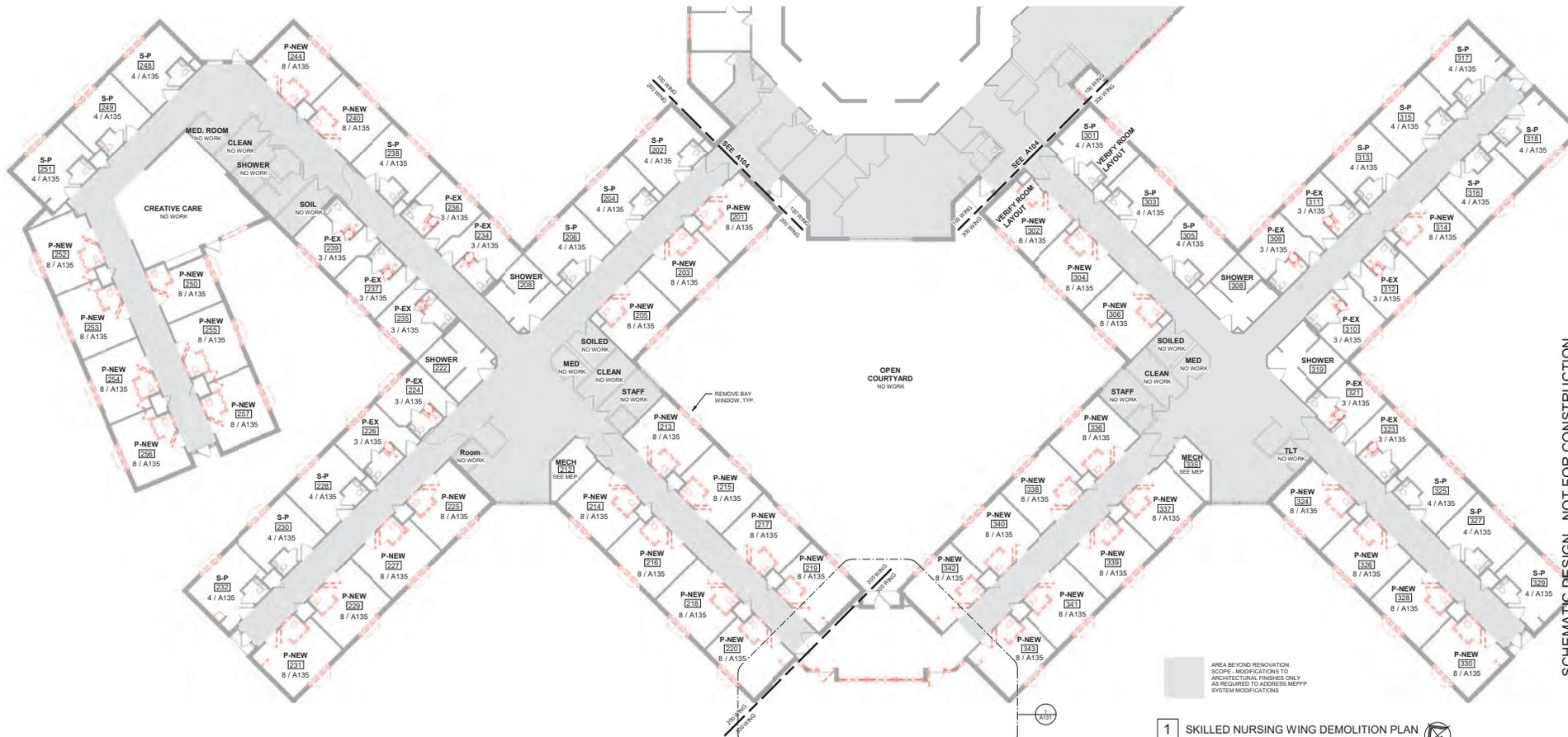
DESIGN ALLIANCE
architects
587 DELMAR BOULEVARD
SAINT LOUIS, MISSOURI 63112
PHONE 314-863-1513
FAX 314-863-1393
email: info@daa.com

No.	Description	Date

DEMOLITION PLAN 100 WING

Project number: 2024063
Date: Jan 10 2025

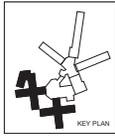
A104



AREA BEYOND RENOVATION
 SCOPE - MODIFICATIONS TO
 ARCHITECTURAL FINISHES ONLY
 AS REQUIRED TO ADDRESS MEFPF
 SYSTEM MODIFICATIONS

1 SKILLED NURSING WING DEMOLITION PLAN

SCALE: 3/32" = 1'-0"



SCHEMATIC DESIGN - NOT FOR CONSTRUCTION



RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
 800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

No.	Description	Date

DEMOLITION PLAN
 SKILLED NURSING
 WINGS

Project number: 2024063
 Date: Jan 10 2025

A105

NOTIFY ARCHITECT IMMEDIATELY OF ANY DISCREPANCIES. OMBUDSMAN: ANDREA CONDUCTS IN THE DRAWINGS IS NOT AUTHORIZED TO SCALE. THE CONTRACT DOCUMENTS SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.



SCHEMATIC DESIGN - NOT FOR CONSTRUCTION

RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
 800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

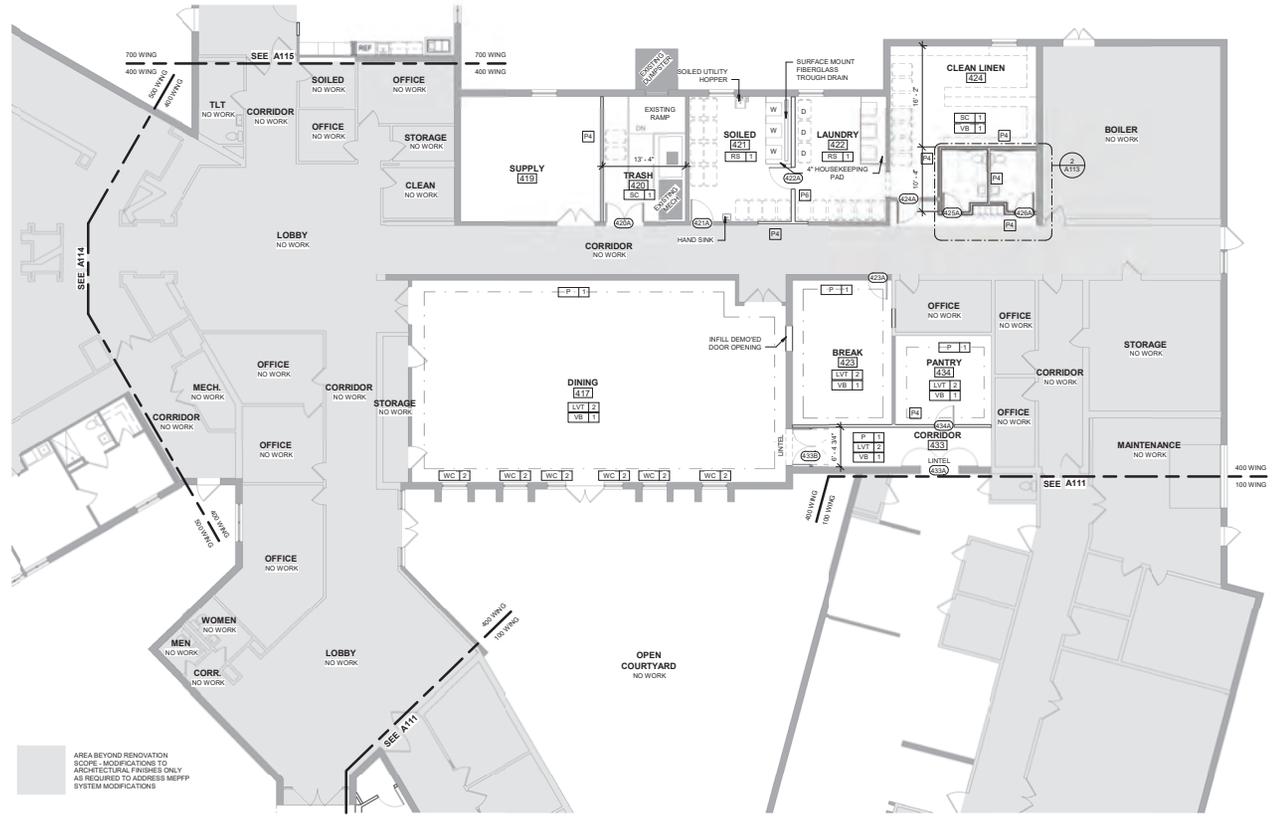


No.	Description	Date

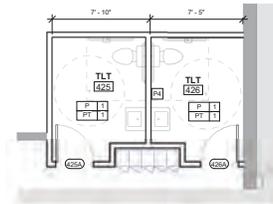
DEMOLITION PLAN 700 WING
 Project number: 2024053
 Date: Jan 10 2025

A108

NOTIFY ARCHITECT BEFORE ANY DISCREPANCIES, OMISSIONS, AND/OR CONFLICTS IN THE DRAWINGS OR SPECIFICATIONS. THE CONTRACTOR IS NOT AUTHORIZED TO SCALE THE DRAWINGS. ALL QUESTIONS IN REFERENCE TO THE CONTRACT DOCUMENTS SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.



1 400 WING FLOOR PLAN
SCALE: 1/8" = 1'-0"



2 ENLARGED 400 WING RESTROOM FLOOR PLAN
SCALE: 1/4" = 1'-0"

SCHEMATIC DESIGN - NOT FOR CONSTRUCTION

RENOVATIONS AND ADDITIONS FOR

INDEPENDENCE HEALTH SYSTEMS

800 S KINGSHIGHWAY, PERRYVILLE, MO 63775



5897 DELMAR BOULEVARD
SAINT LOUIS, MISSOURI 63112
PHONE 314-863-1513
FAX 314-863-1593
email: info@daa.com

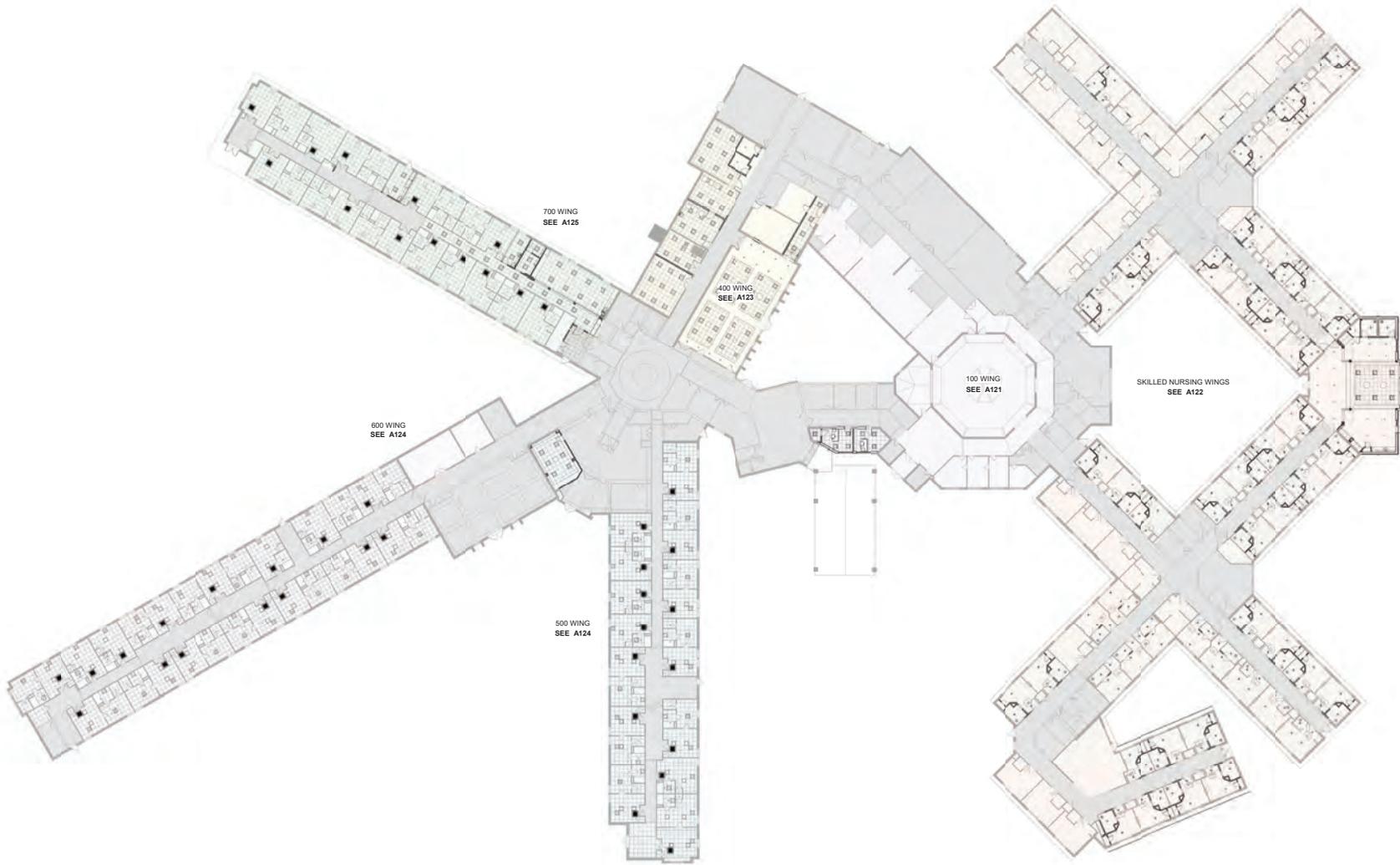
No.	Description	Date

FLOOR PLAN 400 WING

Project number 2024063
Date Jan 10 2025

A113

NOTIFY ARCHITECT IMMEDIATELY OF DISCREPANCIES, OMISSIONS, AND/OR CONFLICTS IN THE DRAWINGS OR SPECIFICATIONS. THE CONTRACTOR IS NOT AUTHORIZED TO SCALE THE DRAWINGS. ALL QUESTIONS IN REFERENCE TO THE CONTRACT DOCUMENTS SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.



1 OVERALL REFLECTED CEILING PLAN

SCALE: 1" = 20'-0"



TRUE



SCHEMATIC DESIGN - NOT FOR CONSTRUCTION

RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

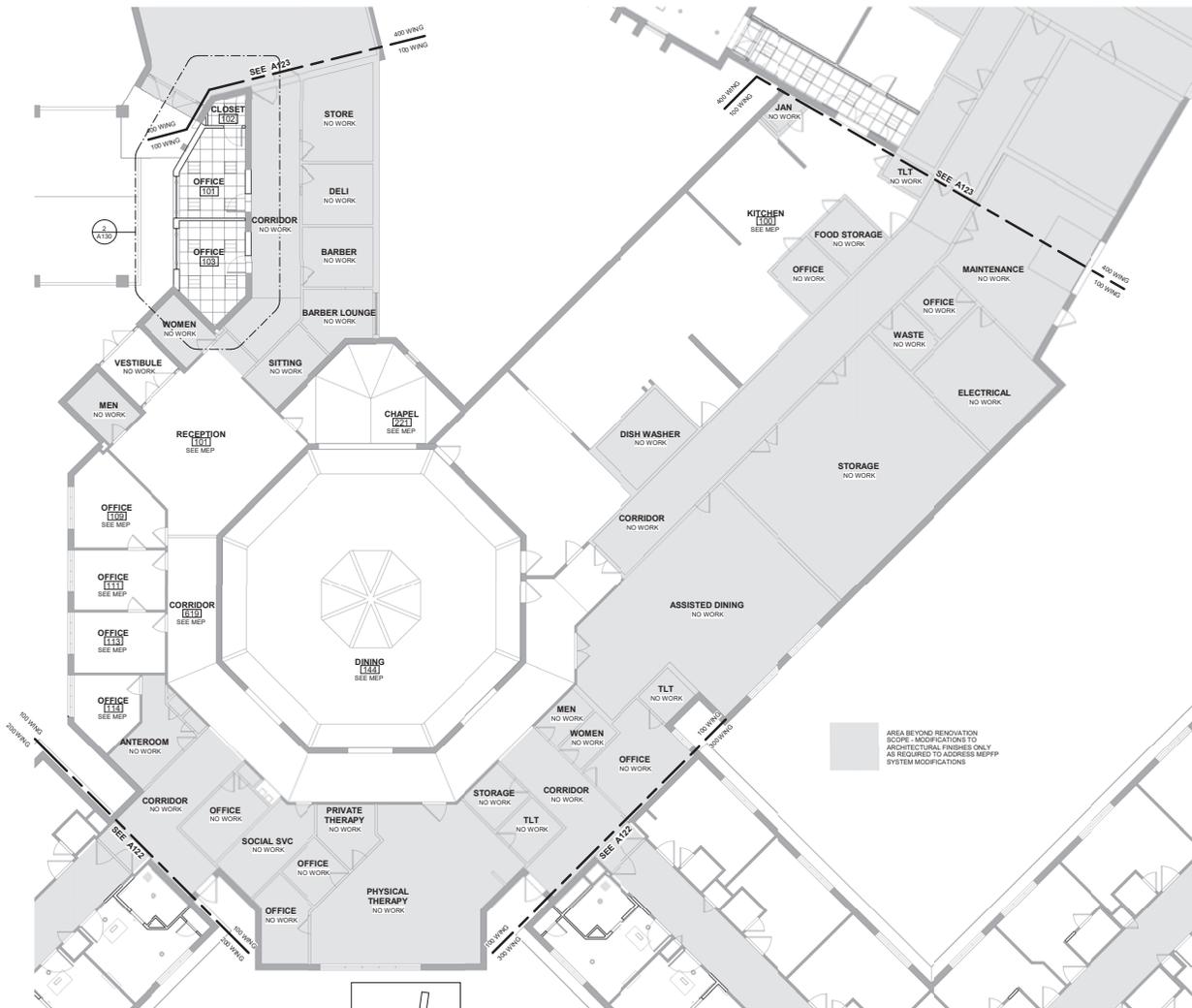
No.	Description	Date

OVERALL REFLECTED
CEILING PLAN

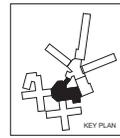
Project number: 2024063
Date: Jan 10 2025

A120

NOTIFY ARCHITECT IMMEDIATELY OF ANY DISCREPANCIES, OMISSIONS, AND/OR CONFLICTS IN THE DRAWINGS OR SPECIFICATIONS. THE CONTRACTOR IS NOT AUTHORIZED TO SCALE THE DRAWINGS. ALL QUESTIONS IN REFERENCE TO THE CONTRACT DOCUMENTS SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.



1 100 WING REFLECTED CEILING PLAN
SCALE: 1/8" = 1'-0"



CEILING EQUIPMENT - SHARED SPACES		
TAG	DESCRIPTION	BASIS OF DESIGN
P1	PENDANT LIGHT	ALLOW \$1,000 MATERIAL COST PER LIGHT FIXTURE
P2	LARGE PENDANT LIGHT	ALLOW \$2,000 MATERIAL COST PER LIGHT FIXTURE
R2	6" RECESSED LIGHT	TBD
L3	2x2 LAY-IN	DIRECT/INDIRECT - TBD
W4	VANITY LIGHT	COOPER 605 SERIES

REFLECTED CEILING PLAN LEGEND	
	3 X 2 ACoustICAL CEILING TILE
	2 X 2 ACoustICAL CEILING TILE
	REFINISH EXISTING GYPSUM BOARD CEILING TO LEVEL, 4" FINISH REFER TO ENLARGED PLAN FOR FINISH
	PROVIDE AND INSTALL GYPSUM BOARD CEILING, REFER TO ENLARGED PLAN FOR FINISH
	EXISTING CEILING FINISH TO REMAIN

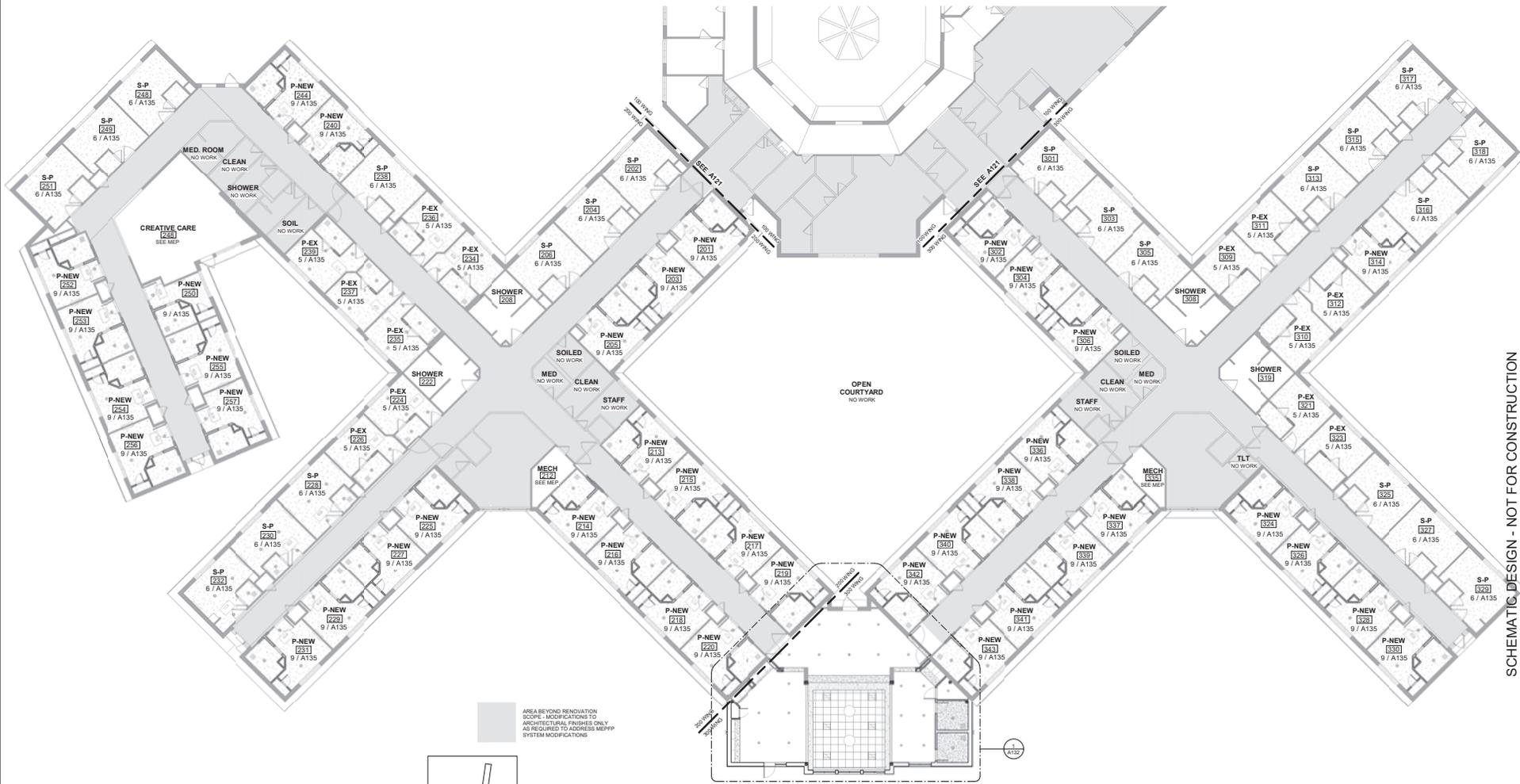
SCHEMATIC DESIGN - NOT FOR CONSTRUCTION
 RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
 800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

5987 DELMAR BOULEVARD
 SAINT LOUIS, MISSOURI 63112
 PHONE 314-863-1513
 FAX 314-863-1393
 email: info@daa.com

No.	Description	Date

REFLECTED CEILING PLAN 100 WING
 Project number: 2024003
 Date: Jan 10 2025
A121

NOTIFY ARCHITECT IMMEDIATELY OF DISCREPANCIES, OMISSIONS, AND/OR CONFLICTS IN THE DRAWINGS OR SPECIFICATIONS. THE CONTRACTOR IS NOT AUTHORIZED TO SCALE THE DRAWINGS. ALL QUESTIONS IN REFERENCE TO THE CONTRACT DOCUMENTS SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.



1 SKILLED NURSING WING REFLECTED CEILING PLAN
SCALE: 3/32" = 1'-0"



AREA BEYOND RENOVATION SCOPE - INDICATIONS TO ARCHITECTURAL FINISHES ONLY AS REQUIRED TO ADDRESS MEPP SYSTEM MODIFICATIONS

REFLECTED CEILING PLAN LEGEND

- 2 X 2 ACOUSTICAL CEILING TILE
- 2 X 4 ACOUSTICAL CEILING TILE
- REFRESH EXISTING GYPSUM BOARD CEILING TO LEVEL OF FINISH REFER TO ENLARGED PLAN FOR FINISH
- PROVIDE AND INSTALL GYPSUM BOARD CEILING, REFER TO ENLARGED PLAN FOR FINISH
- EXISTING CEILING FINISH TO REMAIN



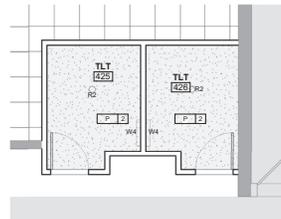
RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

No.	Description	Date

REFLECTED CEILING PLAN SKILLED NURSING WING
Project number: 2024063
Date: Jan 10 2025



1 400 WING REFLECTED CEILING PLAN
SCALE: 1/8" = 1'-0"

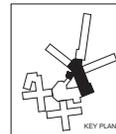


2 ENLARGED 400 WING RESTROOM REFLECTED CEILING PLAN
SCALE: 1/4" = 1'-0"

CEILING EQUIPMENT - SHARED SPACES		
TAG	DESCRIPTION	BASIS OF DESIGN
P1	PENDANT LIGHT	ALLOW \$1,000 MATERIAL COST PER LIGHT FIXTURE
P2	LARGE PENDANT LIGHT	ALLOW \$2,000 MATERIAL COST PER LIGHT FIXTURE
R2	6" RECESSED LIGHT	TBD
L3	2x2 LAYAN	DIRECT/INDIRECT - TBD
W4	VANITY LIGHT	COOPER 605 SERIES

REFLECTED CEILING PLAN LEGEND

- 2 X 2 ACOUSTICAL CEILING TILE
- 2 X 4 ACOUSTICAL CEILING TILE
- REFINISH EXISTING GYPSUM BOARD CEILING TO LEVEL OF FINISH REFER TO ENLARGED PLAN FOR FINISH
- PROVIDE AND INSTALL GYPSUM BOARD CEILING REFER TO ENLARGED PLAN FOR FINISH
- EXISTING CEILING FINISH TO REMAIN



SCHEMATIC DESIGN - NOT FOR CONSTRUCTION

RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
 800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

DESIGN ALLIANCE
 architects
 5897 DELMAR BOULEVARD
 SAINT LOUIS, MISSOURI 63112
 PHONE 314-863-1313
 FAX 314-863-1363
 email: dsa@dausa.com

No.	Description	Date

REFLECTED CEILING PLAN 400 WING
 Project number 2024063
 Date Jan 10 2025

A123

NOTIFY ARCHITECT OF ANY DISCREPANCIES, OMISSIONS, AND/OR CONFLICTS IN THE DRAWINGS OR SPECIFICATIONS. THE CONTRACTOR IS NOT AUTHORIZED TO SCALE THE DRAWINGS. ALL QUESTIONS IN REFERENCE TO THE CONTRACT DOCUMENTS SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.



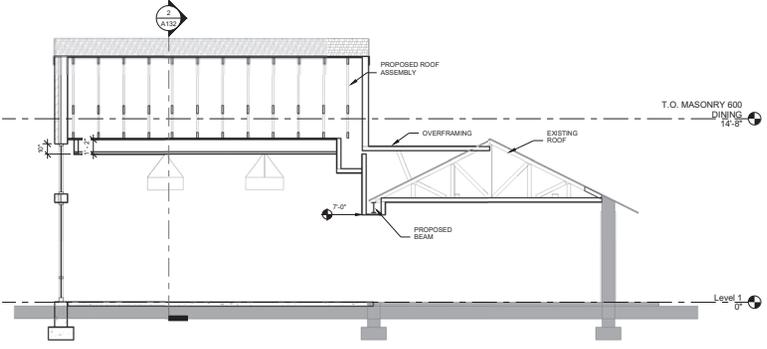
DESIGN ALLIANCE
architects
5897 DELMAR BOULEVARD
SAINT LOUIS, MISSOURI 63112
PHONE 314-863-1313
FAX 314-863-1393
email: aia@daa.com

RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

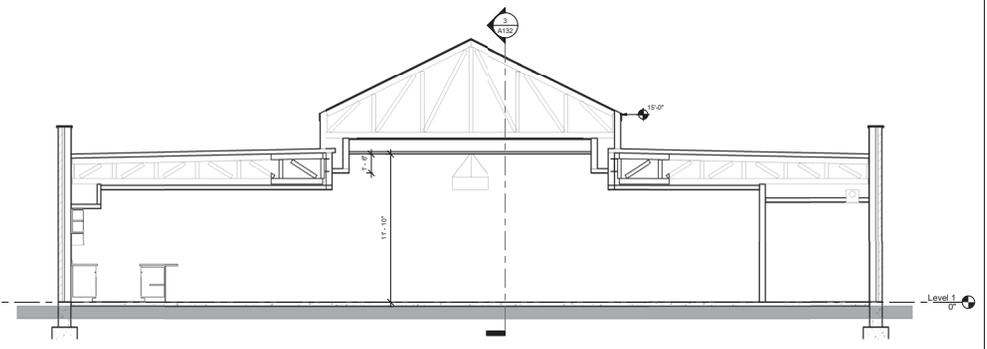
No.	Description	Date

ENLARGED PARKVIEW
OPEN ADDITION
PLANS
Project number: 2024063
Date: Jan 10 2025

A132

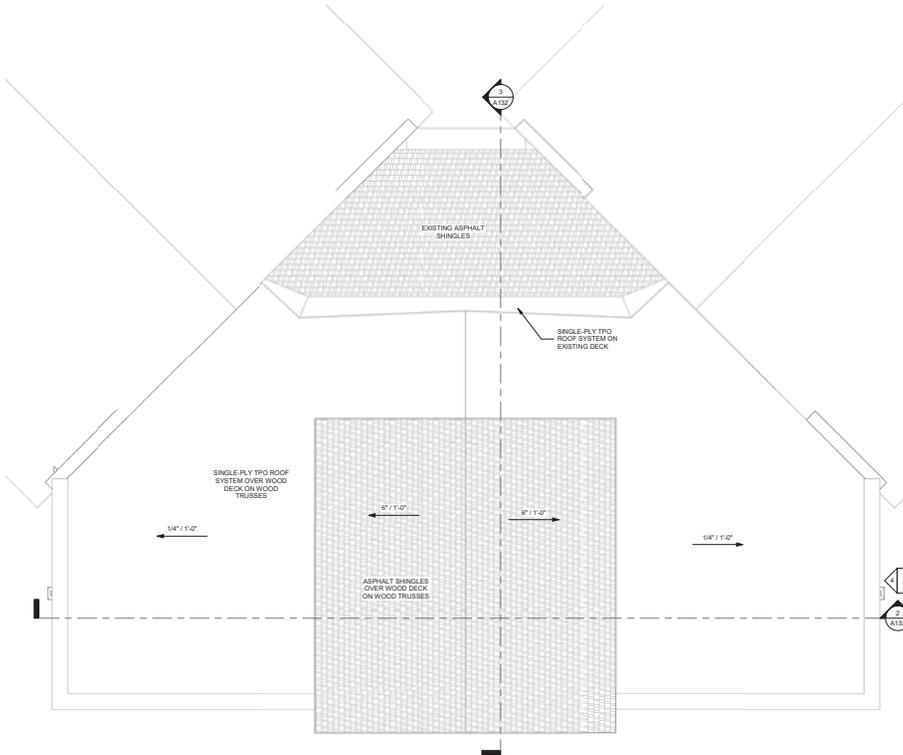


3 PARKVIEW OPEN ADDITION SECTION
SCALE: 1/4" = 1'-0"

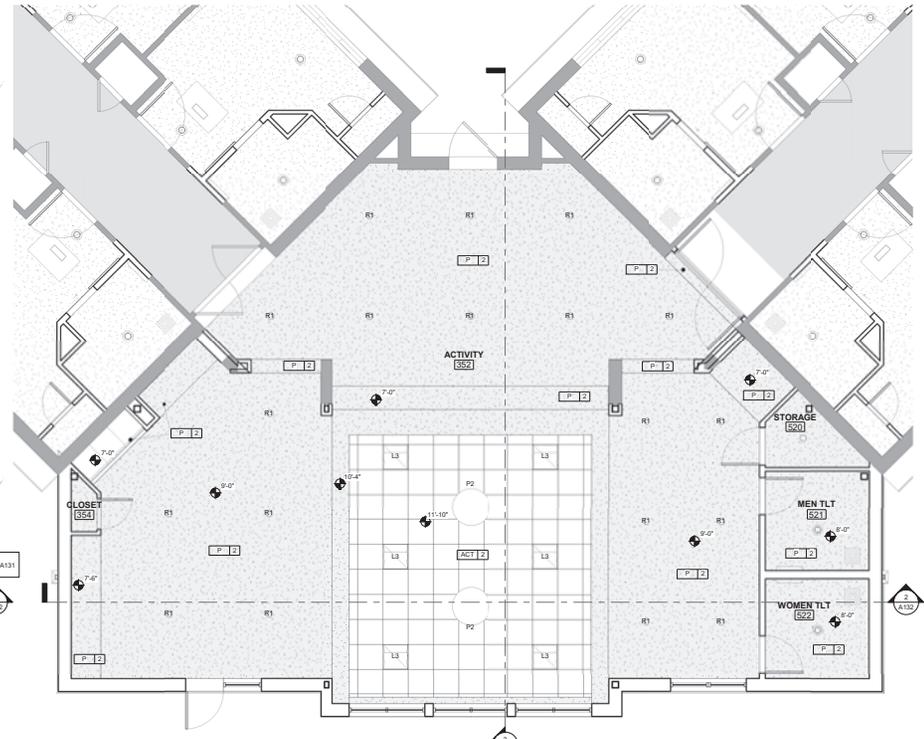


2 PARKVIEW OPEN ADDITION SECTION 1
SCALE: 1/4" = 1'-0"

CEILING EQUIPMENT - SHARED SPACES		
TAG	DESCRIPTION	BASIS OF DESIGN
P1	PENDANT LIGHT	ALLOW \$1,000 MATERIAL COST PER LIGHT FIXTURE
P2	LARGE PENDANT LIGHT	ALLOW \$2,000 MATERIAL COST PER LIGHT FIXTURE
R2	4" RECESSED LIGHT	TBD
L3	2x2 LAY-IN	DIRECT/INDIRECT - TBD
W4	VANITY LIGHT	COOPER 605 SERIES



4 ENLARGED PARKVIEW OPEN ADDITION ROOF PLAN
SCALE: 1/4" = 1'-0"



1 ENLARGED PARKVIEW OPEN ADDITION REFLECTED CEILING PLAN
SCALE: 1/4" = 1'-0"

SCHEMATIC DESIGN - NOT FOR CONSTRUCTION

NOTIFY ARCHITECT BEFORE ANY DISCREPANCIES, OMISSIONS, AND/OR CONFLICTS IN THE DRAWINGS OR SPECIFICATIONS. THE CONTRACTOR IS NOT AUTHORIZED TO SCALE THE DRAWINGS. ALL QUESTIONS IN REFERENCE TO THE CONTRACT DOCUMENTS SHALL BE IMMEDIATELY DIRECTED TO THE ARCHITECT.



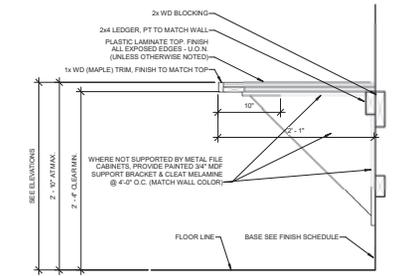
5807 DELMAR BOULEVARD
 SAINT LOUIS, MISSOURI 63112
 PHONE 314-863-1313
 FAX 314-863-1393
 email: info@daa.com

RENOVATIONS AND ADDITIONS FOR
INDEPENDENCE HEALTH SYSTEMS
 800 S KINGSHIGHWAY, PERRYVILLE, MO 63775

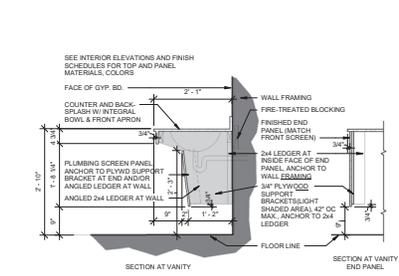
SCHEMATIC DESIGN - NOT FOR CONSTRUCTION

MILLWORK GENERAL NOTES

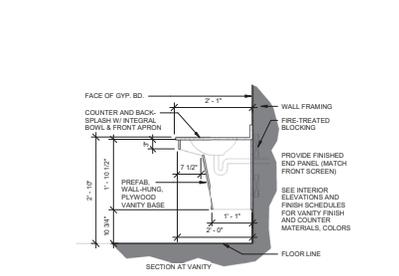
1. ALL MILLWORK IS TO BE CONSTRUCTED IN ACCORDANCE WITH AIAA STANDARD MOST RECENT EDITION FOR "CUSTOM GRADE" MILLWORK AND CABINERY QUALITY AND DETAILING.
2. ALL HARDWARE IS TO BE HEAVY DUTY CONSTRUCTION AND AS INDICATED BY ARCHITECT. ALL HINGERS ARE TO BE CONCEALED AND ALL DRAWER GLODES ARE TO BE FULL EXTENSION UNLESS NOTED OTHERWISE. ALL MILLWORK DOORS TO HAVE DOOR PULLS.
3. ALL CASEWORK IS TO COMPLY FULLY WITH AIA SECTION 406-CUSTOM QUALITY FLUSH OVERLAY CONSTRUCTION AND MEDIUM DENSITY "FIBERBOARD" SUBSTRATE (NOT PARTICLE BOARD) FOR PLASTIC LAMINATE AND WOOD VENEER.
4. FOR PLASTIC LAMINATE PRODUCTS, ALL EXPOSED SURFACES, ALL SEMI-EXPOSED SURFACES AND ALL BALANCING FACES OF LAMINATED PANELS ARE TO BE PLASTIC LAMINATE. FOR WOOD PRODUCTS, ALL EXPOSED SURFACES AND ALL SEMI-EXPOSED SURFACES ARE TO BE WOOD VENEER WITH VENEERED OR SOLID WOOD EDGES (INCLUDING BOTH SIDES OF DOORS AND DRAWER FRONTS). ALL OTHER INTERIOR SURFACES ARE TO BE MELAMINE OR EQUAL EQUIVALENT CABINET LINER. REFER TO FINISH SPECIFICATIONS FOR COLORS.



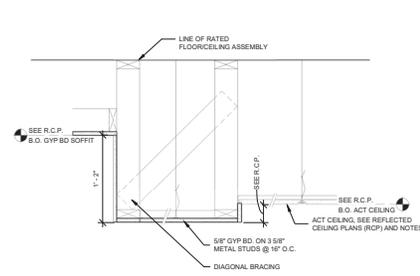
5 WORKTOP - TYP
 SCALE: 1 1/2" = 1'-0"



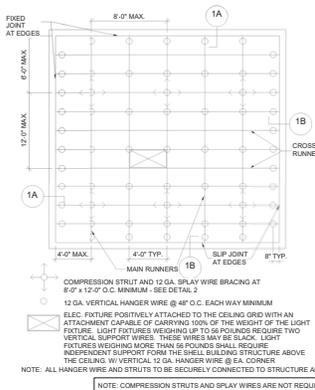
4 ACCESSIBLE VANITY (SITE BUILT)
 SCALE: 3/4" = 1'-0"



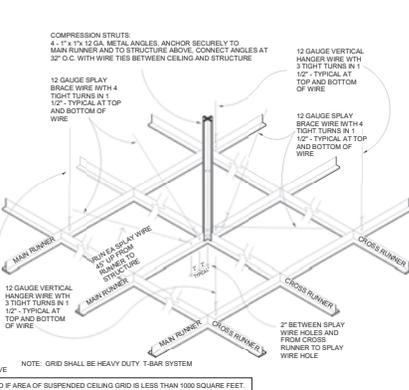
3 ACCESSIBLE VANITY (PREFABRICATED) - TYP
 SCALE: 3/4" = 1'-0"



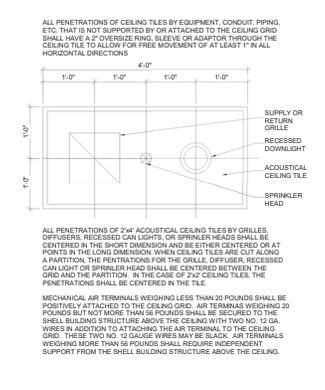
2 GYP BD TO ACT CEILING TRANSITION - TYP
 SCALE: 1 1/2" = 1'-0"



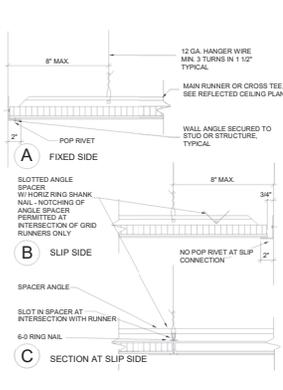
1A DIAGRAMMATIC SUSPENDED CEILING PLAN



1B SEISMIC BRACING AT CEILING GRID



1C ACOUSTICAL PANEL PENETRATION DIAGRAM



1D TYPICAL CEILING GRID DETAILS

1 SUSPENDED CEILING DETAILS
 NOT TO SCALE

NOTE: THESE DETAILS APPLY ONLY TO SUSPENDED CEILING GRIDS GREATER THAN 144 SQUARE FEET IN AREA.

No.	Description	Date

INTERIOR DETAILS

Project number: 2024063
 Date: Jan 10 2025

A801

Divider II – Proposal Description
 Item #4

Summary of existed and proposed square footage:

ALTERATION SUMMARY			
DESCRIPTION	AREA	IEBC ALTERATION LEVEL	NOTE
EXISTING TOTAL GROSS AREA	97,406 SF		
AREA OF FINISHES/FIXTURE/EQUIPMENT REPLACEMENT	33,966 SF	LEVEL 1	NO AREA LIMIT ON LEVEL 1 ALTERATIONS
AREA OF SPACE RECONFIGURATION ALTERATIONS "WORK AREA"	16,275 SF	LEVEL 2 (17% OF TOTAL AREA)	BELOW 30% THRESHOLD OF LEVEL 3 ALTERATION, COMPLY WITH CHAPTER 8 & 9 IEBC
ADDITIONS	2,606 SF	PRESCRIPTIVE, COMPLY WITH IBC	NEW CONSTRUCTION WILL MEET 2021 IBC

*PER IEBC DEFINITIONS CHAPTER 2, WORK AREA CONSISTS OF ALL "RECONFIGURED" SPACE

- Total Building SF – 97,406
- Assisted Living, Skilled Nursing, and Common Area Cosmetic Upgrades – 33,966 SF
- Assisted Living, Skilled Nursing, and Common Area Renovations – 16,275 SF
- New Skilled Nursing Common Area Addition – 2,606 SF

hereunto set my hand and affixed my official seal, at my office in Chester, Illinois, the day and year first above written. My term of office as a Notary Public will expire on January 10th, 1942. Ottilie Morrison Notary Public (Seal)

Filed for record this 3rd day of April, 1939 at 10:35 A.M.

By Bertine Schamel Deputy Ralph D. Williams Recorder

Emmanuel's Evangelical Lutheran
Congregation of Perryville, (By Trus.)
Warranty Deed To
County of Perry

THIS INSTRUMENT, made on the 16th day of
March, A.D. One Thousand Nine Hundred
Thirty-nine by and between Ferd G. Bergman,
August Schoen and Adolph J.G. Boxdorfer,
Trustees of the Emmanuel's Evangelical
Lutheran Congregation of Perryville, of County
of Perry, State of Missouri, parties of the
First Part, and County of Perry of the County of Perry, in the State of Missouri, party of
the Second Part:

Lutheran Congregation of Perryville, of County
of Perry, State of Missouri, parties of the
First Part, and County of Perry of the County of Perry, in the State of Missouri, party of
the Second Part:

WITNESSETH, That the said parties of the First Part, in consideration of the sum of
One Hundred and Forty-five & no/100 Dollars, to them paid by the said party of the Second
Part, the receipt of which is hereby acknowledged, do by these presents, Grant, Bargain
and Sell, Convey and Confirm, unto the said party of the Second Part its successors and
assigns, the following described Lots, Tracts or Parcels of Land, lying, being and situate
in the County of Perry and State of Missouri, to-wit:

IMAGED

Part of 2.38 acres in the West half of the Northeast quarter of Sec. 21, Twp. 24
North, Range 18 East, conveyed to the trustees of the Emmanuel's Lutheran Congregation
by deed recorded in Vol. 17, at page 461 of the Perry County, Missouri, land re-
corder's book at the Southeast corner of said 2.38 acre tract; thence North 5 deg. 20' E of
2.45 chains to the Southeast corner of the Northeast quarter of the Northeast quarter of
said Sec. 20; thence North 27 deg. West 5.95 chains; thence South 51 deg. 15' West 1.25
chains to the Southeast corner of said 2.38 acre tract; thence South 38 deg. West 7.68 chains
to the place of beginning, containing 1.14 acres.

Excepting, however, the grave where the body of Charles Reinhardt is buried, and re-
serving the right to visit said grave, and reserving the right to remove said body for re-
burial if said trustees or their successors desire to do so at any time.

TO HAVE AND TO HOLD the premises aforesaid, with all and singular the rights, priv-
ileges, appurtenances and immunities thereto belonging or in anywise appertaining unto
the said party of the Second Part, and unto its successors and assigns, FOREVER, the said
first parties hereby covenanting that they are lawfully seized of an indefeasible Estate
in Fee in the premises herein conveyed; that they have good right to convey the same; that
the said premises are free and clear of any incumbrances done or suffered by them or

those under whom they claim, and that they will WARRANT AND DEFEND the title to the said
premises unto the said party of the Second Part, and unto its successors and assigns,
FOREVER, against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF the said parties of the First Part have hereunto set their hands
and seals the day and year first above written. Ferd G. Bergman (Seal) August Schoen
(Seal) Adolph J.G. Boxdorfer (Seal) Trustees of Emmanuel's Evangelical Lutheran Congre-
gation of Perryville.

State of Missouri, County of Perry)ss On this 16th day of March, 1939, before me ap-
peared Ferd G. Bergman, August Schoen and Adolph J.G. Boxdorfer, to me personally known,
who, being by me duly sworn, did say that they are the trustees of the Emmanuel's Evange-
lical Lutheran Congregation of Perryville, and that said association has no seal, and that
they are all the members of the board of trustees of said association, and that said in-
strument was signed and sealed in behalf of said Emmanuel's Evangelical Lutheran Congre-
gation of Perryville, and the said Ferd G. Bergman, August Schoen and Adolph J.G. Boxdorfer
acknowledged said instrument to be the free act and deed of said association and the their
free act and deed as trustees of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my
office in Perryville, Missouri, the day and year first above written. Homer M. Graff
Judge of Probate (Seal)

Filed for record this 5th day of April, 1939 at 9:20 A.M.

By Bertine Schamel Deputy Ralph D. Williams Recorder

Walter J. Blaylock, et al,
Sheriff's Deed in Partition To
Walter J. Blaylock

SHERIFF'S DEED IN PARTITION. TO ALL TO WHOM
THESE PRESENTS SHALL COME: I, Ed.V. Nations,
Sheriff of Perry County, in the State of Mis-
souri, Send Greeting: Know Ye, That whereas,

at the October Term, 1939, of the Circuit Court of the said County of Perry in a certain
suit then pending in said Court wherein Walter J. Blaylock was Petitioner against Grace
Cowan Defendant, for the partition of the following described Real Estate, situate, lying
and being in the County of Perry and State of Missouri, descending to parties as heirs
and legal representatives of Amos I. Blaylock deceased to-wit:

The South half of the South half of the Southwest quarter of Section 28, Township 24
North, Range 18 East, containing 20 acres. Also the West half of the southeast quarter of
the southeast quarter of Section 28, Township 24 North, Range 18 East, containing 7.5 acres,
also 15 acres in the Northwest quarter of the Northeast quarter of Section 23, Township
24 North, Range 18 East, described as follows: Starting at the Northwest corner of the
Northwest quarter of the Northeast quarter of said Section 23; thence East 11 chains;

Divider III –

Item #1 - Based on discussions with the appropriate agencies, this project is not needed to comply with current facility code requirements of local, state and federal governments.

Item #2 - Based on discussions and surveys with appropriate agencies, this project is not needed to meet requirements for licensure, certification or accreditation. Additionally it not undertaken this would not result in loss of accreditation or certification.

Item #3 Operational Efficiencies

Focus on resident care improvements by providing more privacy and efficient staffing with time management for bathing with all private rooms having personal showers; more efficient heating and cooling for resident rooms so staff can easily adjust per preference; larger bathrooms for aiding in transfers and toilet hygiene; more efficient medication passing with locked cabinets in rooms; all resident activities along with activity staff located in one designated area and not sharing space with dining room

Item # 4 – see next section for full market study that was performed as part of the organizations strategic planning process.

Divider III – Community Need Criteria and Standards

Item #5 Rationale for the reallocation of space and functions

The reallocation of space and functions was determined through an intentional process which included the market study included as item #4 in this section. The market study was incorporated as part of an overall strategic planning process. . In 2023 and 2024, IHS underwent a strategic master planning process to address various challenges facing the senior living industry and the organization in general. Declining census, changing demographics, rising operating costs, aging facilities, and staffing shortages all were top priorities for IHS to address during this process.

Through extensive research, data analytics, and guidance from industry experts during this strategic master planning process, IHS determined that it would undergo a repositioning and capital improvement project to better position itself to provide high quality senior living services today and into the future. This includes creating more private rooms in the skilled nursing center and offering enhanced amenities



Independence Health Systems, Inc.

HIGH-LEVEL MARKET STUDY

Independent Living, Assisted Living, Memory Care, & Nursing Home

September 2023



September 2023

Dana Korando
Independence Health Systems, Inc.
800 South Kingshighway
Perryville, MO 63775



Dear Dana:

We are pleased to present our market analysis for Independence Health Systems, Inc. (IHS). IHS would like to understand the market dynamics of the Perryville, MO, market area as part of the strategic planning process for the Independence Health Systems' campus.

Our study consists of an analysis of the following:

- Definition of IHS' market area
- Economic and demographic characteristics of the market area including estimated age, income, housing unit value, and population
- Analysis of existing and planned competitive offerings in the market area based on web-based research, Planning and Zoning interviews, and phone interviews to select competitors; no competitor site visits were conducted
- Unit potential and penetration rates for Independent Living (IL), Assisted Living (AL), Memory Care (MC), and Nursing Home (NH)

We have completed each of these tasks and present our findings within this report. This market study provides an analysis of the external market and **does not** include analyses of the following:

- Product: building and site quality
- Price: in-depth comparative analysis of price of the unit types and their services and amenities package
- Promotion: marketing and sales efforts

General Limitations

This report is a high-level supply and demand overview analyzing wealth indicators, qualified households, and competitors. The analysis does not include site tours of existing communities or the market area. If the market area is deemed favorable for a future senior living project, further market research should be undertaken. This report is based on estimates, assumptions, and other information available to us during the conduct of the study or developed in connection with the market study. Sources of the information and bases of the estimates are stated in the appropriate sections of the report. The information, recommendations, analysis, and conclusions contained within (collectively "Analysis") are, in whole or in part, dependent on information provided by IHS and other third parties or public sources (collectively "Information"). PMLF has not validated any Information for its accuracy or reliability. Errors or misstatements in the Information may exist that impact the results of our Analysis.



Some assumptions will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved may vary from those reported upon. PMLF cannot and does not warrant or guarantee the outcome of any forward-looking information or analysis. The Analysis prepared by PMLF represents PMLF's professional judgment as a consultant based on information known to PMLF at the time.

It is recognized, however, that neither PMLF nor IHS have control over market conditions. Accordingly, PMLF does not warrant or guarantee the success or outcome of any decision made, or any action taken or not taken, on the basis of PMLF's Analysis.

The purpose of this analysis is for use in IHS's strategic planning process. If it is to be used in conjunction with financing, additional procedures will need to be performed. This report and PMLF's Analysis were prepared solely for the benefit of IHS. No third party is entitled to rely on this report or PMLF's analysis, and PMLF assumes no liability to any third party because of any reliance on this report or its analysis.

The determination of the appropriate number of units that may be needed to support future demand continues to be, by nature, an estimate and should be considered in the context of the variables that are present in this process – finances, design, construction costs, demand, industry trends, marketing, etc. The final determination of the appropriate unit configuration should be based on the analysis of the market, along with financial analysis that incorporates the projected financial and operating performance of IHS.

Actual results are dependent upon management's ability to market and implement strategic and marketing initiatives effectively; including achievement of fill-up rates and forecasted stabilized occupancy rates for any future project. We have not evaluated the effectiveness of management, and we are not responsible for future marketing efforts and other management actions upon which results will depend.

The Analysis herein, is based on relevant information known to PMLF at the time of the issuance of this report. Such information is subject to change at any time and may materially impact PMLF's Analysis. PMLF is not responsible for updating this report for, or notifying any party of, any events, circumstances, or changes in market conditions occurring after the date of issuance.

We have enjoyed working with you and are available should you have any further questions or require additional information.

Sincerely,

Plante Moran Living Forward



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SECTION

Summary of Results

Summary of Results

Unit Potential

	2027
Independent Living:	
Market Rate: \$35,000 screen	40
Subset: Entrance Fee	30
Assisted Living:	
Market Rate: \$60,000 screen	0
Memory Care:	
Market Rate: \$111,000 screen	20
Nursing Home:	0

Demographics

	2023	2028
Total Households	10,601	10,628
Households Age 65+	3,483	3,830
Households Age 75+	1,567	1,625
HH 75+; Household Income \$35,000+	889	973
HH 75+; Household Income \$60,000+	480	591
Households Age 45-64	3,810	3,550
HH 45-64; Household Income \$75,000+	2,011	2,146
HH 45-64; Household Income \$100,000+	1,457	1,640
Median Owner-Occupied Housing Unit Value	\$ 187,109	\$ 202,522
Percent HH Age 75+ Owner-Occupied	77%	77%
Median 65+ HH Income	\$ 47,470	\$ 54,938
Median HH Income	\$ 66,803	\$ 75,712

Supply

	Occupancy			Construction vs. Inventory
	IHS 2023	Market Area 2023	National Markets* 2Q2023	
Independent Living	100%	100%	87%	0%
Assisted Living	75%	84%	83%	0%
Memory Care	-	-	83%	0%
Nursing Home	69%	67%	78%	0%

Penetration Rates

	2023	2027
Independent Living: 40-unit project		
Gross Market: \$35,000 screen	1%	4%
<i>Benchmark</i>		15%
Assisted Living: 0-unit project		
Gross Market: \$35,000 screen	43%	48%
<i>Benchmark</i>		40%
Memory Care: 20-unit project		
Gross Market: \$001 screen	0%	9%
<i>Benchmark</i>		40%
Nursing Home:		
Gross Market: All Payors	4%	4%
<i>Benchmark</i>		2%

*National Markets are defined as all MSAs covered by NIC MAP Vision.

Note: Relative to benchmarks, a low penetration rate indicates potential for increased supply in the market area. Relatively high penetration rates indicate little potential, or a surplus of inventory in the market area. However, higher penetration rates are not always indicative of saturated markets. It is important to consider penetration rates in combination with other indicators of market potential such as a market area's attractiveness as a retirement destination, tendency to remain in the area for retirement, proximity to family. Additionally, quality, design, size, age, and attractiveness of the existing supply in the market area as well as occupancy of existing supply are other factors to consider in conjunction with penetration rates.

Overview

IHS would like to understand the market dynamics of the Perryville, MO market area as part of the strategic planning for the campus located at 800 S. Kingshighway, Perryville, MO 63775.

Unit Potential

- The results show the market can support up to 40 additional independent living units (assuming a \$35,000 income screen), of which up to 30 could be entrance fee units.
- The results show the market can support up to 20 memory care units (assuming a \$111,000 income screen).
- The results show the assisted living and nursing home markets are over bedded and have no capacity for additional units/beds through 2027.

Market Area Demographics

The market area has:

- Below average number of senior HH and adult child HH
- Below average homes values
- Above average home ownership among seniors with below average affluency

See further discussion on the following page.

Market Area Supply

The market area has:

- No current market rate IL product (not including IHS' 8 IL units) and no assisted living memory care product available
- Slightly above average AL occupancy and well below average NH occupancy
- There is no known planned development at any care level as shown by the 0% construction vs. inventory ratio.

Market Area Penetration Rates

- The IL penetration rates are well below the national benchmarks a favorable indicator.
- The AL penetration rates are above the national benchmarks.
- The MC penetration rates are well below the national benchmarks a favorable indicator.
- The NH penetration rates are above the national benchmarks.

Market Attractiveness Score

The table below compares key market area indicators to benchmarks and scores all senior living in the market area. The MA scores a 3.0 out of 5. The strength of the market area is the above average competitive environment (Criteria 3), which is mainly due to no identified planned development. The demographics in 2023 (Criteria 1) are below average with average growth rates over the next 5 years (Criteria 2) and average unit potential and penetration rates (Criteria 4).

Market Score											
	Value	Score (Scale 1-5)	Weight	Weighted Score	Scoring Criteria					Benchmark	Source
					1	2	3	4	5		
Criteria 1: Demographics 2023											
HH 75+	1,567	1			<2,000	2,000-6,999	7,000-11,999	12,000-16,999	17,000+	9,635	1
HH 75+ earning \$35K+	57%	3			<49%	49%-54%	54%-59%	59%-64%	64%+	57%	2
HH 75+ earning \$50K+	37%	2			<34%	34%-39%	39%-44%	44%-49%	49%+	42%	2
HH 45-64	3,810	1			<21,000	21,000-27,999	28,000-34,999	35,000-41,999	42,000+	31,441	1
HH 45-64 earning \$75K+	53%	2			<51%	51%-56%	56%-61%	61%-66%	66%+	58%	2
Median Home Values	\$ 187,109	1			<\$225k	\$225k-\$265k	\$265k-\$305k	\$305k-\$345k	\$345k+	\$305,390	2
Median HH Income	\$ 66,803	2			<\$65k	\$65k-\$70k	\$70k-\$75k	\$75k-\$80k	\$80k+	\$73,336	2
Median 65+ HH Income	\$ 47,470	2			<\$45k	\$45k-\$50k	\$50k-\$55k	\$55k-\$60k	\$60k+	\$53,914	2
Total Score		2	20%	0.4							
Criteria 2: Demographic Trends 2023 - 2028											
% growth HH 75+	4%	2			<2%	2%-7%	7%-12%	12%-17%	17%+	8%	2
% growth HH 75+ earning \$35K+	9%	1			<10%	10%-14%	14%-18%	18%-22%	22%+	15%	2
% growth HH 75+ earning \$50K+	20%	3			<14%	14%-19%	19%-24%	24%-29%	29%+	20%	2
% growth HH 45-64	-7%	1			<-4%	-2% -4%	-2%-0%	0%-2%	2%+	-2%	2
% growth HH 45-64 earning \$75K+	7%	2			<6%	6%-8%	8%-10%	10%-12%	12%+	9%	2
% growth Median Home Values	8%	3			<6%	6%-8%	8%-10%	10%-12%	12%+	10%	2
% growth Median HH Income	13%	4			<9%	9%-11%	11%-13%	13%-15%	15%+	13%	2
% growth Median 65+ HH Income	16%	4			<10%	10%-12%	12%-14%	14%-16%	16%+	15%	2
Total Score		3	20%	0.6							
Criteria 3: Competition											
Construction vs Inventory: IL	0%	5			29%+	23%-29%	17%-23%	11%-17%	<11%	20%	1
Construction vs Inventory: AL	0%	5			29%+	23%-29%	17%-23%	11%-17%	<11%	20%	1
Construction vs Inventory: MC	0%	5			29%+	23%-29%	17%-23%	11%-17%	<11%	20%	1
Avg Occupancy: IL	100%	-			<84%	84%-86%	86%-88%	88%-90%	90%+	87%	3
Avg Occupancy: AL	84%	3			<80%	80%-82%	82%-84%	84%-86%	86%+	83%	3
Avg Occupancy: MC	-	-			<80%	80%-82%	82%-84%	84%-86%	86%+	83%	3
Avg Occupancy: SNF	67%	1			<74%	74%-76%	76%-78%	78%-80%	80%+	78%	3
Total Score		4	20%	0.8							
Criteria 4: Unit Potential & Penetration Rates											
Unit Potential: IL	40	1			<60	60-89	90-119	120-149	150+	100	1
Unit Potential: AL	0	1			<60	60-89	90-119	120-149	150+	100	1
Unit Potential: MC	20	1			<35	35-44	45-54	55-64	65+	50	1
Gross Market Current Penetration Rate: IL	1%	5			18%+	16%-18%	14%-16%	12%-14%	<12%	15%	1
Gross Market Current Penetration Rate: AL&MC	29%	5			43%+	41%-43%	39%-41%	37%-39%	<37%	40%	1
Total Score		3	40%	1.2							
				Market Score	3.0						
				Desired Minimum Score	3.0						

Benchmark Sources:
 1 Average based on PMLF market study database
 2 US average per Claritas
 3 NIC MAP® Data Service 2Q2023 and AHCA

Summary

Market Area Demographics & Overview

The market area (MA) consists of 7 zip codes that all fall on or within a 15-mile radius from the site. The market area has:

- Below average number of senior (age 75+) HH and adult child (age 45-64) HH.
- Average projected growth rates in the demographics.
- Below average homes values and affluency: the MA median home value is \$187,109. The weighted average net worth of HH 75+ is \$570,487.
- Average growth over the next 5 years and moderate long-term projected growth in the senior population through 2040. The 65+ population in Perry is projected to grow 32% from 2020 to 2040 and the 85+ population in Perry is projected to grow 41% from 2020 to 2040.
- Perry County's ratio of work force to senior population will decrease 38% from 2020 to 2040. This indicates labor pressures will most likely continue into the future.

Independent Living

- The market area has no other market rate IL providers. The two other identified providers are affordable, age-restricted apartments and are not included in the analysis. The 3 competitors located outside of the MA that were interviewed reported an overall average of 92%.
- The gross market penetration rates are well below national benchmarks which is a favorable indicator.
- The unit potential calculation and penetration rates indicate the market could likely add and absorb up to 40 additional IL units, of which 30 could be entrance fee units.
- There are no known planned IL projects.

Independent Living Supply

Summary of IL Providers (Rental)

	Square Feet	Monthly Service Fee
One-Bedroom		
Independence Village Existing	-	-
Competitor Range	562-742	\$1,178-\$2,755
Two-Bedroom		
Independence Village Existing	-	-
Competitor Range	825-1,485	\$1,219-\$2,941
Homes/Cottages/Villas		
Independence Village Existing	870-1,292	\$1,342-\$1,708
Competitor Range	776-2,646	\$1,225-\$4,100

- The 3 IL communities interviewed that fall outside of the MA report an average IL occupancy of 92%. According to the NIC MAP Vision® Data Service, as of 2Q2023, the national average IL occupancy is 87%.
- IHS's monthly rates fall in line with the other rental cottage product that does not include a meal, housekeeping, or linen in its monthly service fee. IHS falls well below the other rental cottage product that includes meals, housekeeping, and linen in its monthly service fee.
- Two of the competitors interviewed offer an entrance fee option and their pricing is presented in the bottom table at left.

Entrance Fee Providers

	Entrance Fee	Monthly Service Fee
One-Bedroom		
Chateau Girardeau (LifeCare/50% Refundable)	\$60,060-\$72,650	\$2,098-\$2,310
Farmington Presbyterian Manor (75% Refundable)	\$32,000	\$715
Two-Bedroom		
Chateau Girardeau (LifeCare/50% Refundable)	\$90,043-\$166,089	\$2,470-\$3,973
Farmington Presbyterian Manor (75% Refundable)	\$42,000-\$44,000	\$747-\$783
Homes/Cottages/Villas		
Chateau Girardeau (LifeCare/50% Refundable)	\$187,500-\$255,000	\$1,358
Farmington Presbyterian Manor (75% Refundable)	\$44,000-\$49,000	\$783-\$846

Summary & Supply

Assisted Living & Memory Care

- The market area assisted living occupancy is 84% according to the Missouri Department of Health and Senior Services (MDHSS) as of 1Q2023.
- The AL gross market penetration rates are above benchmark in the current year and in 2027, which could indicate the AL market may be saturated through 2027. However, the MC gross market penetration rates are well below national benchmarks which is a favorable indicator.
- The unit potential calculations and penetration rates do not show any demand for any additional AL units but do indicate the market could likely add and absorb up to 20 assisted living memory care units.
- There are no known planned projects.

Summary of AL Providers

	Square Feet	Monthly Service Fee	Level of Care Fees
Studio			
Independence Court Existing	320	\$3,133	\$130-\$330
Competitor Range	176-570	\$3,496-\$5,323	\$120-\$856
One-Bedroom			
Independence Court Existing	460-605	\$3,770-\$4,106	\$130-\$330
Competitor Range	336-570	\$4,275-\$5,859	\$120-\$856
Two-Bedroom			
Independence Court Existing	677	\$4,410	\$130-\$330
Competitor Range	609-1,007	*	\$120-\$856

Summary of MC Providers

	Square Feet	Monthly Service Fee	Level of Care Fees
Studio			
Competitor Range	233-309	\$7,300-\$7,400	Inclusive

Assisted Living:

- The 2 competitors interviewed who provided an occupancy, report an average AL occupancy of 94%. According to the NIC MAP Vision® Data Service, as of 2Q2023, the national average occupancy for AL is 83%.
- IHS' AL fees fall below the competitors interviewed.

Memory Care:

- The competitors interviewed report an average MC occupancy of 86%. According to the NIC MAP Vision® Data Service, as of 2Q2023, the national average occupancy for MC is 83%.
- The two MC competitors offer studio units at a monthly rate of \$7,300-\$7,400 that is inclusive of care.

Summary

Nursing Home

- IHS's occupancy is 69% and the MA occupancy was 65% (according to Centers for Medicare & Medicaid Services) indicating excess capacity among the MA nursing homes.
- IHS's primary payor source is private/other, unlike the MA, county, state, and nation whose primary payor source is Medicaid.
- The MA penetration rates are above the state and national benchmarks. This combined with the trend of declining nursing home demand as consumers and payors shift preference to home and community-based services results in an excess of nursing home beds in the market area.
- IHS's nursing home units are a mix of private and semi-private.

Existing Unit Configuration & Occupancy

IHS Unit Configuration					
Building, Care Level, Type	Year Built	Size (Sq Ft)	Monthly Fee	Units	Occupancy
Independence Village					July 2023
Independent Living	2001-2005				100%
Duplex Unit		870-1,292	\$1,342-\$1,708	8	
Subtotal				8	
Independence Court (Licensed for 75 Residential Care Beds)					
Assisted Living	1969 (1998 reno)				
Studio		320	\$3,133	15	
1-Bedroom Apartment		460-605	\$3,772-\$4,106	27	75%
2-Bedroom Apartment		677	\$4,410	2	
Subtotal			LOC: \$130-\$330	44	
Independence Care Center					
Skilled Nursing	1997				
Private			\$194-\$206 Per Day	16	
Semi-Private			\$174 Per Day	95	
Creative Care (Dementia Unit)	2018				65%
Private			\$194 Per Day	2	
Semi-Private			\$180 Per Day	20	
Subtotal				133	
Total Campus				185	

Occupancy				
Segment	2021	2022	YTD 2023	
Independence Village (IL)	100%	100%	100%	
Independence Court (AL)	66%	63%	75%	
Independence Care Center (NH)	65%	66%	69%	

Average Age, LOS & Turnover			
Segment	Admission Age	Length of Stay	Annual Turnover
Independent Living	80.0	1.5 Years	11%
Assisted Living	86.5	2.0 Years	55%
Nursing Home	86.2	2.4 Years	26%

Independence Health Systems is a not-for-profit continuum of care located across from City Park in Perryville, MO. IHS offers independent living, assisted living, and nursing care services on a 13-acre campus with a focus on providing an alternative living concept that older adults and their families can feel positive about.

Independent Living

Independence Village: A total of 8 duplex units.

All IL residents receive 24-hour emergency monitoring, all utilities (except phone), full kitchen with electric appliances; refrigerator, electric range, dishwasher, garbage disposal, washer, and dryer, as well as access to programs and activities.

Assisted Living

Independence Court: 15 studios, 27 one-bedroom, and 2 two-bedroom, for a total of 44 AL apartments that can serve up to 75 residents.

Included in the monthly fee are amenities such as three daily meals, all utilities (except phone), weekly linen and housekeeping service, 24-hour emergency response, social activities, wellness programming, and more.

Nursing Care

Independence Care Center: 133 licensed skilled nursing beds with 16 private beds, 95 semi-private beds, and a 22-bed "Creative Care" Alzheimer's dementia unit.

Available services include 24-hour nursing care, physical therapy, occupational therapy, recreational therapy, speech therapy, and routine medical visits by attending physicians and medical professionals.

The average age of residents at admission is 80 for IL and ~86 for AL & NH with an ALOS of 1.5 to 2.4 years. IL has the lowest rate of turnover at 11% while AL has the highest at 55%.

Recommendations

- Consider adding additional independent living and assisted living memory care to the campus
- Consider downsizing the nursing home, converting semi-private units to private units

Next Steps

- Proceed with tasks defined in the strategic planning engagement:
 - ✓ Facility assessment
 - ✓ Financial modeling
 - ✓ Project visioning, prioritization, and programming
- Continue to monitor the market area and adjacent area for future projects, what they are offering, the pricing, fill-up, and occupancy.
- If a project is pursued, we recommend consumer research to understand what the seniors desire in unit and community amenities and what price they will pay. Consumer research in the form of surveys, telephone interviews, or focus groups can help determine a number of factors including:
 - Interest in the proposed project
 - Perception of architectural renderings of buildings, unit types, unit sizes, unit layouts
 - Perception of proposed contract types, fee structure, and amenities



SECTION

Market Area Overview,
Demographics, & Data

Market Area Definition

The market area is defined as the geographic region from which the facility can expect to draw the highest concentration of residents.

Senior living residents typically relocate from within 10 miles of their previous permanent residence. Generally speaking, anywhere from 50% to 90% of a facility's residents are drawn from the market area. This percentage, referred to as the market draw, will vary depending upon several factors including, but not limited to:

- A facility's reputation within a community
- A facility's relationship with referral sources in the market area
- Physical barriers such as rivers and other bodies of water, hilltops and mountainsides, interstates, and major roadways. These barriers may not only serve to make access to a facility difficult, but may also increase travel time to a facility, possibly rendering the facility a less desirable option for the resident or their family.
- Psychological barriers such as a state or county's political borders that residents of an area are reluctant to cross in order to receive services. These boundaries can also include differences in ethnic and social backgrounds.
- Size of the market area
- Appeal of the community
- Competitive environment

The reason a percentage of the residents come from outside the market area can be attributed to the following factors:

- A desire of the senior to be closer to family
- A desire to return to an area of former residence
- Reputation of the facility
- Desirability of the area as a retirement destination

The MA definition for Independence Health Systems, Inc. was identified based on analysis of the facility's resident admissions by zip code, existing competitive offerings, driving distances and travel times to the campus, and discussion with management.

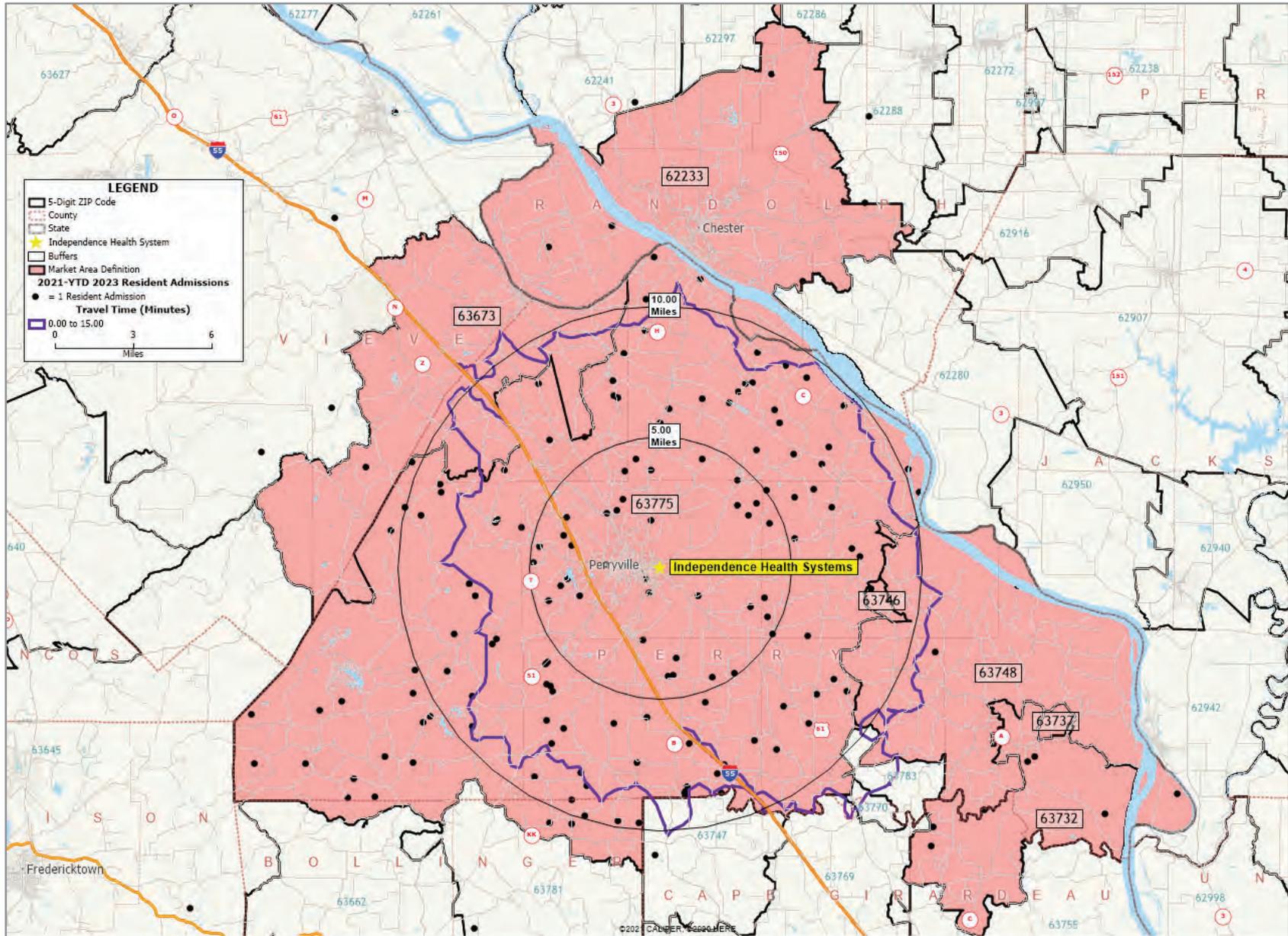
Market Area Definition

The market area represents the zip codes from which IHS primarily draws. The MA consists of 7 zip codes around the community. The MA falls predominantly in Perry County with small areas falling in the neighboring counties of Bollinger, Cape Girardeau, St. Genevieve, and Randolph (Illinois). All the MA zip codes fall on or within a 15-mile radius. The table below identifies the defined market area as identified by management and used throughout this market analysis.

Independence Health Systems - Market Area Definition																
Zip	City	Independence Village (IL)				Independence Court (AL)				Independence Care Center (NH)				All Admissions		
		2021	2022	2023	Total	2021	2022	2023	Total	2021	2022	2023	Total	Total	% of Total	
Site:																
63775	Perryville, MO	0	1	2	3	10	12	6	28	34	56	25	115	146	53%	
Other:																
63732	Altenburg, MO	0	0	0	0	3	1	0	4	1	1	0	2	6	2%	
62233	Chester, IL	0	0	0	0	1	0	1	2	1	1	1	3	5	2%	
63748	Frohna, MO	0	0	0	0	0	2	0	2	0	1	0	1	3	1%	
63673	Saint Mary, MO	1	0	0	1	0	0	0	0	0	0	0	0	1	0%	
63746	Farrar, MO	0	1	0	1	0	0	0	0	0	0	0	0	1	0%	
63737	Brazeau, MO	0	0	0	0	0	0	0	0	0	0	0	0	0	0%	
Total MA Admissions		1	2	2	5	13	15	6	34	35	58	25	118	157	57%	
Total Admissions Outside MA		1	1	0	2	4	6	2	12	35	51	17	103	117	43%	
Total Admissions		2	3	2	7	17	21	8	46	70	109	42	221	274	100%	

Source: Resident origin data provided by management for 2021-2023

Market Area Definition



Market Area Demographics

The following market area information is from the US Census Bureau data, the American Hospital Directory, and Claritas' Senior Life Report for the market area, the State of Missouri, and the United States. The data is based on 2000 and 2010 census data. The reports present actual 2000 and 2010 census, 2023 estimated, and 2028 projected data. The report's demographic data also utilizes American Community Survey data available from the US Census Bureau.

The total population is projected to decrease 0.71% in the market area from 2023 to 2028. Missouri's population is projected to increase 1.06% for the same time period, and the United States is projected to increase 2.14%.

Demographics - Population				
	2010 Actual	2023 Estimate	2028 Projected	Population Percent Change 2023 - 2028
MA				
MA Population (all ages)	30,465	28,307	28,106	-0.71%
Age 45 - 54	4,609	3,448	3,280	-4.87%
Age 55 - 64	3,638	3,769	3,459	-8.22%
Age 65 - 74	2,173	3,181	3,666	15.25%
Age 75 - 84	1,437	1,642	1,679	2.25%
Age 85 and over	758	783	823	5.11%
Total Age 45-64	8,247	7,217	6,739	-6.62%
Total Age 65+	4,368	5,606	6,168	10.02%
Total Age 75+	2,195	2,425	2,502	3.18%
Missouri				
Missouri Population (all ages)	5,988,924	6,182,064	6,247,302	1.06%
Age 45 - 54	888,616	712,884	722,002	1.28%
Age 55 - 64	723,273	797,337	735,170	-7.80%
Age 65 - 74	450,437	686,297	798,213	16.31%
Age 75 - 84	274,033	337,475	360,197	6.73%
Age 85 and over	113,799	137,042	145,956	6.50%
Total Age 45-64	1,611,889	1,510,221	1,457,172	-3.51%
Total Age 65+	838,269	1,160,814	1,304,366	12.37%
Total Age 75+	387,832	474,517	506,153	6.67%
United States				
United States Population (all ages)	308,745,377	334,500,069	341,662,969	2.14%
Age 45 - 54	45,007,049	40,326,341	40,905,599	1.44%
Age 55 - 64	36,483,203	42,279,362	41,105,842	-2.78%
Age 65 - 74	21,713,602	35,621,821	41,540,430	16.62%
Age 75 - 84	13,061,023	17,492,925	19,284,050	10.24%
Age 85 and over	5,493,433	6,886,666	7,428,004	7.86%
Total Age 45-64	81,490,252	82,605,703	82,011,441	-0.72%
Total Age 65+	40,268,058	60,001,412	68,252,484	13.75%
Total Age 75+	18,554,456	24,379,591	26,712,054	9.57%

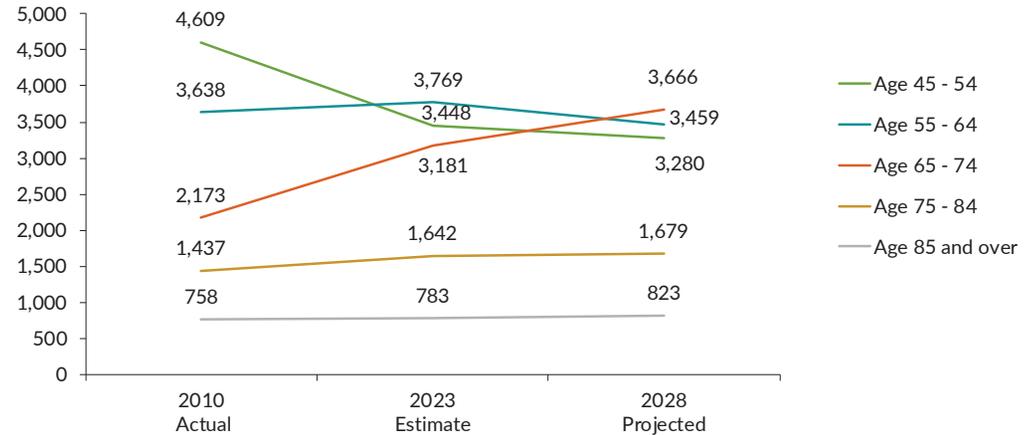
Source: Claritas

Market Area Demographics

Adult Children

The population age 45-64 represents adult children. This age group captures adult children of the senior population that could provide financial support and personal care to their parents and potentially influence the decision to utilize senior care and living services. This age group is projected to decrease 6.62% for the MA from 2023 to 2028. Missouri is projected to decrease 3.51%, and the United States is projected to decrease 0.72% for the same time period. The 2023 percentage of 45-64 in the MA is 25% compared to 24% in Missouri and 25% in the US.

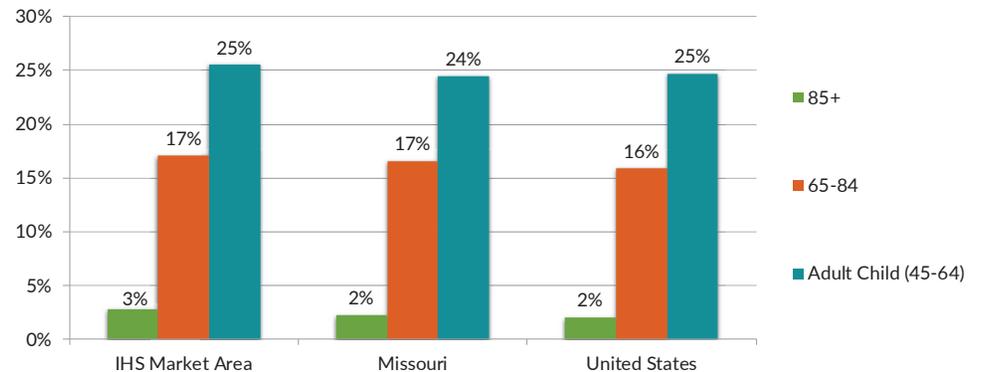
Age Trends in the Market Area



Seniors

The market area senior age group (age 65+) is projected to increase 10.02% for the MA from 2023 to 2028, and Missouri is projected to increase 12.37% during the same time period. The United States is projected to increase 13.75%. Of the seniors aged 65+, the largest age cohort is the 65-74 group. Seniors aged 75+ are projected to increase by 3.18% in the MA while Missouri is expected to increase by 6.67% and the US is expected to increase by 9.57%. As the baby boomers continue to move into the 65+ age groups, which began in 2011, the proportion of seniors aged 65-74 is projected to increase for the market area, Missouri, and the US as a whole. The majority of the country's older population is projected to be relatively young, aged 65-74, until around 2034, when all baby boomers will be over the age of 70. (Source: U.S. Census Bureau). The 2023 percentage of 65-84 in the MA is 17% compared to 17% in Missouri and 16% in the US. The 85+ in the MA is 3% and is 2% in Missouri and the US.

Generations as a % of Total Population in Market Area in 2023



Market Area Demographics

Adult Children

Children and/or other relatives of seniors can often play a substantial role in where a senior chooses a retirement community. Market areas where there are large concentrations of persons in the 45 to 64 age group can often support a larger supply of seniors housing than would be indicated through analysis of seniors already residing in the area alone would. This is because an in-migration of seniors into markets with large adult child populations is common, as the elderly often relocate to a community near their adult children or other relatives.

Adult Population (45-64)			
Item	Market Area	Missouri	United States
Total Population			
2023 Population	28,307	6,182,064	334,500,069
Adult Child (45-64 Population)			
2023 Population Age 45-64	7,217	1,510,221	82,605,703
2023 Age 45-64 Pop. as % of Total Pop.	25.5%	24.4%	24.7%
75+ Population			
2023 Population 75+	2,425	474,517	24,379,591
2023 Age 75+ Pop. As % of Total Pop.	9%	8%	7%
Ratio of Adult Children to Population 75+			
2023 Population 45-64	7,217	1,510,221	82,605,703
2023 Population 75+	2,425	474,517	24,379,591
Ratio of Adult Children to Population 75+	3.0	3.2	3.4

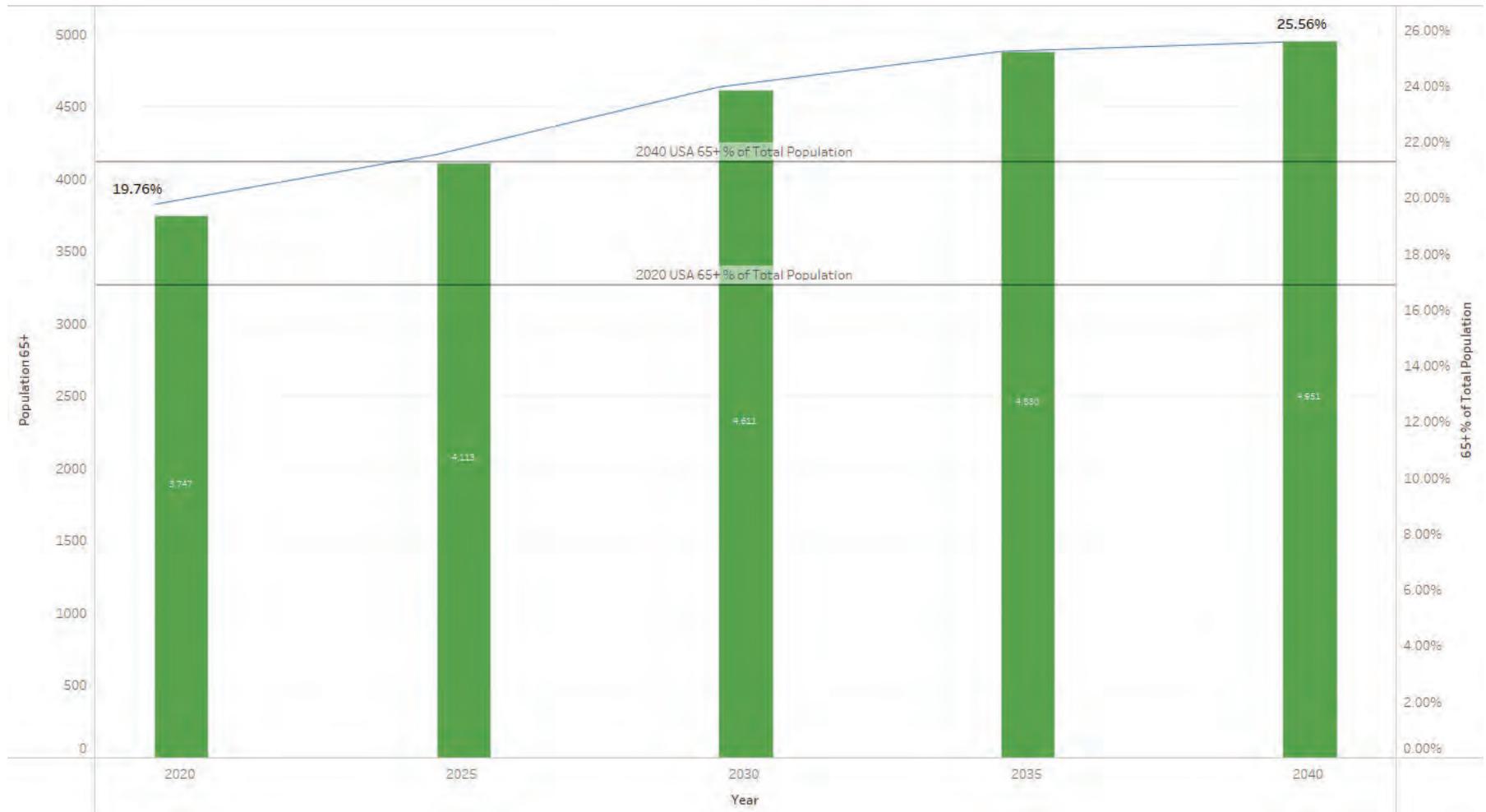
The market area's proportion of adult children (ages 45-64) to population 75+ (3.0) is lower than the state (3.2) and the nation as a whole (3.4).

Demographics – County Level

Since the MA data is only available 5 years into the future, these two slides present population projections at the county level through 2040.

The following graph shows the expected growth in the age 65+ population cohort from 2020-2040 as well as the share of the total population that this 65+ demographic will comprise. Perry County is projected to grow its 65+ populations by 32% over this time period while the nation is expected to grow 42%.

Perry County has a larger percentage of its total population that is aged 65+ compared to the US average in 2020. It is expected to exceed the US average % of total population over the age of 65 in 2040 as well where the population over 65 will make up 25.56% of Perry County's total population.

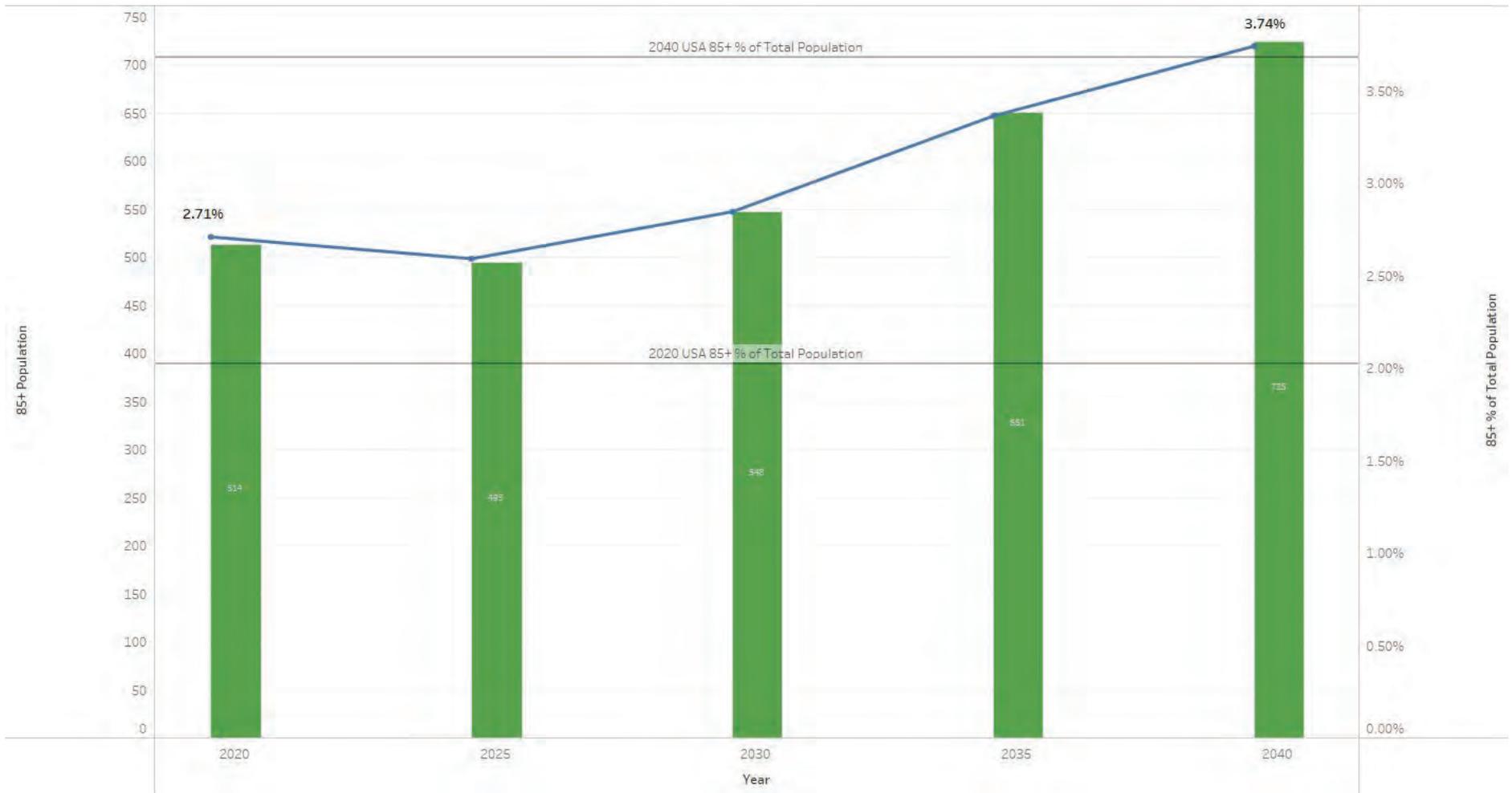


Demographics – County Level

The following graph features the same long-term 2020-2040 demographic projections, but this time focuses on the 85+ population.

Perry County is projected to grow its 85+ populations by 41% over that time period while the nation is expected to grow 105%.

Perry County has a larger percentage of its total population that is aged 85+ compared to the US average in 2020. It is expected to remain above the US average % of total population over the age of 85 in 2040 when the population over 85 will make up 3.74% of Perry County’s total population.





Market Area Demographics

The tables on this slide show the household income by age of householder for all zip codes in the market area for 2000 actual, 2023 estimated, and 2028 projected.

Demographics - Household Income by Age

	2023 Estimated	2028 Projected	Percent Change 2023 - 2028
Total Households:	10,601	10,628	0.25%
Total Households 45 - 64	3,810	3,550	-6.82%
Total Households 65+	3,483	3,830	9.96%
Total Households 75+	1,567	1,625	3.70%
Median HH Income:			
Householder Age 45 - 54	\$ 85,571	\$ 99,091	15.80%
Householder Age 55 - 64	\$ 74,533	\$ 87,850	17.87%
Householder Age 65 - 74	\$ 55,965	\$ 66,998	19.71%
Householder Age 75 - 84	\$ 41,966	\$ 46,593	11.03%
Householder Age 85 and over	\$ 34,296	\$ 35,653	3.95%

Income Thresholds for Households Age 75+

Household Income \$35,000+	889	973	9.45%
% of Households Age 75+	57%	60%	
Household Income \$50,000+	581	695	19.62%
% of Households Age 75+	37%	43%	
Household Income \$75,000+	328	435	32.62%
% of Households Age 75+	21%	27%	

Income Thresholds for Households Age 45 - 64

Household Income \$75,000+	2,011	2,146	6.71%
% of households age 45-64	53%	60%	
Household Income \$100,000+	1,457	1,640	12.56%
% of households age 45-64	38%	46%	

Source: Claritas

Demographics - Households by Income

	2023 Estimate	2028 Projected	Percent Change 2023 - 2028
Householder Age 45 - 64			
Income less than \$15,000	338	249	-26.33%
Income \$15,000 - \$24,999	240	176	-26.67%
Income \$25,000 - \$34,999	201	174	-13.43%
Income \$35,000 - \$49,999	296	223	-24.66%
Income \$50,000 - \$74,999	724	582	-19.61%
Income \$75,000 - \$99,999	554	506	-8.66%
Income \$100,000 - \$124,999	567	536	-5.47%
Income \$125,000 - \$149,999	304	343	12.83%
Income \$150,000 - \$199,999	408	502	23.04%
Income \$200,000 or more	178	259	45.51%
	3,810	3,550	-6.82%

Householder Age 65 - 74

Income less than \$15,000	131	127	-3.05%
Income \$15,000 - \$24,999	196	185	-5.61%
Income \$25,000 - \$34,999	189	203	7.41%
Income \$35,000 - \$49,999	338	316	-6.51%
Income \$50,000 - \$74,999	360	379	5.28%
Income \$75,000 - \$99,999	244	280	14.75%
Income \$100,000 - \$124,999	144	174	20.83%
Income \$125,000 - \$149,999	80	120	50.00%
Income \$150,000 - \$199,999	99	158	59.60%
Income \$200,000 or more	135	263	94.81%
	1,916	2,205	15.08%

Householder Age 75+

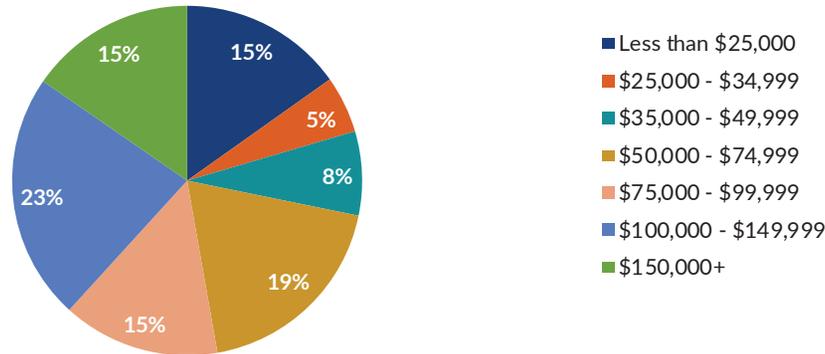
Income less than \$15,000	153	148	-3.27%
Income \$15,000 - \$24,999	289	258	-10.73%
Income \$25,000 - \$34,999	236	246	4.24%
Income \$35,000 - \$49,999	308	278	-9.74%
Income \$50,000 - \$74,999	253	260	2.77%
Income \$75,000 - \$99,999	132	152	15.15%
Income \$100,000 - \$124,999	73	83	13.70%
Income \$125,000 - \$149,999	39	56	43.59%
Income \$150,000 - \$199,999	43	64	48.84%
Income \$200,000 or more	41	80	95.12%
	1,567	1,625	3.70%

Source: Claritas

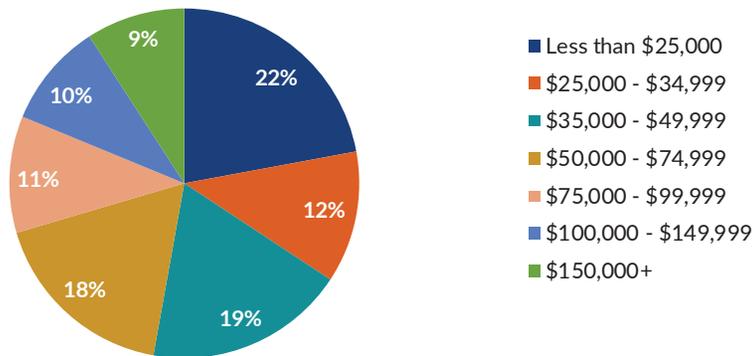
Market Area Demographics

Total households and senior households (ages 65+ and 75+) are projected to increase in the market area while adult children households (ages 45-64) are projected to decrease. The predominant household income levels for the 45-64 households in the market area is the \$100,000 - \$149,999 range (23%). The predominant household income level in 2023 for the 65+ households is the less than \$25,000 cohort (22%). The 75+ households predominant household income level in 2023 is also the less than \$25,000 cohort (28%), which may reflect an increased number of retirees who are now on a fixed income.

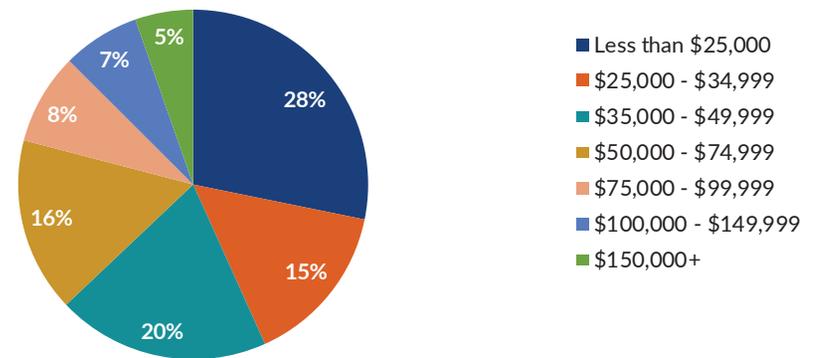
2023 HH Income 45-64



2023 HH Income 65+



2023 HH Income 75+





Market Area Demographics

Net Worth

The weighted average net worth among HH 75+ is \$570,487. 1,071 or 73% of the 75+ HH have a net worth greater than \$150,000. Net worth can help fund senior living. Saint Mary has the highest average net worth among HH 75+. Perryville, the subject location, has the highest number of high net worth (\$150,000+) senior HH aged 75+.

Net Worth in the Market Area																												
Zip Code	City	2023 Average Net Worth	2023 Average Net Worth: HHr 75+	2023 Households Age 75+ with Net Worth of:										Total														
				<\$15,000	\$15,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000 - \$249,999	\$250,000 - \$499,999	\$500,000 - \$999,999	\$1,000,000+															
63673	Saint Mary, MO	\$ 1,293,206	\$ 1,340,784	4	-	1	3	3	10	26	30	10	29	116														
62233	Chester, IL	\$ 423,213	\$ 599,643	19	4	3	15	18	32	82	98	36	59	366														
63748	Frohna, MO	\$ 500,560	\$ 488,427	4	1	1	2	2	4	22	14	8	4	62														
63775	Perryville, MO	\$ 423,814	\$ 467,970	55	11	10	33	27	114	273	202	73	71	869														
63732	Altenburg, MO	\$ 326,278	\$ 440,473	3	-	1	2	2	3	16	9	7	2	45														
63737	Brazeau, MO	\$ 423,754	\$ 342,813	-	-	-	-	-	-	-	-	-	-	-														
63746*	Farrar, MO	*	*	*	*	*	*	*	*	*	*	*	*	-														
Total				85	16	16	55	52	163	419	353	134	165	1,458														
												Total HH Net Worth \$150k+	1,071															
<table border="1"> <thead> <tr> <th colspan="4">2023 Weighted Average Net Worth</th> </tr> </thead> <tbody> <tr> <td>Market Area</td> <td>\$</td> <td>493,086</td> <td>\$</td> <td>570,487</td> </tr> <tr> <td>USA</td> <td>\$</td> <td>909,261</td> <td>\$</td> <td>1,125,382</td> </tr> </tbody> </table>															2023 Weighted Average Net Worth				Market Area	\$	493,086	\$	570,487	USA	\$	909,261	\$	1,125,382
2023 Weighted Average Net Worth																												
Market Area	\$	493,086	\$	570,487																								
USA	\$	909,261	\$	1,125,382																								

Source: ESRI

Net Worth equals total household assets less any debts, secured or unsecured. Assets include ownership of homes, rental properties, business, individual retirement accounts (IRAs) and Keogh accounts, pension plans, stocks, mutual funds, and motor vehicles. Examples of secured debt include home mortgages and vehicle loans; unsecured debt includes credit cards and other bills or certain bank loans.

*PO Box - No data available

Market Area Demographics

Housing Unit Values

- The predominant housing unit value across all ages in the market area in 2023 is the \$200,000-\$299,999 range. It is projected to be the \$200,000-\$299,999 range in 2028 also.
- Median owner-occupied housing unit value is \$187,109 in 2023 and is projected to increase to \$202,522 in 2028.
- 77% of households aged 75+ in the MA own a home compared to 74% in Missouri and 74% in the US as a whole.

Demographics - Owner-Occupied Housing Unit Values				
	2023 Estimated	Percent	2028 Projected	Percent
Value less than \$20,000	186	2.38%	151	1.93%
Value \$20,000 - \$39,999	195	2.50%	189	2.41%
Value \$40,000 - \$59,999	207	2.65%	189	2.41%
Value \$60,000 - \$79,999	380	4.86%	311	3.97%
Value \$80,000 - \$99,999	487	6.23%	368	4.69%
Value \$100,000 - \$149,999	1,551	19.85%	1,395	17.79%
Value \$150,000 - \$199,999	1,182	15.13%	1,260	16.07%
Value \$200,000 - \$299,999	1,806	23.12%	1,805	23.02%
Value \$300,000 - \$399,999	870	11.14%	912	11.63%
Value \$400,000 - \$499,999	414	5.30%	527	6.72%
Value \$500,000 - \$749,999	352	4.51%	456	5.82%
Value \$750,000 - \$999,999	91	1.16%	151	1.93%
Value \$1,000,000 or more	92	1.18%	126	1.61%
	7,813	100.00%	7,840	100.00%
Median Owner-Occupied Housing Unit Value	\$187,109		\$202,522	
Percent of Owner-Occupied HH Age 75+	77%		77%	

Source: Claritas
* Difference due to rounding



Note:

All types of owner-occupied housing (single family, condominiums, and townhomes) are included.

Market Area Data

Home Sales

- This table shows the MA average value of homes as determined by the Zillow Home Value Index and the change over the past year from August 2022 to July 2023.
- The average home value aligns with the estimated 2023 median owner-occupied housing unit value of \$187,109 as reported on the previous page.
- The zip code with the highest average home value is the Frohna zip code.

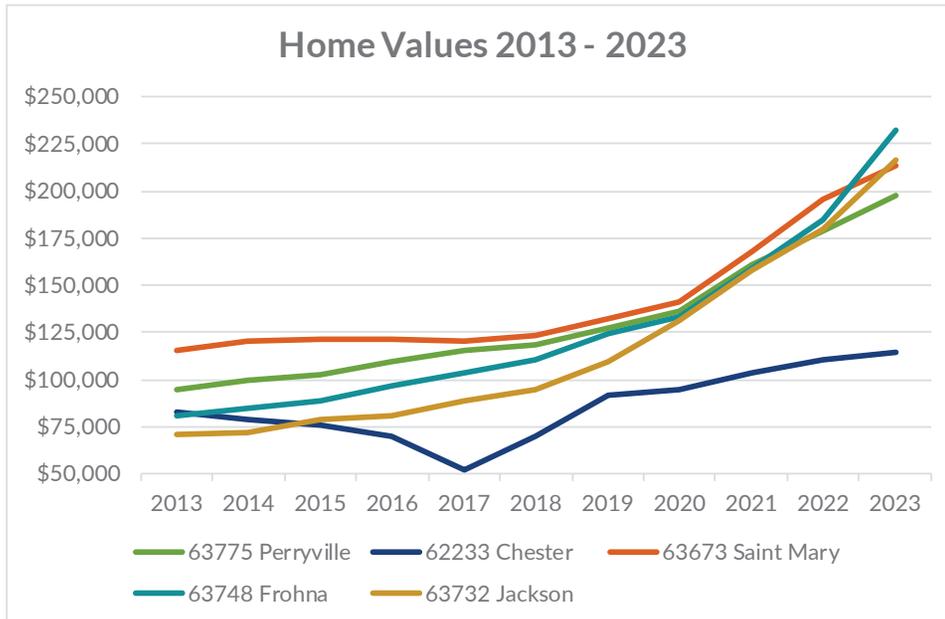
Home Sales			
Zip Code	City	Zillow Home Value Index	% Change Over Past Year
63748	Frohna, MO	\$232,369	25.2%
63732	Altenburg, MO	\$216,700	20.3%
63673	Saint Mary, MO	\$213,865	9.2%
63775	Perryville, MO	\$197,276	10.1%
62233	Chester, IL	\$114,839	4.5%
63737	Brazeau, MO	*	*
63746	Farrar, MO	*	*
Market Area Average		\$182,832	13.9%

Source: Zillow Home value Index

*No data available

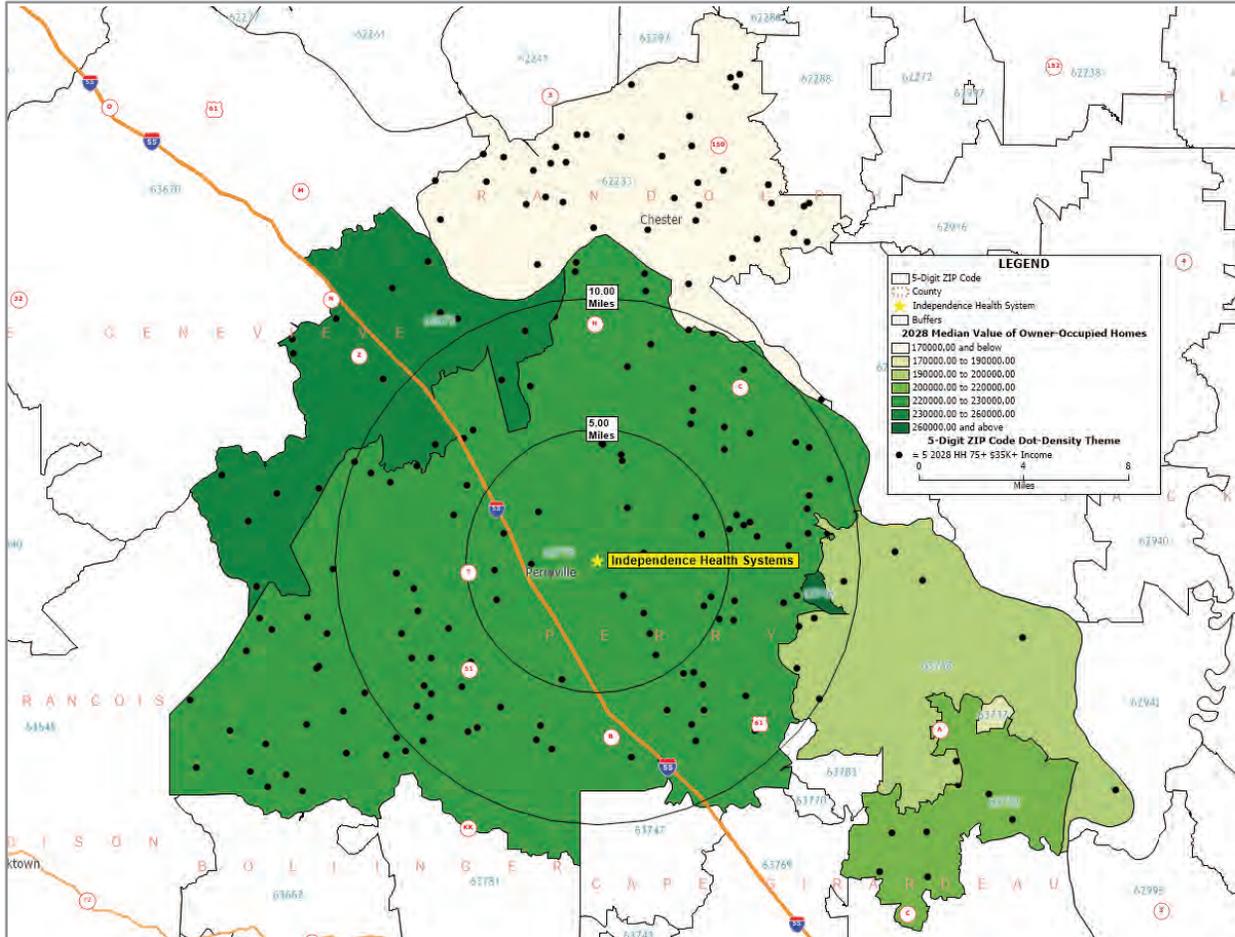
Note:

- The chart shows that the Zillow Home Value Index for all of the market area has been steadily increasing since 2017.



Market Area Demographics

Dot Density: Senior Households Age 75+, Income \$35K+



Zip Code	2028 Median Value of Owner-Occupied Homes	2028 HH 75+ \$35K+ Income
63775	\$221,460	590
62233	\$134,475	202
63673	\$231,583	85
63748	\$191,222	53
63732	\$212,357	38
63746	\$262,289	3
63737	\$173,958	2

Note:

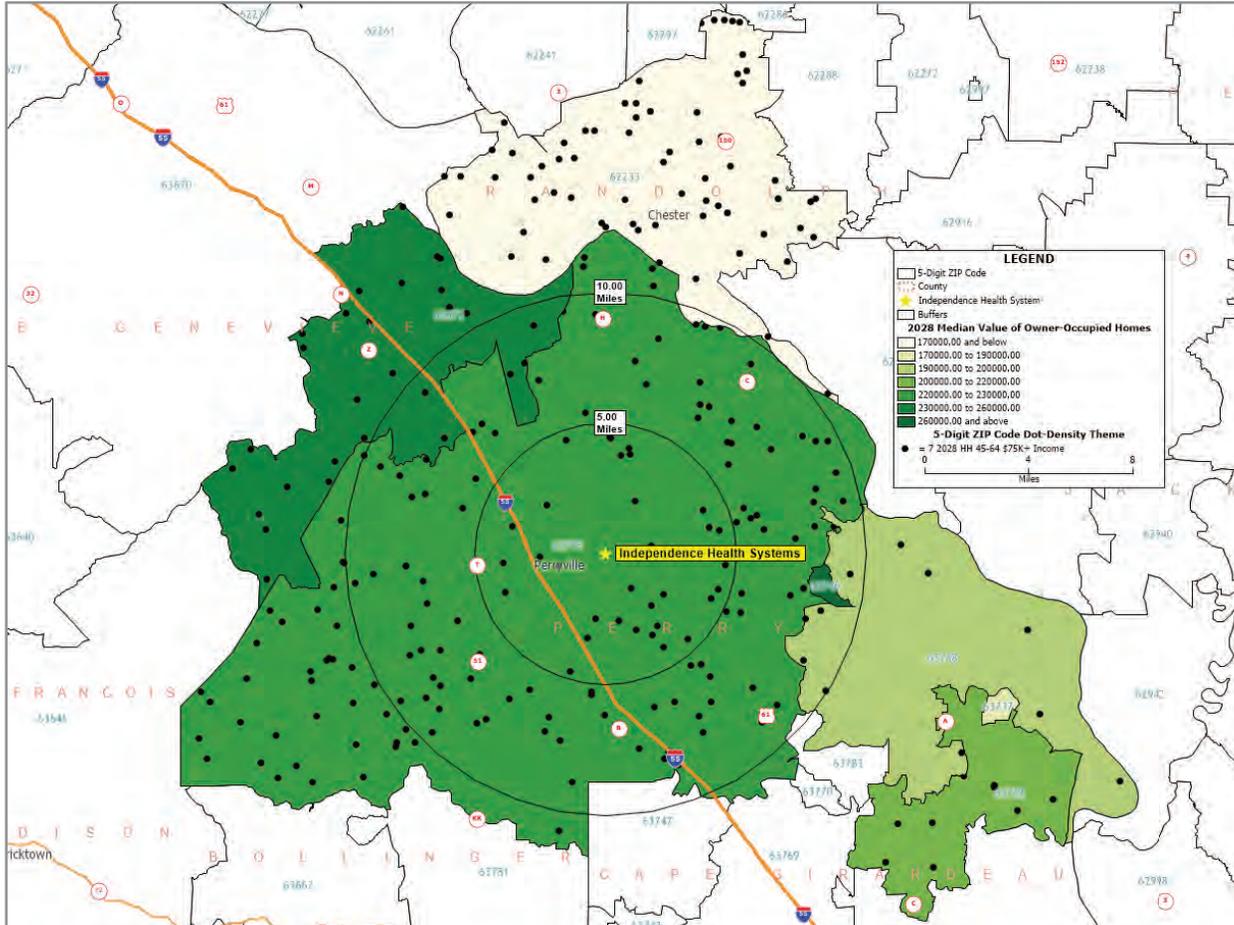
- The dot density, which represents the qualified senior households, is scattered randomly across each zip code.
- Zip codes with a higher median home value appear darker green.

Comments:

The zip codes with the highest number of qualified households include 63775 (Perryville), 62233 (Chester), and 63673 (Saint Mary). The top zip codes based on median home value are 63746 (Farrar), 63673 (Saint Mary), and 63775 (Perryville).

Market Area Demographics

Dot Density: Adult Children Households Age 45-64, Income \$75K+



Zip Code	2028 Median Value of Owner-Occupied Homes	2028 HH 45-64 \$75K+ Income
63775	\$221,460	1,271
62233	\$134,475	499
63673	\$231,583	216
63748	\$191,222	85
63732	\$212,357	68
63746	\$262,289	5
63737	\$173,958	2

Note:

- The dot density, which represents the qualified adult children households, is scattered randomly across each zip code.
- Zip codes with a higher median home value appear darker green.

Comments:

The zip codes with the highest number of qualified adult children households (age 45–64 and incomes greater than \$75,000) include 63775 (Perryville), 62233 (Chester), and 63673 (Saint Mary).

Market Area Demographics

Employment and Top Employers

Across the country, unemployment rates were low from 2018 through early 2020, when the economy shut down due to COVID. The unemployment rates in Perry County, Missouri, and the US as a whole spiked in April 2020. Unemployment rates have improved since. In June 2023, Perry County falls below both Missouri and the US as a whole.

The area has a strong employer base with the top employers being in automotive and food manufacturing, healthcare, education, and retail.

Labor - Top Employers - Perry County	
Employer	Employees
TG Missouri Corporation	1,625
Gilster-Mary Lee	1,300
Perry County Memorial Hospital	400
Perry County School District #32	317
Wal-Mart Supercenter #82	199
Buchheit, Inc	148
East Perry Lumber Company	85
West Star Aviation	60

Source: Perry County Economic Development Authority

Labor - Unemployment Rates							
	2018	2019	2020	2021	2022	April 2020	June 2023
Perry County	2.4%	2.6%	5.6%	3.0%	2.1%	17.4%	2.9%
Missouri	3.2%	3.2%	6.1%	4.1%	2.5%	10.6%	3.3%
United States	3.9%	3.7%	8.1%	5.3%	3.6%	14.7%	3.6%

Source: U.S. Bureau of Labor Statistics (data.bls.gov)

Market Area Demographics

Labor Analysis

The average weekly wage for staff at senior living, NAICs code 623, is below the overall average weekly wage for all industries excluding Leisure and Hospitality, other services, and information but including Education and Health Services (of which NAICs code 623 is a subset). This, along with the recovering unemployment rate, may make it difficult to attract and retain staff for the senior living.

Labor - Quarterly Census of Employment and Wages: Perry County

Industry	Quarterly Establishments	October Employment	November Employment	December Employment	Total Quarterly Wages	Average Weekly Wage
Natural resources and mining	10	51	45	47	\$ 527,716	\$ 852
Construction	75	608	592	588	\$ 14,400,334	\$ 1,859
Manufacturing	38	2,577	2,595	2,574	\$ 30,555,337	\$ 910
Trade, transportation, and utilities	130	1,966	1,982	2,000	\$ 24,404,637	\$ 947
Information	6	32	30	31	\$ 290,064	\$ 720
Financial activities	49	402	397	401	\$ 9,108,401	\$ 1,752
Professional and business services	51	612	599	578	\$ 6,486,123	\$ 837
Education and health services	110	724	689	700	\$ 7,656,653	\$ 836
Leisure and hospitality	46	665	635	624	\$ 3,012,335	\$ 361
Other services	43	224	217	220	\$ 1,344,078	\$ 469
	558	7,861	7,781	7,763	\$ 97,785,678	\$ 954

*Included in Education and Health Services:
NAICS 623 Nursing and residential care facilities

8	232	227	226	\$ 2,152,103	\$ 725
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Source: Bureau of Labor Statistics

Demographics: Work Force to Seniors at the County Level

The following table features the long-term 2020-2040 demographic projections at the national and county level and compares the work force (ages 20-64) to the senior 75+ population.

The nation’s work force (ages 20-64) is projected to grow 6% from 2020 to 2040 while Perry County’s is projected to decrease 2% during the same time period.

The nation’s 75+ population is projected to grow 93% and Perry County’s is projected to grow 57%.

The nation’s ratio of work force to senior population will decrease 45% from 2020 to 2040 while Perry County’s ratio of work force will decrease 38%. Perry County’s ratio of 3.9 in 2040 is lower than the nation as a whole. This indicates labor pressures will most likely continue into the future.

US Work Force Population (in Thousands)					Perry County Work Force Population (in Thousands)				
	2020	2030	2040	Growth from 2020-2040		2020	2030	2040	Growth from 2020-2040
Total Population	332,639	355,101	373,528	12%	Total Population	19.0	19.2	19.4	2%
Work Force (20-64 Population)					Work Force (20-64 Population)				
Population Age 20-64	194,140	197,846	206,713	6%	Population Age 20-64	10.5	10.4	10.3	-2%
Age 20-64 Pop. as % of Total Pop.	58%	56%	55%		Age 20-64 Pop. as % of Total Pop.	55%	54%	53%	
75+ Population					75+ Population				
Population 75+	23,262	34,451	44,946	93%	Population 75+	1.7	2.1	2.6	57%
Age 75+ Pop. As % of Total Pop.	7%	10%	12%		Age 75+ Pop. As % of Total Pop.	9%	11%	14%	
Ratio of Work Force to Population 75+					Ratio of Work Force to Population 75+				
Ratio of Work Force to Population 75+	8.3	5.7	4.6	-45%	Ratio of Work Force to Population 75+	6.3	4.9	3.9	-38%

Source: Projected 5-Year Age Groups and Sex Composition: Main Projections Series for the United States, 2017-2060. U.S. Census Bureau, Population Division: Washington, DC.

Source: Long-Term Population Projections by County prepared by Woods & Poole Economics

Note:

- 2000 to 2020 was the era of labor abundance due to having both the boomer and millennial workforces in the market concurrently.
- In the 2020s, boomers are retiring, and the subsequent generations are not close to keeping up with providing enough new workers to take their place.



SECTION

Hospitals

Market Area Hospitals

There are two hospitals located in the MA, and they are presented in the table below:

Market Area Hospitals						
Hospital	Location	Type of Control	Driving Distance to Facility	Type	Acute Beds	Inpatient Origin Top 5 Zip Codes
Hospitals within the Market Area						
1 Perry County Memorial Hospital	63775 - Perryville	NFP	1.1 miles	Critical Access	25	63775, 63673, 63755, 63662, 63732
2 Memorial Hospital	62233 - Chester	GOV	15.6 miles	Critical Access	25	62233, 62288, 62272

Source: American Hospital Directory (www.ahd.com)

Note: Table excludes mental health and children's hospitals.

Hospital Discharge Data

The following data was obtained from AHD.com (American Hospital Directory). The discharge destination data represents Medicare fee for service population only. The Medicare Advantage population is presented on a consolidated basis at the bottom of the table. Detailed discharge destination data for the Medicare Advantage population is not available. Note that hospital Medicare discharges to NHs is reported by AHD.com for fiscal years ending on September 30th. Over the four years presented:

- The percentage of Medicare discharges to SNFs have grown
- Total hospital discharges have declined
- Medicare Advantage discharges have grown

Hospital Medicare Discharges																
	Perry County Memorial Hospital								Memorial Hospital							
	2019	%	2020	%	2021	%	2022	%	2019	%	2020	%	2021	%	2022	%
Skilled Nursing Facilities	72	11%	81	18%	136	25%	121	26%	40	22%	59	26%	45	33%	27	23%
Home	387	58%	214	47%	242	45%	241	51%	91	51%	101	44%	50	36%	53	45%
Other Acute Care Hospitals	69	10%	59	13%	59	11%	33	7%	-	0%	17	7%	-	0%	-	0%
Deaths	-	0%	-	0%	12	2%	-	0%	-	0%	-	0%	-	0%	-	0%
Other	144	21%	100	22%	86	16%	79	17%	48	27%	50	22%	43	31%	37	32%
Total Medicare Discharges	672	100%	454	100%	535	100%	474	100%	179	100%	227	100%	138	100%	117	100%
Other Discharges Not Included in Total Medicare Advantage (HMO)	74	10%	69	13%	121	18%	145	23%	52	23%	45	17%	53	28%	47	29%
Total FFS + Medicare Advantage	746		523		656		619		231		272		191		164	

Source: ahd.com. Information is taken from the Medicare Provider Analysis and Review (MedPAR) file which is updated annually by CMS based on the federal fiscal year. The file includes billing data for 100% of all Medicare fee-for-service claims for discharges during the twelve months ending September 30.
* Differences due to rounding

Hospital Discharge Data

The tables below present the top nursing homes that receive Medicare referrals from the major hospitals in the market area. IHS ranked 3rd for Perry County Memorial Hospital and did not rank for Memorial Hospital.

Perry County Memorial Hospital Discharges to SNFs (Medicare only)

Skilled Nursing Facility Name	City	Total Referrals
1 Perry County Memorial Hospital Swing Bed Unit	Perryville	119
2 Estates of Perryville (FKA Perry Oaks Manor)	Perryville	16
3 Independence Nursing Home (FKA Perry County Nursing Home)	Perryville	12
4 Ste Genevieve County Memorial Hospital Swing Bed Unit	Sainte Genevieve	N/A
5 Riverview at the Park	Ste Genevieve	N/A
6 Monticello House	Jackson	N/A
7 Lutheran Home - Skilled Nursing	Cape Girardeau	N/A
8 Madison Medical Center Swing Bed Unit	Fredericktown	N/A
9 Ratliff Care Center	Cape Girardeau	N/A
10 Fountainbleau Lodge - Skilled Nursing	Cape Girardeau	N/A

Memorial Hospital Discharges to SNFs (Medicare only)

Skilled Nursing Facility Name	City	Total Referrals
1 Memorial Hospital Swing Bed Unit	Chester	30
2 Coulterville Rehabilitation & Health Care Center	Coulterville	N/A
3 Three Springs Lodge	Chester	N/A
4 Red Bud Regional Care Rehabilitation and Senior Living	Red Bud	N/A
5 Randolph County Care Center	Sparta	N/A
6 Sparta Community Hospital Swing Bed Unit	Sparta	N/A
7 Freeburg Care Center	Freeburg	N/A
8 Oak Hill Senior Living and Rehabilitation Center	Waterloo	N/A

Source: Definitive Healthcare. Medicare Data from 2021 Medicare SAF (1/1/2021-12/31/2021).

Note: Data sets with less than 11 claims/procedures are not reported due to CMS privacy requirements.

Hospital Discharge Data

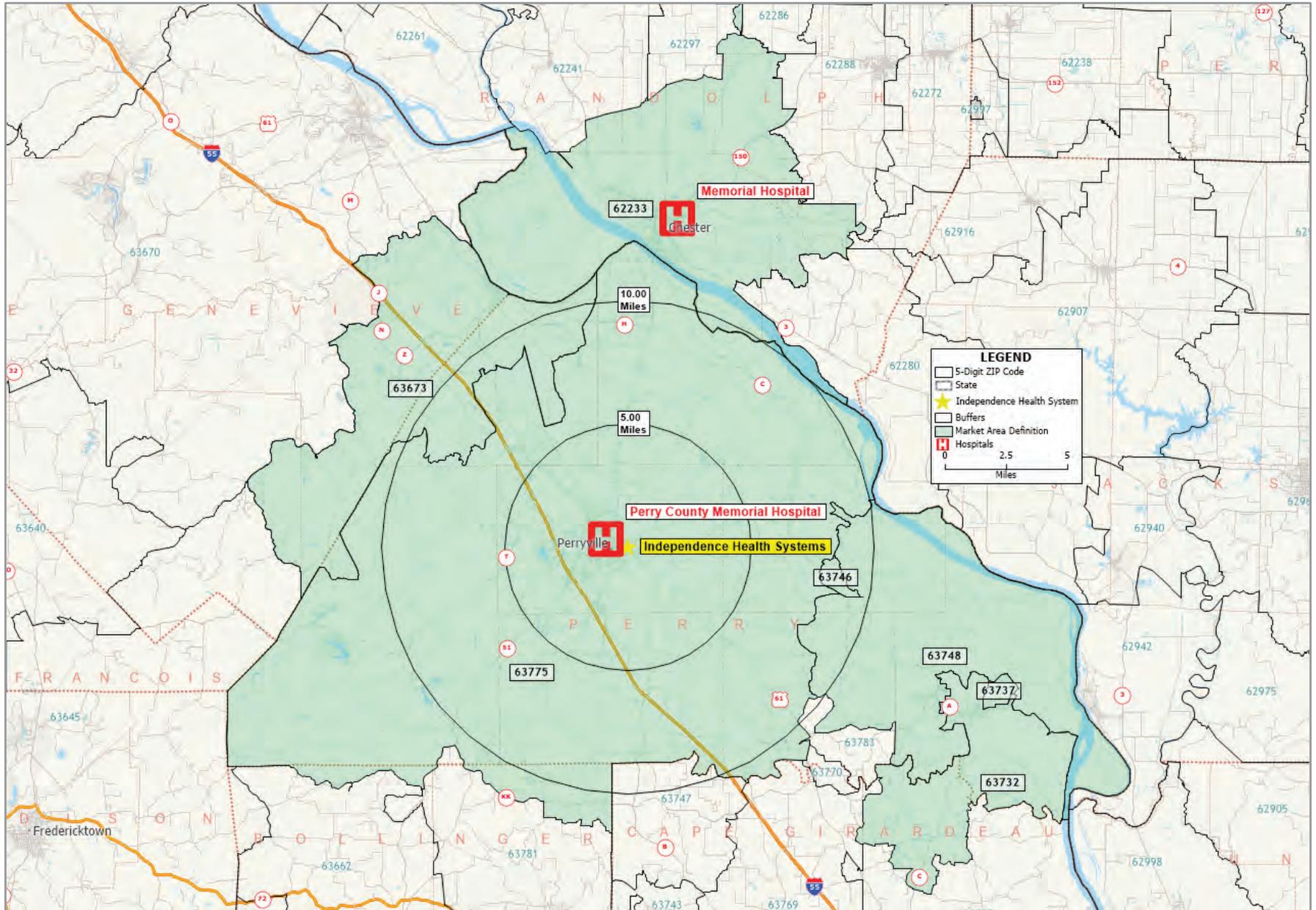
The following table shows the top hospitals that discharge Medicare patients to Independence Health Systems, Inc.

Hospital Discharges to IHS (Medicare only)		
Hospital Name	City	Total Referrals
1 Perry County Memorial Hospital	Perryville	12
2 Saint Francis Medical Center (AKA Saint Francis Healthcare System)	Cape Girardeau	N/A
3 SSM Health St Clare Hospital - Fenton	Fenton	N/A
4 Southeast Hospital	Cape Girardeau	N/A
5 Mercy Hospital South (FKA St Anthonys Medical Center)	St Louis	N/A
6 SSM Health Saint Louis University Hospital	Saint Louis	N/A
7 Mercy Hospital Jefferson (FKA Jefferson Regional Medical Center)	Festus	N/A
8 St Lukes Des Peres Hospital	Saint Louis	N/A

Source: Definitive Healthcare. Medicare Data from 2021 Medicare SAF (1/1/2021-12/31/2021).

Note: Data sets with less than 11 claims/procedures are not reported due to CMS privacy requirements.

Map of Market Area Hospitals



Admission Sources

The following table shows the top admission sources for all IHS’ residents as reported by management. Physician referrals and hospitals are the largest source of admissions, accounting for 77% of all admissions.

AL & NH Admissions by Source 2020 - YTD 2023		
Admission Source	Admissions	%
Physician Referral	36	45.6%
Hospital	25	31.6%
Other Senior Living	9	11.4%
Internal Transfer	9	11.4%
Total Admissions	79	100%
<i>Hospital & Physician Referrals % of Total Admissions</i>	<i>77%</i>	

Source: Management

Note:

The top reported hospital for NH admissions is Perry County Memorial Hospital.



SECTION
Competition

Market Area Competitors

This table presents the existing competitors in the market area along with the selected existing and planned competitors located outside of the market area. More detailed information is provided in the APPENDIX.

Primary Market Area Competitors								
Map Key	Property Name	Zip Code	Driving Distance	Independent Living	Assisted Living	Memory Care	Nursing Home	Total
Subject Community								
	Independence Health Systems	63775	-	8	44	0	133	185
Existing Competitors Within MA								
1	Perryville Senior Apartments	63775	1.3	33*	0	0	0	0
2	The Estates Of Perryville	63775	2.6	0	0	0	156	156
3	Holiday Residential Care	63775	2.6	0	20	0	0	20
4	Sycamore Village Apartments	63775	2.6	36*	0	0	0	0
5	Marian Cliff Residential Care Center	63673	14.0	0	66	0	0	66
6	The Manor At Craig Farms	62233	17.4	0	25	0	0	25
7	Three Springs Lodge Nursing Home	62233	17.9	0	0	0	83	83
Total Existing in MA				69*	111	0	239	350
Total Competitive in MA				8	155	0	372	535
Existing Competitors Outside MA								
8	St. Genevieve Care Center	63670	22.6	0	0	0	90	90
9	Jackson Manor	63755	29.4	0	0	0	90	90
10	Monticello House	63755	30.8	0	62	0	105	167
11	Capetown Senior Living	63701	32.8	32	24	16	0	72
12	The Chateau Girardeau	63703	35.2	124	55	0	75	254
13	Cedarhurst of Farmington	63640	39.1	0	52	21	0	73
14	Farmington Presbyterian Manor	63640	39.2	18	60	0	90	168
Total Existing Outside MA				174	253	37	450	914
Planned Competitors Outside MA								
12	The Chateau Girardeau	63703	35.2	0	6	0	0	6
15	Chateau Girardeau at Ramsay's Run	63701	38.6	37	0	0	0	37
Total Planned Outside MA				37	6	0	0	43

*These IL properties are affordable and therefore considered non-competitive and are shown for reference only and are not included the analysis.

Source: 2Q2023 NIC MAP Vision® Data Service, telephone interviews August 2023, Missouri and Illinois Departments of Health, Medicare Cost Report Data, various internet searches.

Market Area Competitor Nursing Homes

Nursing Home Star Rating, Occupancy & Payor Mix														
Provider Name	Zip Code	August 2023				Per Medicare Cost Reports								
		CMS Star Rating	Total Licensed Beds	Current Occupancy	Current Occupied Beds	Certified Beds	Occupancy	Estimated Occupied Beds	Estimated Occupied Medicaid Beds	Medicaid Share	Estimated Occupied Medicare Beds	Medicare Share	Estimated Occupied Private/Other Beds	Private/Other Share
Independence Care Center	63775	4	133	61%	81	133	75%	99	49	49%	3	3%	48	48%
The Estates Of Perryville	63775	1	156	63%	99	156	54%	85	72	85%	3	3%	10	12%
Three Springs Lodge Nursing Home	62233	4	83	69%	57	83	71%	59	35	59%	3	4%	22	37%
Market Area:		3.0	372	64%	237	Market Area Payor Mix:			64%		3%		33%	

Source: CMS, Star Pro, Medicare Cost Reports

The data above presents current Centers for Medicare & Medicaid Services (CMS) star ratings and licensed beds as well as occupancy and payor mix data as reported on the Medicare cost report data for IHS and the two market area competitors.

Independence Health Systems, Inc. has a 4-star rating. The market area average rating is 3.0.

As of August 2023, (according to CMS) the market area average occupancy was 64% and IHS's occupancy is 61%.

When comparing IHS's payor mix to that of the market area as a whole in 2020:

- 64% of NH residents in the MA were Medicaid compared to IHS's percentage of 49%.
- 3% of NH residents in the MA were Medicare compared to IHS's percentage of 3%.
- 33% of NH residents in the MA were Private/Other compared to IHS's percentage of 48%.

Payor Mix & Occupancy

Nursing Home Payor Mix and Occupancy						
	Independence Health Systems		Market Area	Perry County	Missouri	United States
	2020	YTD 2023	2020	2020	2020	2023
Medicare	3%	4%	3%	3%	8%	10%
Medicaid	49%	43%	64%	65%	58%	66%
Private/Other	48%	53%	33%	32%	34%	24%
Total	100%	100%	100%	100%	100%	100%
	2020	YTD 2023	August 2023			
Occupancy	75%	69%	64%	62%	68%	78%

Source: Medicare Cost Reports, Definitive, Kaiser State Health Facts, NICMAP, Management

Note:

In 2020, IHS's primary payor source was Medicaid, the same as the MA, county, state, and nation, however, in ytd 2023, IHS' primary payor source has become private/other.

IHS's occupancy falls above that of the MA and the county but is below the nation as a whole as of August 2023.

Future Developments

In order to identify any new senior living construction, the planning and zoning departments (PZ) in Perry, Ste. Genevieve, and Randolph Counties as well as the municipalities within the MA were interviewed. The following departments were interviewed:

The cities of Perryville, MO, Chester, IL, and the Village of St. Mary, MO.

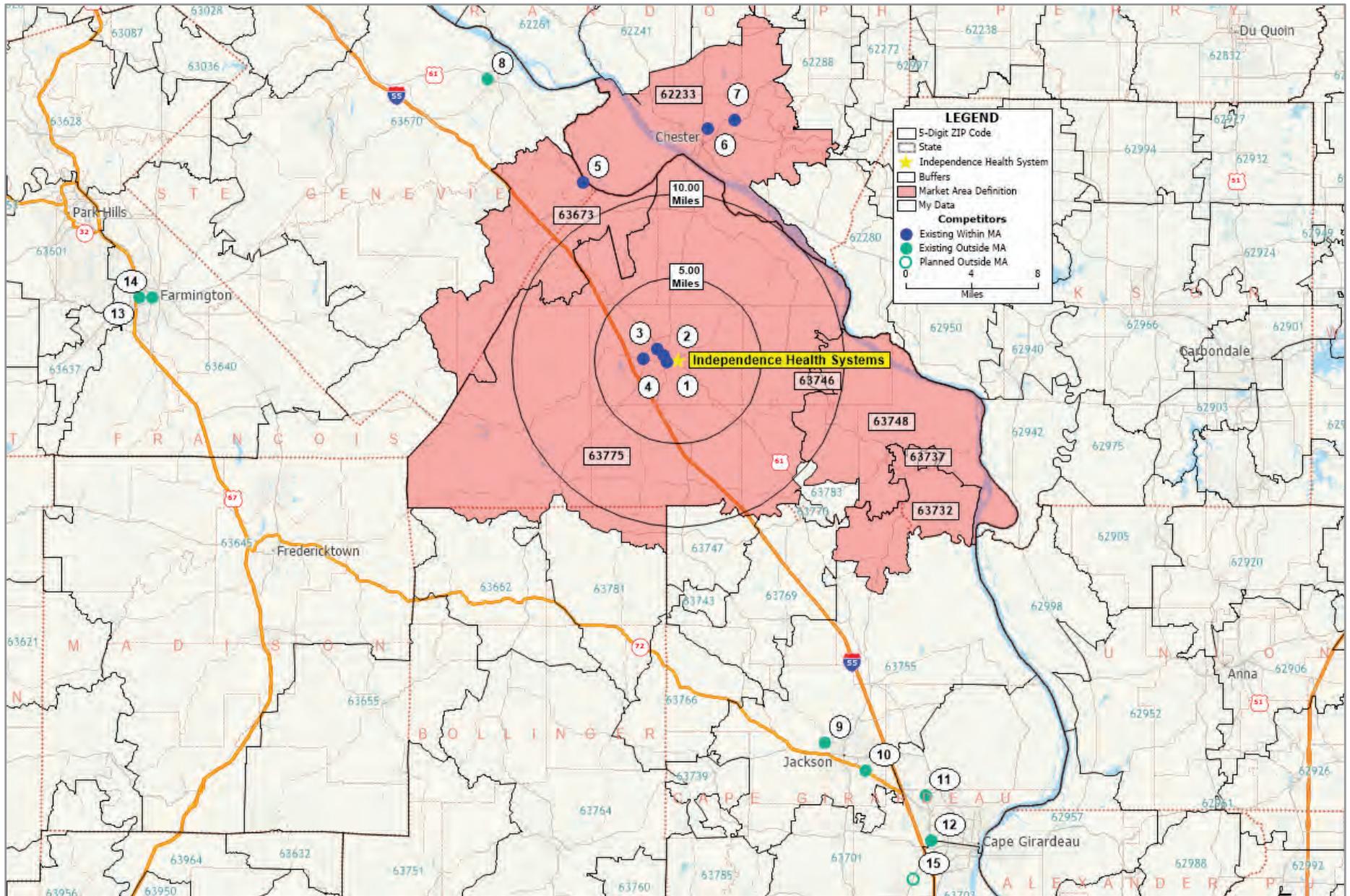
Both the Illinois and Missouri certificate of need databases, NIC Map® Dodge Data & Analytics, ConstructConnect (Insight), and BuildCentral were also reviewed for senior living projects in the MA.

Per the inquiries and searches conducted, there were no planned projects identified within the MA.

Planned Projects Located Outside of the MA to Note:

- 1. The Chateau Girardeau:** The existing community reported an expansion of six additional assisted living units (all 2-bedroom).
- 2. Chateau Girardeau at Ramsay's Run:** Chateau Girardeau's representative indicated that they recently purchased 57 acres of land along Broomfield Road adjacent to the Dalhousie Golf Club to develop a sister campus called Ramsay's Run. This campus will include a total of six phases of future developments, but at this time, 37 independent living cottages are confirmed as planned. These new cottages will have an entrance fee starting price of \$300,000. They are taking reservations for these new cottages that will be built as sold, 3 cottages are expected to be available by October 2023.
- 3. Monticello House:** This existing community reports their assisted living wing consisting of 62 units is currently closed as the sprinkler systems needed to be replaced. They are hoping to have the assisted living units back on-line by Spring of 2024.

Map of Market Area Competitors





SECTION

Unit Potential &
Penetration Rates



Independent Living Market Analysis

Independent Living Overview

Independent Living (IL): Independent living is designed for seniors who pay for some services (for example, meals, housekeeping, transportation) as part of a monthly fee or rental rate, and who require little, if any, assistance with activities of daily living (State of Seniors Housing).

- Independent living facilities may be stand alone or part of a LifePlan or continuing care retirement community (CCRC). Continuing care retirement communities feature a combination of independent living units with assisted living (and/or Alzheimer's) beds, and/or nursing beds.
- Independent living senior communities are dependent on the local real estate market. To fund their move, often the senior will typically sell his or her current home to move into the retirement community.
- Competitive independent living facilities are defined as those facilities that offer services in addition to housing and charge market rate fees. Low income or subsidized housing, as well as housing that does not offer services (Active Adult Communities or AACs), are excluded from the competitive analysis.

The most common types of LifePlan or CCRC contracts are:

- **Extensive Care Contract (Type A)** - A resident typically pays an up-front fee and an on-going monthly fee in exchange for the right to lifetime occupancy of an independent living unit and certain services and amenities. Residents who require assisted living or nursing care may transfer to the appropriate level and continue to pay essentially the same monthly fee they had been paying for independent living. Type A contracts are almost always associated with not-for-profit CCRCs and are called “extensive care contracts” by some. Although fees may increase over time, they are not to do so because care needs have changed.
- **Modified Contract (Type B)** - A resident typically pays an up-front fee and an on-going monthly service fee for the right to stay in an independent living unit and receive certain services and amenities. A modified contract obligates a CCRC to provide the appropriate level of assisted living or nursing care to residents who entered independent-living units (as in an extensive care contract), but only for a specified period of time at a specified rate that may or may not be tied directly to the independent living rate.
- **Fee-For-Service Contract (Type C)** - Requires an entrance fee but does not include any discounted health care or assisted-living services. Typically, current residents receive priority admission or guaranteed admission for these services, but residents who require assisted living or nursing care pay the regular per diem rate paid by those admitted from outside the CCRC.
- **Rental CCRC** - Residents pay no up-front entry fee at the time of occupancy of an independent living unit, and the resident pays the prevailing market rate for the level of care provided (State of Seniors Housing).

IHS is a rental community.

Independent Living Unit Potential Assumptions

Market Rate Independent Living Analysis Assumptions	
Year of Opening	2025 is the assumed opening year for a potential project and represents the first year in which a project will open.
Stabilized Occupancy Year	2027 is the assumed stabilized occupancy year and represents the first year in which a project will reach the desired occupancy point.
Age	75+ is the minimum age for the unit potential analysis. The demand for independent living is generally applied to households aged 75 and over. This calculation is conservative in the fact that it does not consider those prospective residents under the age of 75.
Households	The number of households is used as the base unit in estimating IL demand.
Income Level	Minimum household income level used for estimating the number of income-qualified households in the MA: \$35,000 is assumed to be the minimum income of residents living in market rate independent living. The 2023 HUD income limit for Perry County is \$33,000, rounded to \$35,000 after adjusting for inflation. \$35,000 is conservative in the fact that seniors with incomes below the minimum levels may have assets from homeownership and other investments they could use to afford IL. According to Claritas, 77% of households 75+ in the MA will own their own home in 2027. In addition, families can provide support to the seniors.
Penetration Rate (likely to Move)	Assume 3% of the qualified population is likely to move to independent living, based on industry benchmarks.
Adjustment for MA Draw	Assume 75% MA draw. 70 - 90% is typical for IL product.
Adjustment for Occupancy	Assume a 95% stabilized occupancy rate.

Independent Living Unit Potential

All Contract Types

Market Rate Independent Living Unit Potential

Stabilized
Occupancy Year
\$35,000+
2027

Penetration Rates

3%

Estimated number of age- and income-qualified households (1)	956
Less existing inventory of IHS IL units (2)	8
Less existing and planned inventory of competitive IL units (3)	0
Estimated net number of age- and income-qualified households	949
Estimated penetration rate (4)	3.0%
Estimated IL demand	28
Adjusted for 95% occupancy	95%
Percentage of project units to be filled from the MA	75%
Calculated IL Unit Potential	39
Rounded Unit Potential	40

Note:

The calculated unit potential is 40 units.

(1) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual income \$35,000+ in 2027.

(2) IHS existing units are adjusted for 95% occupancy.

(3) There are no known existing or planned competitive units.

(4) The estimated penetration rate (likely to move) of 3% is applied.

Independent Living Unit Potential

Entrance Fee

Market Rate Independent Living Entrance Fee Unit Potential

	Stabilized Occupancy Year 2027
Estimated number of age- and income-qualified households (1)	736
Less existing inventory of IHS IL units (2)	8
Less existing and planned inventory of competitive IL units (3)	-
Estimated net number of age- and income-qualified households	729
Estimated penetration rate (4)	3.0%
Estimated IL demand	22
Adjusted for 95% occupancy	95%
Percentage of project units to be filled from the MA	75%
Calculated IL Unit Potential	31
Rounded Unit Potential	30

Note:

The calculated unit potential for entrance fee units is 30 units. This unit potential is a subset of the IL unit potential calculated on the previous page; the results are not additive.

(1) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual income \$35,000+ in 2027 who also own a home.

(2) IHS existing units are adjusted for 95% occupancy.

(3) There are no known existing or planned competitive units.

(4) The estimated penetration rate (likely to move) of 3% is applied.

Defining Penetration Rates

Penetration rates help measure the degree to which a market is either underserved or saturated. As penetration rates increase, units may become more difficult to fill. Penetration rates calculate the percentage of the qualified market that must be captured to achieve stabilized occupancy. The following slides calculate 3 independent living penetration rates:

- 1. Project Penetration Rate:** The percentage of the qualified households the Project would need to capture in the year of opening.
- 2. Net Market Penetration Rate:** The percentage of qualified households a Project, any other new projects, and existing vacant units would need to capture in the year of opening.
- 3. Gross Market Penetration Rate:** The percentage of qualified households all the facilities in the MA would need to capture in the current year and stabilized year.

Relative to benchmarks, a low penetration rate indicates potential for increased supply in the market area. Relatively high penetration rates indicate little potential, or a surplus of inventory in the market area. However, higher penetration rates are not always indicative of saturated markets. It is important to consider penetration rates in combination with other indicators of market potential. A market area's attractiveness as a retirement destination, tendency to remain in the area for retirement, proximity to family, and other factors can affect the demand for senior living services. Additionally, quality, design, size, age, and attractiveness of the existing supply in the market area as well as occupancy of existing supply are other factors to consider in conjunction with penetration rates.

For purposes of this analysis, a 40-unit project will be tested in the subsequent penetration rates.

Independent Living Penetration Rates

Project Penetration Rate

Market Rate Independent Living Project Penetration Rate	
Age 75+ and Income \$35,000+	
Year of Opening 2025	
Proposed project units	40
Adjusted for 95% occupancy	38
Percentage of project units to be filled from the MA	75%
Number of planned project units to be filled from MA (a)	29
Estimated number of age- and income-qualified households (1)	923
Less existing and planned inventory of competitive IL units (2)	8
Net age- and income-qualified households (b)	915
Project Penetration Rate (a/b)	3.2%
Industry benchmark of acceptable upper-range PP Rate	5.0%

(1) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual income \$35,000.

(2) Includes existing IL units at 95.0% occupancy, there are no known planned competitive units.

Note:

The project penetration rate indicates the percentage of qualified households the project would need to capture in the year of opening to achieve stabilized occupancy. Typically, project penetration rates at or below 5% are considered a favorable indicator of market potential. The calculated penetration rate is favorable for a 40-unit project.

Independent Living Penetration Rates

Net Market Penetration Rate

Market Rate Independent Living Net Market Penetration Rate	
Age 75+ and Income \$35,000+	
Year of Opening 2025	
Planned independent living units:	
Proposed project units (1)	29
Competitive planned independent living units (2)	-
Total planned independent-living units	29
Total existing independent living units available due to turnover (3)	2
Total independent living units to be occupied from the MA (a)	31
Estimated number of age- and income-qualified households (4)	923
Less existing independent living units (5)	8
Estimated net number of age- and income-qualified households (b)	915
Net market penetration rate (a/b)	3.4%
Industry benchmark of acceptable upper-range NMP Rate	10%

(1) Proposed project units adjusted for 95% occupancy and 75% MA draw.

(2) There are no known planned competitive units.

(3) Existing occupied units x 39.0% turnover and adjusted for MA draw. The turnover statistic of 39.0% represents median IL units and was obtained from State of Senior Housing.

(4) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual incomes \$35,000+ in 2025.

(5) Includes existing IL competitive units and existing IHS IL units at 95% occupancy.

Note:

The net market penetration rate indicates the percentage of qualified households a project, other planned units, and existing vacant units would need to capture in the year of opening to achieve stabilized occupancy. Typically, net market penetration rates at or below 10% are considered a favorable indicator of market potential. The calculated penetration rate is favorable for a 40-unit project.

Independent Living Penetration Rates

Gross Market Penetration Rate

Market Rate Independent Living Gross Market Penetration		
	Age 75+ and Income \$35,000+	
	Current Year 2023	Stabilized Occupancy Year 2027
Market inventory of competitive independent living units:		
Existing IHS IL Units (1)	8	8
Competitive existing IL units (2)	-	-
Proposed project units (3)	-	29
Competitive planned IL units (4)	-	-
Total independent living units in the MA (a)	8	37
Estimated number of age- and income-qualified households (5) (b)	889	956
Gross Market Penetration Rate (a/b)	0.9%	3.8%
Industry benchmark of acceptable upper-range GMP Rate	15%	

(1) Existing IHS units at 100% occupancy in the current year, and 95% occupancy in 2027.

(2) There are no known existing competitive units.

(3) Proposed project units adjusted for 95% occupancy and 75% MA draw.

(4) There are no known planned competitive units.

(5) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual incomes of \$35,000+ in 2023 and 2027.

Note:

The gross market penetration rate indicates the percentage of qualified households all the facilities in the MA would need to capture in the current year and year of stabilized occupancy to achieve stabilized occupancy. Typically, gross market penetration rates at or below 15% at the baseline income screen (\$35,000) are considered a favorable indicator of market potential. The calculated penetration rate is favorable for a 40-unit project. It is projected to increase with the addition of project units.



Assisted Living &
Memory Care
Market Analysis

Assisted Living & Memory Care Overview

Assisted Living (AL): Assisted Living is the long-term care option designed for frail seniors who need assistance with activities of daily living, but do not require continuous skilled nursing care (State of Seniors Housing 2017). Assisted living is offered in a variety of settings including freestanding communities, assisted living combined with independent living or nursing, or as part of a continuing care retirement community. The definition of assisted living units range from apartment style housing that looks and feels like an independent living setting with enhanced service options to skilled nursing rooms that have been converted to assisted living units and may appear differentiated from other skilled rooms only by their location in the facility or by their licensure. Independent living facilities may be stand alone or part of a LifePlan or continuing care retirement community (CCRC). Continuing care retirement communities feature a combination of independent living units with assisted living (and/or Alzheimer's) beds, and/or skilled nursing beds.

- Assisted living is licensed by state regulators and regulations vary state by state. In Missouri, assisted living and residential care facilities are licensed by the Missouri Department of Health and Senior Services (Title 19), Division of Regulation and Licensure (Division 30), Section for Long- Term Care Regulation (Chapters 81-91) as part of the Title XII Public Health and Welfare Law, Chapter 198.
- The Residential Care and Assisted Living Facilities Rules (19 CSR 30-83) define an assisted living or residential care facility as:
 - Assisted Living Facility (ALF): Any premises, other than an RCF, intermediate care facility, or skilled nursing facility, that is utilized by its owner, operator, or manager to provide 24-hour care and services and protective oversight to three or more residents who are provided with shelter, board, and who may need and are provided with the following:
 - Assistance with any activities of daily living and any instrumental activities of daily living;
 - Storage, distribution, or administration of medications; and
 - Supervision of health care under the direction of a licensed physician provided that such services are consistent with a social model of care.
 - Residential Care Facility (RCF): Any premises, other than an ALF, intermediate care facility, or skilled nursing facility, which is utilized by its owner, operator, or manager to provide 24-hour care to three or more residents, who are not related within the fourth degree of consanguinity or affinity to the owner, operator, or manager of the facility and who need or are provided with shelter, board, and protective oversight.
 - Services may include storage and distribution or administration of medications and care during short-term illness or recuperation. Residents are required to be physically and mentally capable of negotiating a normal path to safety unassisted or with the use of assistive devices.
 - Any facility with an Alzheimer's special care unit is required to provide a document with information on selecting an Alzheimer's special care unit to any person seeking information about or placement in such a unit.

Missouri is a certificate of need (CON) state for assisted living and as of the 2nd quarter 2023, there are 2 licensed facilities in Perry County (IHS with 75 beds and Holiday Residential Care with 20 beds) for a total of 95 beds. The state has determined the county has additional bed need of 5 beds.

Assisted Living & Memory Care Overview

Many qualitative factors affect the demand for assisted living and memory care services, including:

1. Informal support networks and/or family caregiving affect the need for assisted living services.
2. Geographic areas differ widely in their offering of home and community-based services that can and may affect the rate at which persons enter an AL setting. The services can include access to homemakers' services, home delivered meals, and social services offered by community agencies or home healthcare agencies.
3. The degree to which the economy, the housing market, and employment have affected adult children of otherwise age/income eligible older adults may result in the sharing of a home and therefore assistance is provided to the parent by an available family member. Alternatively, these economic factors could result in decreased financial support of the seniors by their adult children.
4. Seniors often choose to relocate and utilize senior living near their adult children.

Assisted Living & Memory Care Unit Potential Assumptions

Market Rate Assisted Living & Memory Care Analysis Assumptions

Age Qualification	75+ is the household range. The demand for assisted living is generally applied to households aged 75 and over.
One-person Households	87.5% of AL residents are unmarried according to the Overview of Assisted Living. Therefore, this calculation applies a screen to calculate the one-person households based on data reported by the US Census for Perry County. The number of one-person households aged 75+ is adjusted up by adding a 10% factor to account for couples that may move into assisted living.
Disability	AL facilities serve individuals who need assistance with activities of daily living (ADLs) and instrumental activities of daily living (IADLS). Individuals above the age of 75 and that experience difficulty with concentrating or making decisions, walking, climbing stairs, dressing, or bathing due to physical, mental or emotional problems or that are blind or deaf are assumed to need assistance with IADLs or ADLs. Source: Americans with Disabilities and Survey of Income and Program Participation Dataset (2021)
Age, One-person, and Disabled Households	Represents the number of age, one-person, and disabled households in the MA.
Income Screen	\$35,000 is defined as the minimum income threshold for a resident to qualify for market rate assisted living. This is the income threshold used to compare penetration rates to industry benchmarks.
	\$60,000 is defined as the second minimum income threshold for a resident to qualify for market rate assisted living. This is based on the IHS private pay AL rate plus one level of care of \$3,900/month (or \$46,800/year), an adjustment for 2 years of inflation, and the assumption that 85% of income is spent on AL. Based on the income-only screen, 35% of households in the MA qualify for AL in 2027.
Income + Asset Screen	\$111,000 is defined as the minimum income threshold for a resident to qualify for market rate assisted living memory care. This is based on the selected competitor MC rate at Capetown Senior Living of \$7,300/month (or \$87,600/year), an adjustment for 2 years of inflation, and the assumption that 85% of income is spent on MC. Based on the income-only screen, 14% of households in the MA qualify for MC in 2027.
	In addition to the income screen in Step E above, homeowners with annual household income between \$25,000 and the income screens are considered eligible to afford the AL market rate. The Overview of Assisted Living report states the median annual income of assisted living residents is ~\$19,000. Claritas estimates of the 2023 median home values within the MA suggest there will be equity available for some of the age 75+ market in additional household income.
Qualified Households	\$187,109 is the median home value in 2023. 77% of households over the age of 75 own a home in the MA resulting in an additional 30% of qualified seniors for the market rate AL product and an additional 46% of qualified seniors for the market rate MC in 2027.
Competitive Adjustment	Represents the number of qualified households in the MA.
Likely to Move	Existing competitive facilities identified in the MA are represented at 95% occupancy. Planned units are adjusted for 95% occupancy and 75% market area draw.
Adjustment for MA Draw	Assume 10% of the qualified population is likely to move to memory care, based on industry benchmarks.
Adjustment for Occupancy	Assumed 75% for the adjustment for the MA draw. This represents the percentage of units filled from the MA.
	Assume 95% for the adjustment for the MA stabilized occupancy.

Assisted Living & Memory Care Unit Potential

Assisted Living & Memory Care Unit Potential					
Estimation of AL & MC Age, One-person, Disabled Households				2027	
Age Qualified Households (A)	75 - 79			691	
	80+			923	
				<u>1,614</u>	
One-person Households (B)	75 - 79	66%		456	
	80+	66%		609	
				<u>1,065</u>	
Disability Qualification (C)	75 - 79			51.8%	
	80+			67.2%	
Age, One-person, Moderately Disabled Households (D = B x C)	75 - 79			236	
	80+			409	
				<u>645</u>	
Total Pool of Assisted Living and Memory Care Households				645	
				Assisted Living	Memory Care
Estimation of Households by Care Level (see MC calc on MC table)				436	209
Income and Assets Qualification					
				Assisted Living	Memory Care
				Income Screen: \$60,000+	Income Screen: \$111,000+
% of HH earning \$60,000 for AL and \$111,000 for MC				35%	14%
% of Owner-Occupied HH earning \$25,000 up to income threshold (defined above)				30%	46%
Based on Income (E = D x %)				<u>153</u>	<u>30</u>
Based on Income + Homeowner (F = D x %)				<u>131</u>	<u>97</u>
Total Age, One-person HH, Disabled, and Income Qualified (G)				284	127
Less: Competitive Adjustments at occupancy (H)				<u>147</u>	<u>-</u>
Net Qualified Households				<u>137</u>	<u>127</u>
Unit Potential				0%	10%
Net Qualified Households Income				<u>137</u>	<u>127</u>
Likely to Move (I)				-	13
Adjusted for MA Draw (J)				-	17
Adjusted for Occupancy (K)				-	<u>18</u>
Unit Potential				<u>-</u>	<u>18</u>
Rounded Unit Potential				-	20

Note:

The results show potential for up to:

- 0 AL units given the above benchmark (unfavorable) gross market penetration rate calculations on the subsequent pages.
- 20 MC units

Memory Care (only) Estimation of Qualified Households

Assumptions

To calculate the memory care qualified households, a memory impairment screen is applied instead of a disability screen.

Memory Care Unit Potential				2023	2027
Age Qualified Households (A)	75 - 84			1,110	1,132
	85+			457	481
				<u>1,567</u>	<u>1,613</u>
One-person Households (B)	75 - 84	66%		733	747
	85+	66%		302	317
				<u>1,035</u>	<u>1,064</u>
Memory Care Qualification (C)	75 - 84			13.4%	13.4%
	85+			34.4%	34.4%
Age, One-person, Moderately Disabled Households (D = B x C)	75 - 84			98	100
	85+			104	109
				<u>202</u>	<u>209</u>

Assisted Living & Memory Care Project Penetration Rates

Project Penetration Rate

Project penetration is the percentage of age, income, and health need-qualified households in the market area that the project would need to capture in the year of opening. 2025 is the assumed year of opening. The number of 2025 qualified households are interpolated from the qualified households calculated on the previous page.

The following penetration rate calculations test a 20-unit MC project.

Market Rate Assisted Living & Memory Care Project Penetration	
	Memory Care
	Income Screen: \$111,000+
	Year of Opening: 2025
Number of proposed project units	20
Adjusted for 95% occupancy (project stabilized occupancy)	19
Percentage of project units to be filled from the MA	75%
Number of planned project units to be filled from MA (a)	<u>14</u>
Estimated number of age-, need- and income-qualified households (1)	122
Less existing and planned inventory of competitive AL units (2)	-
Estimated net number of age-, need- and income-qualified households (b)	<u>122</u>
Project Penetration Rate (a/b)	<u>11.5%</u>
Industry Benchmark of Acceptable Upper Range	<u>10% - 12%</u>

(1) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual income \$111,000+ for MC in 2025.

(2) Existing units adjusted for 95% occupancy.

Note:

The calculated project penetration rates fall within the benchmark range for the project units tested which is a favorable indicator of market potential.

Assisted Living & Memory Care Project Penetration Rates

Gross Market Penetration Rate

Gross market penetration is the percentage of age, income, and health need-qualified households in the market area that the total market would need to absorb for the competitive properties in the entire market to achieve stabilized occupancy. The number of qualified households are calculated in the previous tables.

Market Rate Assisted Living GMP				
	\$35,000+		\$60,000+	
	2023	2027	2023	2027
Market inventory of competitive assisted living units:				
Existing IHS AL & MC Units (1)	33	42	33	42
Competitive existing AL & MC units (2)	93	105	93	105
Assumed project units (3)	-	-	-	-
Planned projects (4)	-	-	-	-
Total assisted living units in the MA (a)	126	147	126	147
Number of qualified households (b) (Unit Potential Table)	293	310	279	293
Gross Market Penetration Rate (a/b)	43%	48%	45%	50%
Industry Benchmark of Acceptable Upper Range GMP Rate	40%			

(1) Existing IHS units at 75% occupancy in the current year, and 95% occupancy in 2027.

(2) Existing competitive units in the MA are adjusted for 84% occupancy in the current year, and 95% occupancy in 2027.

(3) There are no projects planned by IHS at this time.

(4) No planned competitor AL projects.

Market Rate AL Memory Care GMP				
	\$35,000+		\$111,000+	
	2023	2027	2023	2027
Market inventory of competitive AL Memory Care units:				
Existing IHS AL Memory Care Units (1)	-	-	-	-
Competitive existing AL Memory Care units (2)	-	-	-	-
Assumed project units (3)	-	14	-	14
Planned projects (4)	-	-	-	-
Total AL Memory Care units in the MA (a)	-	14	-	14
Number of qualified households (b) (Unit Potential Table)	139	148	116	127
Gross Market Penetration Rate (a/b)	0%	9%	0%	11%
Industry Benchmark of Acceptable Upper Range GMP Rate	40%			

(1) There are no existing MC units at IHS

(2) There are no existing MC competitor units.

(3) IHS planned project units at 95% occupancy and 75% MA draw.

(4) No planned competitor MC projects.

Assisted Living:

The calculated gross market penetration rates falls above the benchmark range in the current year and future year under the first income threshold.

It is projected to increase with the assumed improvement in occupancy of existing product to 95%. The 2027 gross market penetration rates are projected to be well above the benchmark which indicates a high volume of AL in this market.

Memory Care:

The calculated gross market penetration rates in the current year reflects that there is no existing memory care product in the market.

It is projected to increase with the addition of new project units. The 2027 gross market penetration rates are projected to be well below the benchmark at both income screens, a favorable indicator.



Nursing Home

Market Analysis –
Penetration Rates
& Bed Need

Nursing Home Overview

Nursing Homes (NH): Nursing homes in Missouri are licensed, regulated, inspected and/or certified by the Missouri Department of Health and Senior Services (Title 19), Division of Regulation and Licensure (Division 30), Section for Long- Term Care Regulation (Chapters 81-91) as part of the Title XII Public Health and Welfare Law, Chapter 198.

- The MDHSS (19 CSR 30-83) defines a skilled nursing facility as:
 - Any premises, other than a residential care facility, assisted living facility, or an intermediate care facility, which is utilized by its owner, operator, or manager to provide for twenty-four (24) hour accommodation, board and skilled nursing care and treatment services to at least three (3) residents who are not related within the fourth degree of consanguinity or affinity to the owner, operator, or manager of the facility. Skilled nursing care and treatment services are those services commonly performed by or under the supervision of a registered professional nurse for individuals requiring twenty-four (24) hours a day care by licensed nursing personnel including acts of observation, care, and counsel of the aged, ill, injured, or infirm, the administration of medications and treatments as prescribed by a licensed physician or dentist, and other nursing functions requiring substantial specialized judgment and skill.
- MDHSS inspects each home at least annually to ensure residents are receiving the proper care. Inspectors also investigate complaints at nursing homes as often as necessary to ensure residents' health and safety. View nursing home inspection reports. Licensed Administrators manage licensed long-term care facilities, including facilities offering skilled care, intermediate care, assisted living and residential care. They oversee staff, ensure that regulations are followed and monitor the facility's financial stability. Administrators must be licensed by the Board of Nursing Home Administrators. Applications and renewals for a nursing home administrator or residential care/assisted living administrator license are made through the Board of Nursing Home Administrators.

Certificate of Need (CON) Requirements

The Health Facilities Planning Act established in 1974 prompted the creation of Missouri's certificate of need (RSMo XII 197.300) program in 1980 . The CON program promotes the development of a comprehensive health care delivery system that assures the availability of quality facilities, related services, and equipment to the public, while simultaneously addressing the issues of community need, accessibility, and financing. In addition, it encourages health care providers to engage in cost containment, better management and improved planning.

Services include preparing, reviewing, and revising rules and regulations for use in the analysis of health service applications; conducting special projects and studies on key health issues; and assisting with special project. Guidance and decision-making is provided by the volunteer Missouri Health Facilities Review Committee in carrying out its functions as the administrator of the Missouri CON Law.

As of the 2nd quarter 2023, there are 2 licensed facilities in Perry County (IHS with 133 beds and The Estates of Perrysville with 156 beds) for a total of 289 beds. The state has determined the county is overbedded by 77 beds.

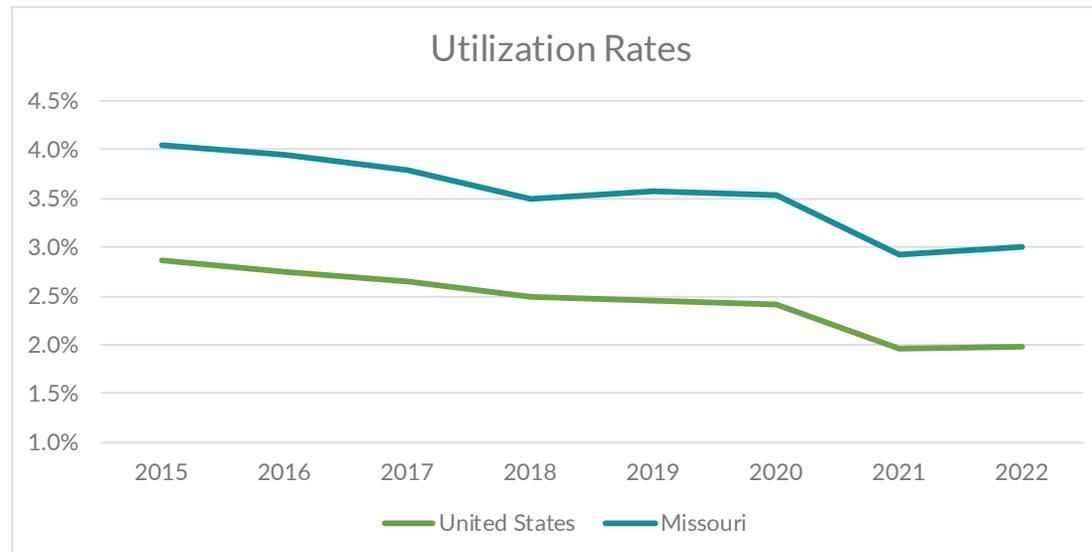
Comparison of Nursing Home Utilization Rates

This table and graph present the trend of national and Missouri nursing home utilization rates from 2015 to 2022. Utilization rates have declined 31% for the US and 26% for Missouri from 2015 to 2022.

National & State Historical Utilization Rates

Location	2015	2016	2017	2018	2019	2020	2021	2022	% decrease from 2015 to 2022
United States									
Nursing Home Residents (A)	1,367,548	1,350,121	1,342,876	1,307,382	1,330,591	1,316,950	1,098,305	1,157,714	-15%
Population 65+ (B)	47,732,480	49,215,165	50,815,712	52,423,114	54,074,028	54,438,296	55,847,953	58,509,892	23%
Utilization Rate (A/B)	2.9%	2.7%	2.6%	2.5%	2.5%	2.4%	2.0%	2.0%	-31%
Missouri									
Nursing Home Residents (A)	38,351	38,544	38,228	36,180	37,915	37,848	31,800	33,399	-13%
Population 65+ (B)	949,053	974,880	1,010,269	1,035,074	1,057,943	1,071,356	1,084,768	1,113,136	17%
Utilization Rate (A/B)	4.0%	4.0%	3.8%	3.5%	3.6%	3.5%	2.9%	3.0%	-26%

Sources:
 KFF analysis of Certification and Survey Provider Enhanced Reports (CASPER) data.
 US Census



Comparison of Nursing Home Utilization Rates

Nursing Home Utilization			
All Payors			
	Pre-Covid 2019	2023	2027
MA penetration rate:	Assuming Pre-Covid Utilization		
Occupied NH beds in the MA (1)	252	248	248
Population age 65+ (2)	5,225	5,606	6,056
Calculated MA penetration rate (1)/(2)	4.82%	4.42%	4.09%
Benchmarks			
		<u>2022</u>	
Missouri NH utilization rate (3)		3.0%	
Oregon NH utilization rate (3)		0.7%	
Arizona NH utilization rate (3)		0.9%	
National NH utilization rate (3)		2.0%	

(1) Total occupied NH beds in the MA. 2027 has no known planned beds.

(2) Source: Claritas. Reflects all estimated MA population aged 65+; no income screen is applied.

(3) Number of occupied NH product as a % of aged 65+ population. Source: Medicare cost reports, Kaiser State Health Facts, and the US Census Bureau.

This table presents a comparison of nursing home utilization rates from the local to the national levels. Oregon and Arizona are presented because they are leaders in healthcare reform among the states and serve as a benchmark for the impact of healthcare reform.

The 2023 MA penetration rate for all payors is above Missouri, Oregon, Arizona, and the Nation. This rate is projected to decrease in 2027 as the 65+ population increases.

Estimation of Nursing Home Bed Need

Estimation of Qualified Nursing Home Population within the MA based on MA Utilization

	What if 2023 Utilization Continues	What if Pre-Covid 2019 Utilization Continues
2027		
Total Age Qualified Population 65+ (A)	6,056	
Current Utilization Rate	4.42%	
2027 Calculated Bed Need Based on Utilization (B)	268	
Less: MA Competitive Beds at 92%	342	
Bed Need (Excess)	(74)	

What If Utilization Decreases by 25%

	2027	
Population age 65+	6,056	6,056
Utilization at 75% of current	3.31%	3.62%
2027 Calculated Bed Need Based on 75% of Utilization	201	219
Less: MA Competitive Beds at 92%	342	342
Bed Need (Excess)	(141)	(123)

What If Utilization Decreases to 1%

	2027	
Population age 65+	6,056	
Utilization at 1%	1.0%	
2027 Calculated Bed Need Based on 1% Utilization	61	
Less: MA Competitive Beds at 92%	342	
Bed Need (Excess)	(281)	

This table applies an estimated nursing home utilization rate to the 2027 projected 65+ population. This calculation does not account for the age and desirability of the nursing home product in the MA. After subtracting existing beds, the 2027 results are as follows:

The “What if 2023 Utilization Continues” estimates a bed excess of 74 beds in 2027. This excess assumes the current utilization continues as 65+ population grows.

The “What If Utilization Decreases by 25%” is a calculation to estimate the impact of seniors choosing to utilize home- and community-based services rather than move into a nursing home. Based on industry literature, a 25% decrease in the nursing home utilization is used and results in a bed excess of 123-141 beds.

The “What If Utilization Decreases to 1.0%” is based on the utilization experienced in Oregon and Arizona. This calculation results in a bed excess of 281 beds.

Estimation of Nursing Home Bed Need

Short-Term Rehab Bed Need

This table estimates nursing home short-term rehab bed potential in 2027 and finds the MA is in balance and has no additional bed need for short-term rehab beds.

Short-Term Rehab Bed Potential in the Market Area					
Estimation of Medicare Population Discharged from Hospitals in MA					
		2023	2027		
Total Age Qualified Population (1)		5,606	6,056		
Hospital Discharges Per Person (2)		26%	26%		
Estimation of Medicare Population Discharged from Hospitals in MA		1,458	1,574		
		Method 1 National Stats		Method 2 Local Stats	
		Stats	2027	Stats	2027
Discharges to SNFs (3)	20.6%		324	25.0%	394
Short-Term Rehab Average Length of Stay (4)	x		15	x	15
Estimated Short-Term Rehab Days			4,860		5,910
Divided by 365 Days in a Year	365		13	365	16
Short-Term Rehab Bed Potential			13		16
Less Competitive MCR beds (5)			9		9
Less Managed Care Competitive Beds (5)			7		7
Less Planned Number of Units (5)			-		-
Calculated ST Rehab SNF Bed Potential (Excess)			(3)		(0)

Sources of data:

(1) Claritas

(2) HCUP, NIS, Hospital Discharge Rate for 65+. Assume all discharges for 65+ population are Medicare and managed care.

(3) AHD.com, 2022 local hospital discharges to SNFs

(4) Assume by 2027 average short term rehab LOS is 15 days.

(5) Medicaid Cost Reports, Management, no known planned competitor beds.



APPENDIX

Select Competition Surveyed

Independent Living Providers

Competitive Independent Living Facilities					
	Inside Market Area	Outside Market Area			
	Independence Village	Capetown Senior Living	The Chateau Girardeau (Estates & Suites)	Farmington Presbyterian Manor	
Address	800 South Kingshighway	2857 Cape Lacroix Road	3120 Independence St.	500 Cayce St	
City/State/Zip Code	Perryville, MO 63775	Cape Girardeau, MO 63701	Cape Girardeau, MO 63703	Farmington, MO 63640	
Driving Distance (miles) from Site	-	32.8	35.2	39.2	
Facility Type	CCRC	IL/AL/MC	CCRC	CCRC	
Owner/Sponsor	Independence Health Systems, Inc.	Americare		PMMA	
For Profit/Not For Profit	Not for Profit	*	Not for Profit	Not for Profit	
Contract Type	Rental	Rental	EF or Rental	EF or Rental	
Year Built	2001 & 2005	2005	1979	1950	
Unit Configuration:					
Independent Living	0				
Studio Apartments	0	-	-	-	
One-Bedroom Apartments	-	-	40	4	
Two-Bedroom Apartments	-	-	40	5	
Homes/Cottages	8	32	44 (Estates)	9	
Total Independent Living Units	8	32	124	18	
Assisted Living - Traditional	44	24	55	60	
Assisted Living - Memory care	0	16	0	-	
Nursing Home	133	0	75	90	
Total Campus	185	72	254	168	
Unit Size (Square Feet):					
Studio Apartments	-	-	-	-	
One-Bedroom Apartments	-	-	562-625	742	
Two-Bedroom Apartments	-	-	825-1,145	908-1,485	
Homes/Cottages	870-1,292	776-1,445	1,470-2,300	2,050-2,646	
Entrance Fee:		Community Fee: \$1,000	LifeCare (Estates & Suites):		
Studio Apartments	-	-	-	-	
One-Bedroom Apartments	-	-	\$60,060-\$72,650	\$32,000	
Two-Bedroom Apartments	-	-	\$90,043-\$166,089	\$42,000-\$44,000	
Homes/Cottages	-	-	\$187,500-\$255,000	\$44,000-\$49,000	
% Refundable	-	-	LifeCare or 50%	75%	
Monthly Service Fee:			LifeCare (Estates & Suites):	75% EF:	Rental:
Studio Apartments	-	-	-	-	-
One-Bedroom Apartments	-	-	\$2,098-\$2,310	\$715	\$1,178
Two-Bedroom Apartments	-	-	\$2,470-\$3,973	\$747-\$783	\$1,219-\$1,254
Homes/Cottages	\$1,342-\$1,708	\$3,525-\$4,100	\$1,358	\$783-\$846	\$1,225-\$1,288
IL Second Person Fee	\$375	\$700	Estates EF: \$5,000 +\$54; Suites EF: \$3,000 +\$24-\$1,174	\$911-\$961	-
Included in Monthly IL Fee:			Listed for Suites (not Estates)	Services available for additional fee	
Meals	Add on: \$150 Per Meal	Con't Bft + Lunch	Bft + Lunch or Dinner	-	
Housekeeping	-	✓	✓	-	
Linen	-	✓	✓	-	
Transportation	✓	✓	✓	✓	
Basic Utilities	✓	✓	✓	-	
Activities & Wellness programs	✓	✓	✓	✓	
Real Estate Taxes	✓	✓	✓	✓	
Offering Concessions:			Past promo: \$500 off service fees for life		
Occupancy:					
Independent Living	100%	93%	Estates: 100% w/ 20+ Waitlist Suites: Estimated 87%	94% (Only 1-Bed Cottage Open)	
Assisted Living - Traditional	75%	*	*	*	
Assisted Living - Memory care	-	81%	-	-	

Sources: NIC MAP Vision® Data Service August 2023, telephone interviews conducted in August 2023, Management, internet sources.
*Declined interview/declined to provide detailed information.

Independent Living – Notes

Facility Age

The IL communities are older product.

Contract Type

One of the communities interviewed is a rental community, Capetown Senior Living, while the other two offer both a rental and entrance fee option.

Independent Living Occupancy

All the communities interviewed report IL occupancy of 90% or higher for an overall average of 92%. According to the NIC MAP Vision® Data Service, as of 2Q2023, the national average IL occupancy is 87%.

Summary of Independent Living Unit Size

IHS currently only offers duplexes, which would fall in the Home/Cottage category. IHS' unit sizes are comparable with the other rental competitor, Capetown Senior Living, but are on the smaller side when compared to Chateau Girardeau or Farmington Presbyterian Manor.

The competitor facilities range from 562 to 742 SF for a one-bedroom, 825 to 1,485 SF for a two-bedroom, and 776-2,646 SF for a home/cottage.

Independent Living Monthly Fees

IHS's monthly rates are lower when compared with the other rental competitors interviewed. However, two of the competitors include more services in the monthly rate such as meals, personal care services, etc. IHS is more inline with the other competitor that offers the services for an additional fee.

The competitors' rental rates range from \$1,178-\$2,755 for a one-bedroom, \$1,219-\$2,941 for a two-bedroom, and \$1,225-\$4,100 for a home/cottage.

Competition Notes

Independent Living:

Capetown Senior Living

Capetown Senior Living offers independent living, assisted living, memory care, adult day care, rehab, respite, and hospice care services. Independent living cottages and patio homes are duplex or triplex style with either a 2 or 3-bedroom options. Residents receive 2 meals daily, a clubhouse, a wellness center and activities. Cottages are arranged around a landscaped neighborhood on an all one level campus for complete accessibility. Residences have covered porches and screened-in patios. Outdoor living spaces include waterfalls, fishing pond and fountains. Residents have complimentary continental breakfast and lunch daily, private car and group transportation, full-time concierge, and private on-site clubhouse that includes a fitness center, TV lounge, billiard games and a community kitchen for parties or events.

The Chateau Girardeau

Chateau Girardeau offers a full continuum of care and services on a 40+ acre campus. The Chateau is the only nationally accredited CCRC between St. Louis and Memphis. This location offers independent living, a choice of living in the Estates which is a mix of duplexes and cottages, or The Suites which are 1- and 2-bedroom apartments. Chateau Girardeau offers 2 EF contracts, a LifeCare (predominately selected) and a 50% refundable option. They will offer a 75% refundable option at their new, planned sister community, The Chateau at Ramsay's Run which will include 37 new IL cottages. These new IL cottages will have a suggested EF rate starting at \$300,000 and will be built as reserved.

The Suites residents have all services provided whereas the Estate residents do not have their major utilities included in the monthly rate but do receive a free continental breakfast. LifeCare residents have priority admission throughout the continuum as well as priority for the larger room types such as a 1-bedroom in AL and private room in SNF. Community also offers a month-to-month lease contract for The Suites apartment residents. The table shows both LifeCare and rental rates.

Farmington Presbyterian Manor

Farmington Presbyterian Manor is part of PMMA (Presbyterian Manors of Mid-America) and offers a faith-based, not-for-profit continuum of care on one campus. Independent living is offered in 1- and 2-bedroom apartments as well as cottage units. Gas & electric expenses are not included in the monthly rates but there is no added charges for water & trash services. Internet, phone & cable services can be sourced from local providers, housekeeping and meals are available at an added fee. Residents have an entrance fee option that is 75% refundable or a lease. IL cottages are equipped with appliances (washer/dryer, stove, fridge, dishwasher, microwave) and offers scheduled transportation within the county at no extra cost. Meals are available to pick up at the Manor (about 400 feet away) and are \$4.00/each. There is an option to add housekeeping service at an hourly minimum wage rate. The cottages have carports, an additional locked storage cage, and are pet friendly.

Assisted Living & Memory Care Providers

Competitive Assisted Living & Memory Care Facilities						
	Inside Market Area		Outside Market Area			
	Independence Court	The Manor at Craig Farms	Capetown Senior Living	Chateau Girardeau - Terraces	Cedarhurst of Farmington	Farmington Presbyterian Manor
Zip Code	63775	62233	63701	63703	63640	63640
Driving Distance (miles) from Site	-	17.4	32.8	35.2	39.1	39.2
Year Open	1969 (Renovated 1998)	2008	2005	1979	2020	1950
For Profit/Not For Profit	Not For Profit		For Profit	Not for Profit	For Profit	Not for Profit
Owner/Sponsor	Independence Health Systems, Inc.		Americare		Cedarhurst Senior Living	PMMA
A - # of AL Units	44	50	24	55	52	60
Semi-Private	-	-	-	-	-	-
Studio	15	*	*	*	-	*
One Bedroom	27	*	-	*	*	*
Two Bedroom	2	-	*	-	*	-
B - # of MC Units	0	0	16	0	21	0
Semi-Private	-	-	*	-	-	-
Studio	-	-	*	-	21	-
One Bedroom	-	-	-	-	-	-
Two Bedroom	-	-	-	-	-	-
C - # of MCD Units	0	25	*	0	0	0
A+B-C = Total Competitive Units	44	25	40	55	73	60
AL Occupancy Percent	75%	100%	*	*	88%	*
MC Occupancy Percent	0%	-	81%	0%	90%	0%
Community Fee	-	N/A	\$1,000	*	\$2,500	*
AL Square Feet						
Semi-Private	-	-	242	-	-	-
Studio	320	340	300-570	415	-	176-323
One Bedroom	460-605	500	-	570	528	336
Two Bedroom	677	-	609	-	788-1,007	-
AL Base Monthly Fees:						Range includes RCF & ALF
Semi-Private	-	-	\$4,228	-	-	-
Studio	\$3,133	\$4,505	\$5,323	\$4,691-\$4,883	-	\$3,496-\$3,828
One Bedroom	\$3,770-\$4,106	\$5,005	-	\$5,859	*	\$4,275-\$4,553
Two Bedroom	\$4,410	-	*	-	*	-
2nd Person Fee	\$1,408	\$2,000	\$1,500	\$1,168-\$2,123	\$1,000	\$2,064
AL Level of Care Fees	\$130-\$330	Inclusive	Inclusive	*	5 LOC (\$600++)	5 LOC (\$120-\$856)
MC Square Feet	-	-	-	-	-	-
Semi-Private	-	-	304	-	-	-
Studio	-	-	233	-	309	-
MC Base Monthly Fee						
Semi-Private	-	-	\$5,992	-	-	-
Studio	-	-	\$7,300	-	\$7,400	-
MC Level of Care Fees	-	-	Inclusive	-	Inclusive	-
MC Program Name	-	-	The Arbors Best Friends™ at Capetown	-	N/A	-

Sources: NIC MAP Vision® Data Service 07-2023, telephone interviews conducted in August 2023, Management, internet sources.
 *Declined interview/declined to provide detailed information.

Assisted Living & Memory Care - Notes

Facility Age

The facilities are a mix of newer and older product.

Assisted Living & Memory Care Occupancy

The facilities interviewed report an average AL occupancy of 94% and MC of 86%. According to the NIC MAP Vision® Data Service, as of 2Q2023, the national average occupancy for both AL and MC is 83%.

Summary of Assisted Living & Memory Care Unit Size

IHS' AL unit sizes fall within the range of the competitor facilities.

The competitor's unit sizes for AL range from 176 to 570 SF for a studio, 336 to 570 SF for a one-bedroom, and 609 to 1,007 SF for a two-bedroom.

The competitor's MC unit sizes are 233-309 SF for a studio.

Assisted Living & Memory Care Monthly Fees

IHS' AL fees are on the low end compared to the competitors interviewed.

The competitors' AL base rates range from \$3,496-\$5,323 for a studio, \$4,275-\$5,859 for a one-bedroom, and the level of care fees range from \$120 a level to inclusive.

The MC rates range from \$7,300-\$7,400 for a studio and care is included in the fee.

Competition Notes

Assisted Living & Memory Care:

The Manor at Craig Farms

The Manor at Craig Farms is a Supportive Living Facility located in Chester, IL and offers a mix of private pay and low-income, affordable assisted living. Monthly rates for the affordable are calculated with three tiers of 40%, 50%, and 60% AMI, along with Medicaid where residents keep \$90 for personal use and the balance is covered by Medicaid. The monthly rates are inclusive with no additional levels of care.

The representative reports that 50% of the community is private pay and 50% is affordable. Therefore, half of the units are included in this analysis.

This community reports no use of contract staff along with standard staffing challenges, but overall, no real issues.

Capetown Senior Living

Capetown Senior Living offers independent living, assisted living, memory care, adult day care, rehab, respite, and hospice care services. Assisted living and memory care services have inclusive rates with no added levels of care. Therapy and home health services are available on site. Medicaid and other financial assistance programs are available for those who qualify. A second person memory care rate is \$2,000 per month.

Representative reports that during COVID they did have some staffing crises and used agency staff, however at this time, there is no agency staff and many care givers have 10+ years experience.

The Chateau Girardeau - Terraces

Chateau Girardeau is a CCRC and offers assisted living in the Terraces. LifeCare residents have priority throughout the continuum for care at a discounted rate as well as priority access to the larger units, such as a one-bedroom in AL or private room in skilled nursing. The representative reported they will soon have 6 additional 2-bed assisted living apartments. This expansion is expected to be ready by the end of the year.

Note: This community formerly had a dedicated memory care wing, but it is now offered under skilled nursing care or intermixed with assisted living. Therefore, PMLF considers all units as assisted living since there is no dedicated memory care wing.

Competition Notes

Assisted Living & Memory Care:

Cedarhurst of Farmington

Cedarhurst of Farmington is all on one floor and offers assisted living with a true dedicated memory care unit (rare in this area; and award winning). The community representative was not able to provide base rates and care costs for AL but did quote MC as those rates are inclusive. A second person in MC would be an additional \$2,225/month.

This location has not used any agency staff and has tracked staff retention at 95%.

Farmington Presbyterian Manor

Farmington Presbyterian Manor has 60 assisted living (ALF) and residential care (RCF) apartments. The difference being that ALF offers wheelchair accessibility while RCF does not; both areas offer the same services and care. Assisted living rates are based on the individual resident's level of care. The rates shown span RCF to ALF.

They also offer 90 skilled nursing beds, which includes 20 dedicated skilled nursing memory care beds. Skilled nursing and skilled nursing memory care are both billed as a flat daily rate and are inclusive of care.

Nursing Home Providers

Competitive Nursing Home Facilities in the Market Area										
Facility Name	Zip Code	Number of Beds	Occupancy	Private Beds	Semi-Private Beds	Memory Care (Subset of Total Beds)	LTC Private Rate	LTC Semi-Private Rate	MC Private Rate	MC Semi-Private Rate
Independence Care Center	63775	133	69%	18	115	22	\$194-\$206	\$174	\$194	\$180
St. Genevieve Care Center	63670	90	62%	*	*	*	*	\$213	*	*
Monticello House	63755	105	37%	3	72	23	\$219	\$183	*	*
Chateau Girardeau - The Gardens	63703	75	76%	20	55	*	\$381	\$254	*	*
Farmington Presbyterian Manor	63640	90	71%	*	*	20	\$290	\$260	\$327	\$314

Sources: Telephone interviews conducted in August 2023 and Centers for Medicare & Medicaid Services.

*Declined interview/declined to provide detailed information.

Notes:

Monticello House

Monticello House offers skilled nursing care. Representative reports that occupancy is low because they have a now closed Covid Hall with 10 empty beds. All their MC beds are semi-private except for one private room and at this time all MC beds are full (with a waitlist).

Representative reports no current use of agency staff.

Note: Monticello House also offers assisted living, along with skilled nursing care; however, they currently have the 62 AL units offline as they update their sprinkler system. All AL residents have been moved out and they are hoping to the assisted living back online by Spring of 2024.



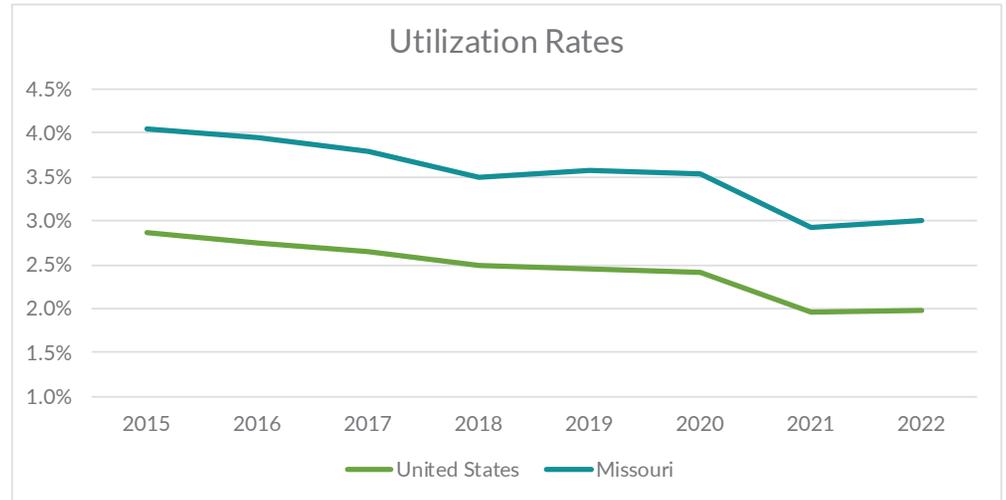
Section

Nursing Home Industry Trends

Declining Utilization

The nursing home industry as a whole has excess capacity both today and projected into the future. Although there has been, and is projected to be, an increase in the older adult population, there will be continued pressure on nursing home occupancy and utilization rates due to a number of factors including:

- ✓ Shift to Home- and Community-Based Services:
 - Desire of the senior to remain at home for as long as possible or choose alternative care settings
 - Health care industry is offering more services to seniors in their own homes
 - Federal and state programs as well as payor sources are supporting programs and initiatives to push care out of the nursing home setting
- ✓ Decreasing hospitalization rates
- ✓ Decreasing length of stays in nursing homes



This graph and table present the trend of national and Missouri nursing home utilization rates from 2015 to 2022. Utilization rates have declined 31% for the US and 26% for Missouri from 2015 to 2022.

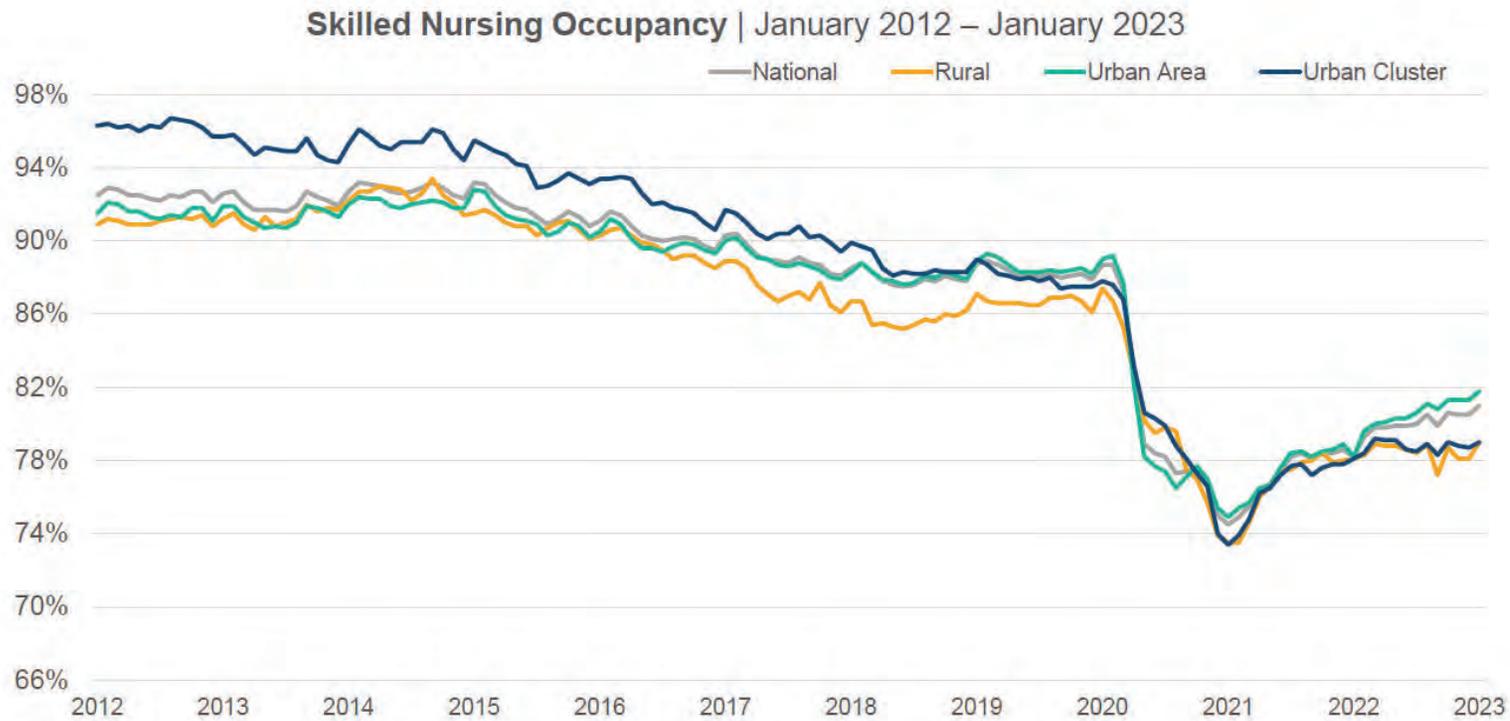
National & State Historical Utilization Rates

Location	2015	2016	2017	2018	2019	2020	2021	2022	% decrease from 2015 to 2022
United States									
Nursing Home Residents (A)	1,367,548	1,350,121	1,342,876	1,307,382	1,330,591	1,316,950	1,098,305	1,157,714	-15%
Population 65+ (B)	47,732,480	49,215,165	50,815,712	52,423,114	54,074,028	54,438,296	55,847,953	58,509,892	23%
Utilization Rate (A/B)	2.9%	2.7%	2.6%	2.5%	2.5%	2.4%	2.0%	2.0%	-31%
Missouri									
Nursing Home Residents (A)	38,351	38,544	38,228	36,180	37,915	37,848	31,800	33,399	-13%
Population 65+ (B)	949,053	974,880	1,010,269	1,035,074	1,057,943	1,071,356	1,084,768	1,113,136	17%
Utilization Rate (A/B)	4.0%	4.0%	3.8%	3.5%	3.6%	3.5%	2.9%	3.0%	-26%

Sources:
 KFF analysis of Certification and Survey Provider Enhanced Reports (CASPER) data.
 US Census

Nursing Home Occupancy Trends

- The nursing home occupancy trends have been decreasing as well, even prior to Covid.
- Nursing home occupancy has rebounded since its low of 74% in 1Q2021.
- The severe labor shortage caused many properties to limit admissions and slow the recovery in occupancy.



Source: NIC MAP® Data, powered by NIC MAP Vision

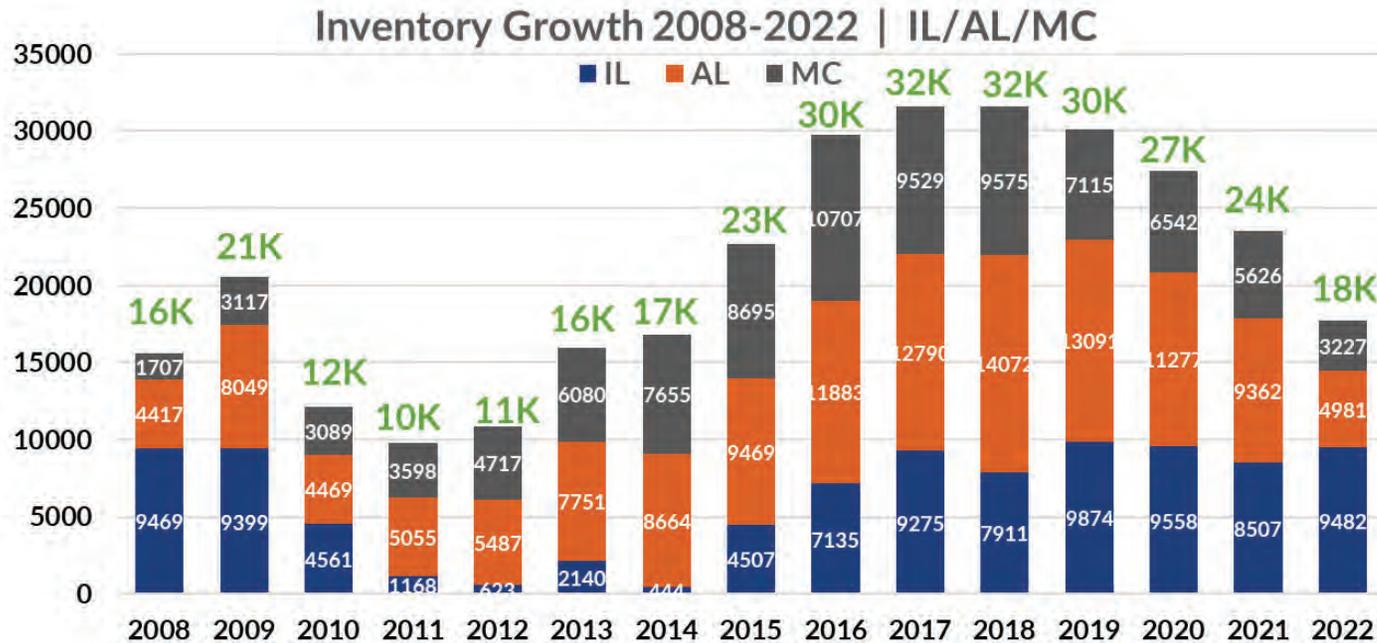
Nursing Home Bed Reduction

Nursing home beds have decreased in the top 99 markets in the US from 2008 to 2022 by 46,140 beds. Conversely, the other senior living care levels (independent living, assisted living, and memory care) have increased each of those years with the most significant growth in the past six years, demonstrating consumer preference for alternative settings to nursing homes.

In July 2021, a Ziegler survey gathered feedback related to the future of nursing homes and the impact of the pandemic, among other pressures, on nursing home providers. Nearly 270 organizations participated in the survey. Nearly half (46%) of respondents have recently reduced their number of nursing home beds or plan to do so in the near future.

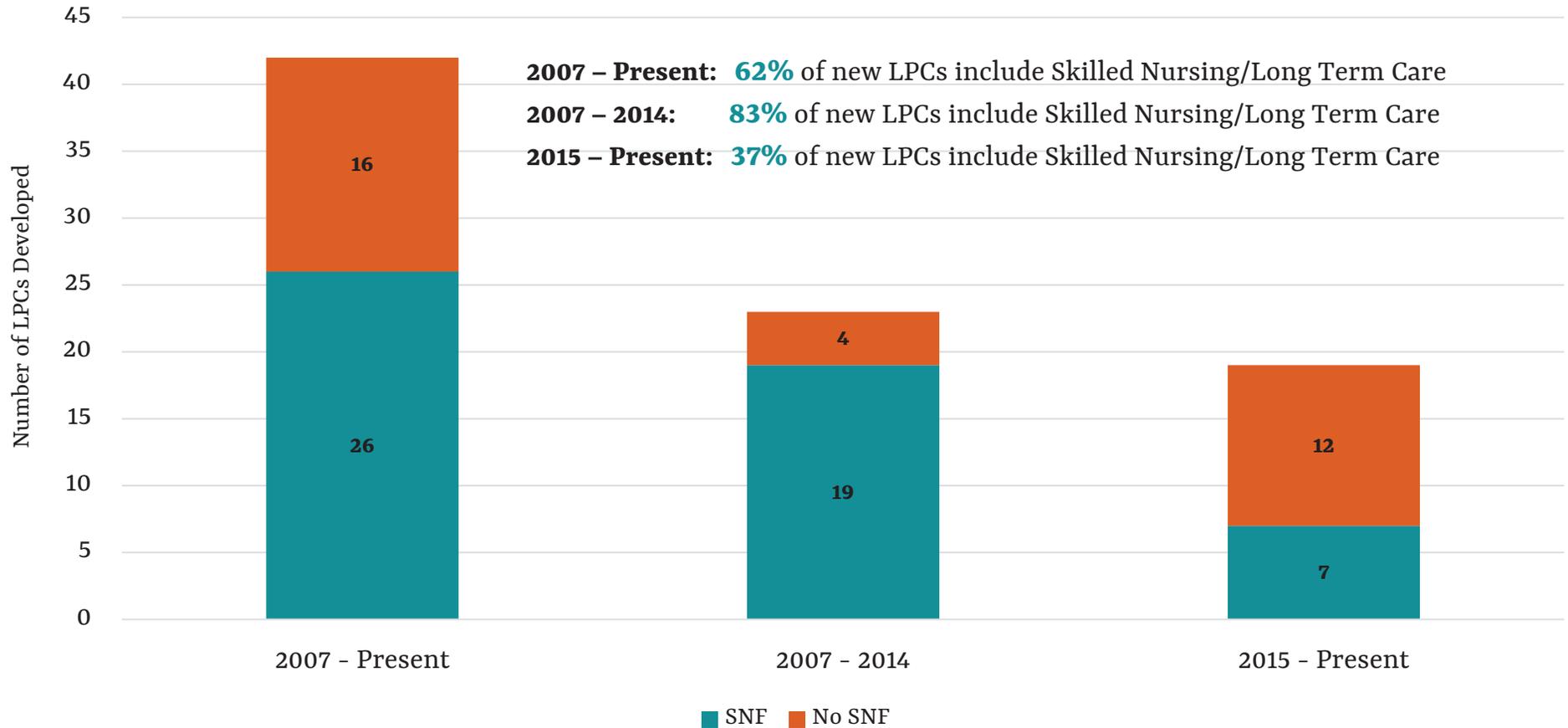
NH Bed Reduction: Net Loss of 46,140

(Among NIC Primary & Secondary Markets)

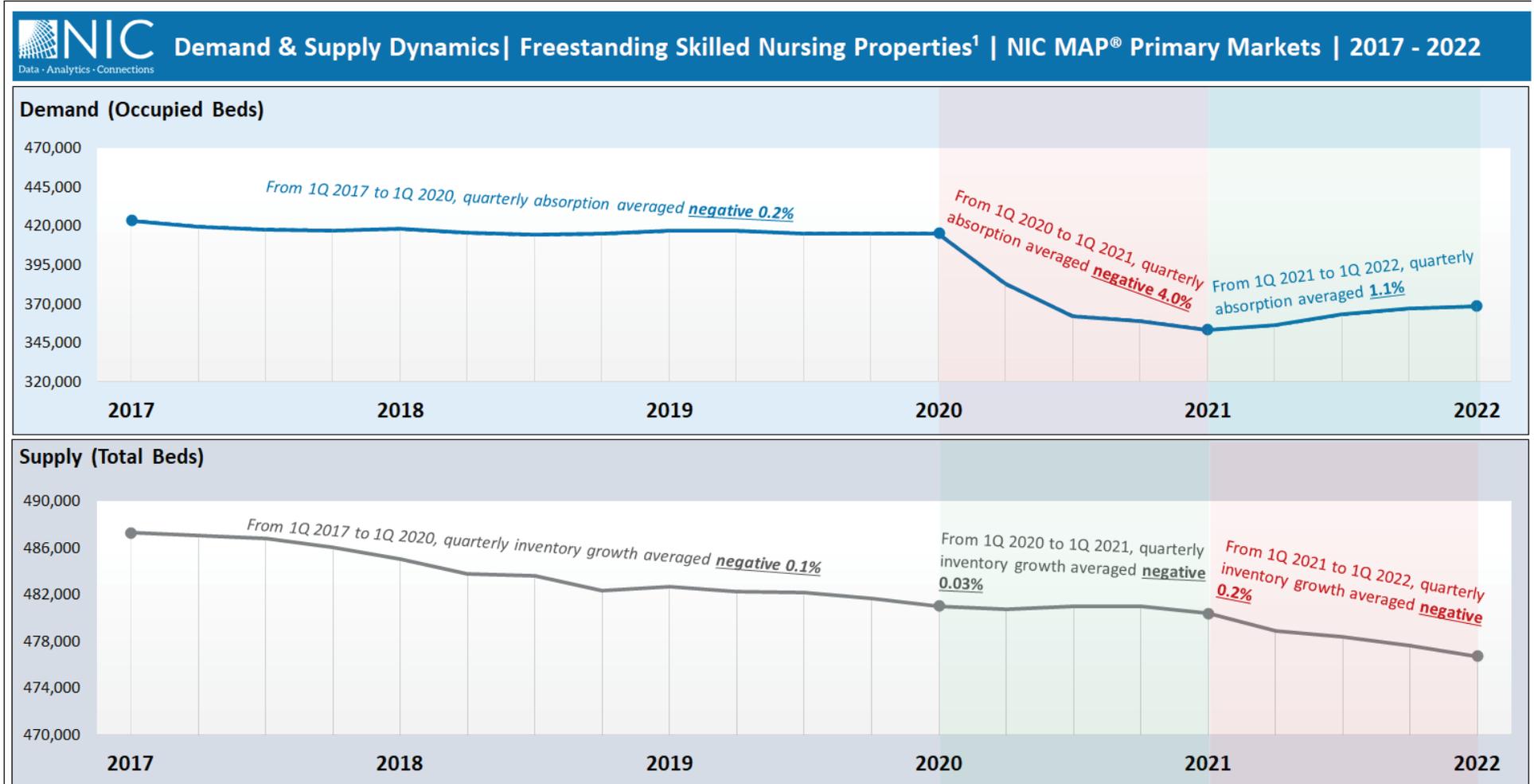


Year	Inventory Growth/Reduction
2008	- 880 Beds
2009	- 1,815 Beds
2010	+ 829 Beds
2011	- 137 Beds
2012	- 2,106 Beds
2013	+ 418 Beds
2014	- 2,008 Beds
2015	+ 655 Beds
2016	- 1,428 Beds
2017	- 2,964 Beds
2018	- 6,535 Beds
2019	-4,201 Beds
2020	-3,577 Beds
2021	-10,144 Beds
2022	-9,548 Beds

LPCs Move Away From NHs in New Developments



Nursing Home Bed Reduction - National



¹Freestanding skilled nursing properties are properties offering exclusively nursing care, and are generally licensed long-term health care and residential properties that serve persons who require constant medical supervision and/or who require significant physical assistance in transferring, management of continence and use of medical devices. The NICMAP database does not include properties that are limited to sub-acute, properties limited to inpatient-based, properties that are hospital-based, or properties that are predominantly rehabilitation facilities where people come for short-term stays for nursing care.

Source: NIC MAP® Data, powered by NIC MAP Vision

Prepared by: NIC Analytics, National Investment Center for Seniors Housing & Care (NIC)

Factors Impacting Nursing Home Demand

Discussion of Factors Having a *Negative* Impact on Nursing Home Demand

The trend continues in the long-term care industry nationwide that individuals are choosing to remain in a community-based setting for as long as possible before moving to a nursing home. State Medicaid programs have supported this trend by implementing alternative funding mechanisms because they believe it will cost the Medicaid program less if there are fewer individuals in institutional settings. Many states have embraced and developed Home and Community Based Medicaid Waiver programs that work in tandem with nursing facilities in the continuum of care. In many instances, nursing home utilization has been reduced. States such as Arizona and Oregon have experienced nursing home utilization rates decreasing to 1% of 65+ population.

The state of Missouri offers 3 different Home and Community Based Services (HCBS) Waiver programs that are designed to assist in meeting the unmet needs of the seniors and provide the necessary assistance to remain in the least restrictive environment. These programs are overseen by the Department of Health and Senior Services' (DHSS) Division of Senior and Disability Services (DSDS). Medicaid participants can receive services through only one Medicaid HCBS Waiver at a time, regardless of the state agency administering the Waiver. These waiver programs include:

- The Aged and Disabled Waiver offers in-home services to individuals aged 63 or over who have been assessed with certain impairments and unmet needs to the extent that they would require nursing home care in the absence of these services. The services available include homemaker, chore, respite, home delivered meals and adult day care.
- The Adult Day Care Waiver offers continuous care and supervision in a licensed adult day care setting to disabled adults ages 18 through 63 who meet nursing facility level of care. Services include but are not limited to assistance with activities of daily living, planned group activities, food services, observation, skilled nursing services as specified in the plan of care and transportation to and from the adult day care setting. The Department of Health and Senior Services, Division of Senior and Disability Services administers this program.
- The Independent Living Waiver is similar to the Consumer-Directed State Plan Personal Care program, which provides assistance with activities of daily living (ADL) and/or instrumental activities of daily living (IADL) provided as an alternative to nursing facility placement and offering additional personal assistance services beyond the limitations of the state plan. Additional services available include; environmental accessibility adaptations, specialized medical equipment and supplies, as well as financial management and case management services.

For the Medicaid population, PACE (Program of All-Inclusive Care for the Elderly) is growing in most states. PACE is a capitated benefit authorized by the Balanced Budget Act of 1997 that features a comprehensive service delivery system and integrated Medicare and Medicaid financing for frail, elderly individuals that meet Long Term Care (LTC) level of care criteria. Missouri currently only has one PACE provider, the New Horizons PACE St. Louis program that provides services for seniors in St. Louis, MO. Therefore, the market area is not covered by a PACE program.

Factors Impacting Nursing Home Demand

Discussion of Factors Having a *Negative* Impact on Nursing Home Demand

In addition to Missouri's initiatives, the federal government has adopted initiatives that will provide assistance to people who live in institutions so they can return to their own communities to live independently. It is an initiative that will bring more federal dollars into the state that can be used to help additional people return to their communities.

Another federal initiative, the Choose Home Care Act, has been gaining momentum on Capitol Hill over the past several months. If enacted, the legislation would enable certain Medicare patients to receive extended care services as an add-on to the existing Medicare home health benefit for 30 days following a hospital stay. In addition to receiving skilled nursing or rehabilitation services from their home health provider, a patient could potentially receive meals, non-emergency transportation, remote patient monitoring and more. The idea is to give in-home care providers more flexibility and financial support to keep at-risk Medicare beneficiaries at home.

Although there is projected to be an increase in the older adult population in the MA, the desire of seniors to remain at home for as long as possible, increasingly supported by federal and state programs, will continue to place pressure on nursing home occupancy rates. To the extent that additional funding, in the future, is directed to these programs and away from long-term care facilities, individuals will likely choose to remain at home or in assisted living facilities rather than access the nursing home. In addition, the long-term care industry is offering more services to seniors in their own homes through home health, continuing care at home, tele-medicine, health coaching, meals on wheels, and others. The concept of "care outside the walls" of a traditional facility is appealing to seniors.

Alternatives to Nursing Homes

Some additional examples of home and community-based alternatives to nursing homes offered are:

- Adult Day Care Services
- Assisted Living
- Medicare Certified Home Health Agencies
- Senior Centers
- Meals on Wheels
- Private Duty Home Health providers
- Transportation Services

CMS' Payment Shift to HCBS Funding

Figure IV.1. Medicaid HCBS and institutional LTSS expenditures as a percentage of total Medicaid LTSS expenditures, FY 1988 to 2019

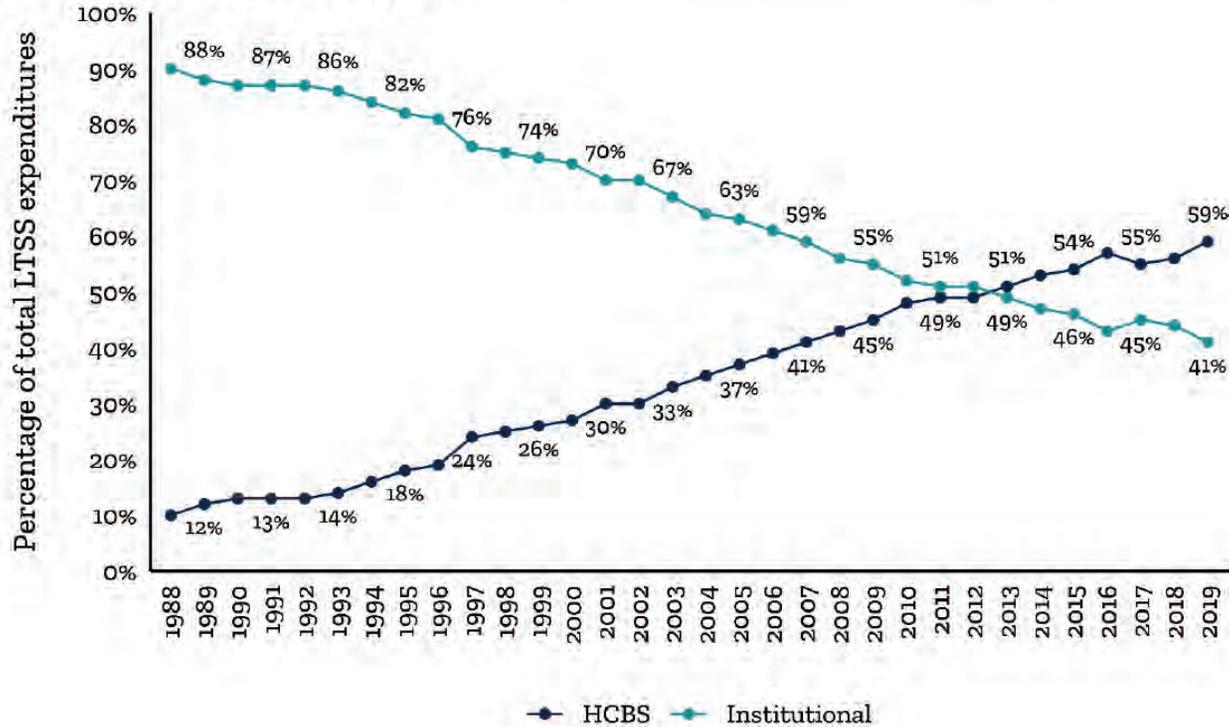


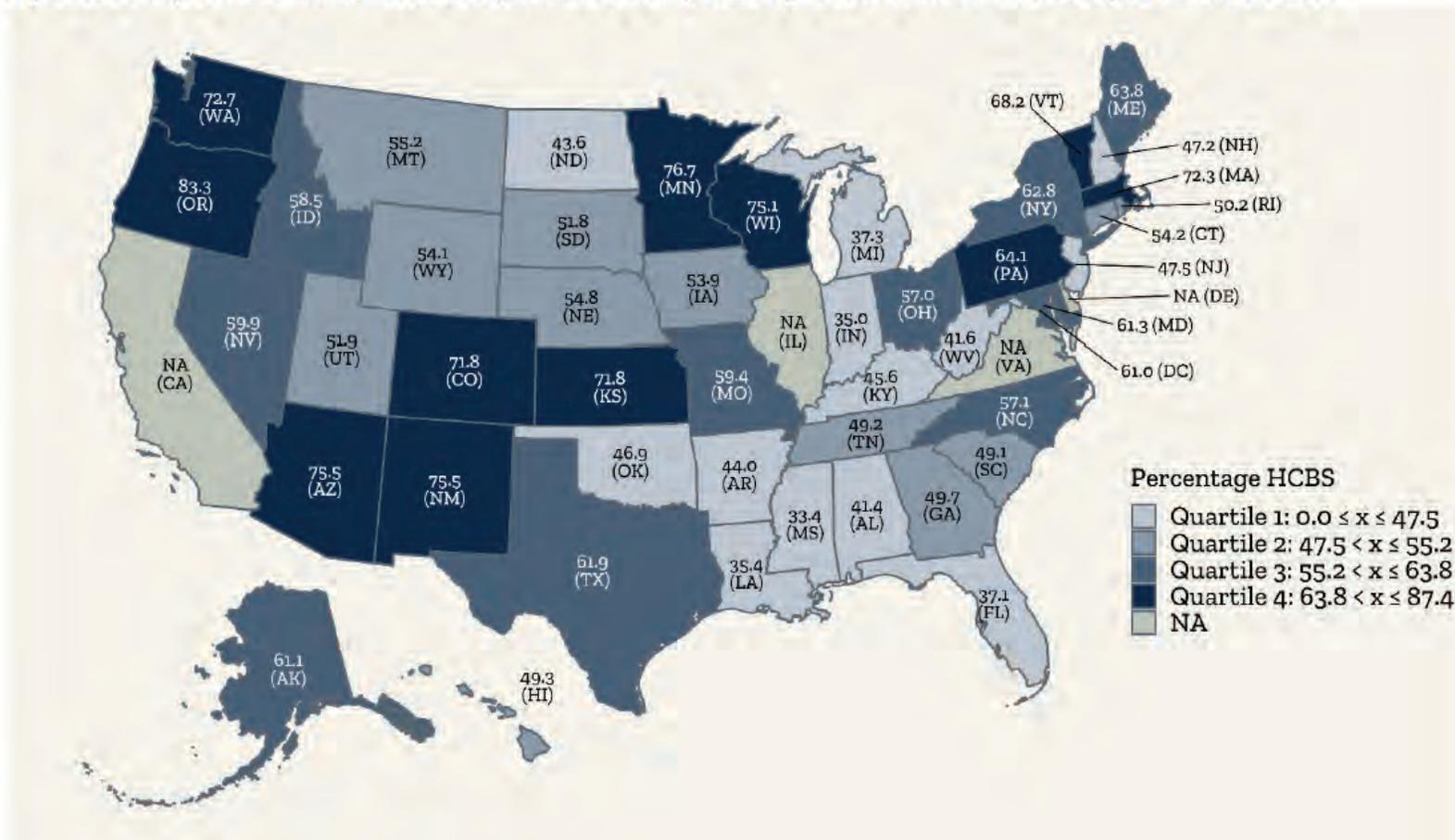
Figure II.1. Medicaid HCBS and institutional LTSS expenditures, in billions, FY 2019



Source: Medicaid Long-Term Services and Supports Annual Expenditures Report 2019

CMS' Payment Shift to HCBS Funding

Figure IV.2. Map of state Medicaid HCBS expenditures as a percentage of total Medicaid LTSS expenditures, FY 2019



Source: Medicaid Long-Term Services and Supports Annual Expenditures Report 2019

Shift to Home- & Community-Based Services

The pandemic has changed the revenue drivers for nursing home providers.

Post-acute care has been the lifeblood of NH financial viability, has been hit hard — first, by a **sharp decline in elective surgeries** and overall declines in utilization across many types of care, as well as a strong **preference for home-based rehabilitation**.

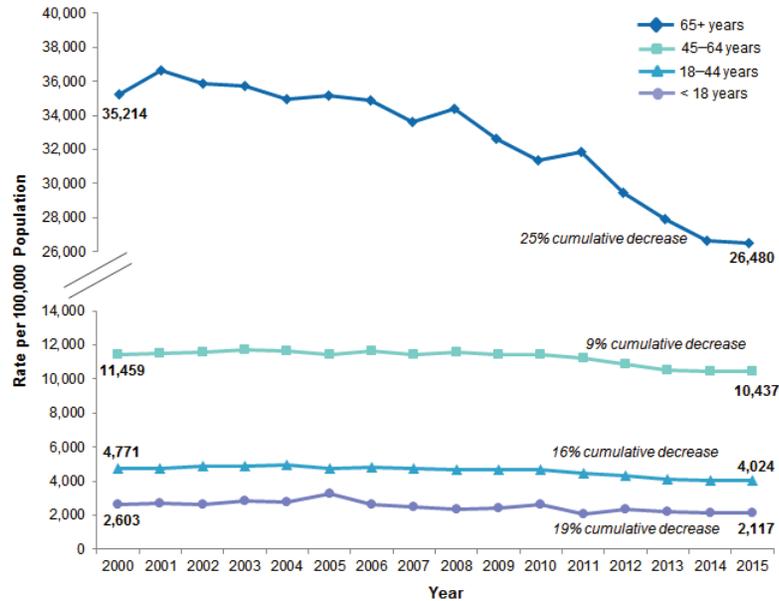
	2019 average	October 2020
% of patients discharged to SNF	19%	14%
SNF use	324 admissions per 100,000 insured members	167 admissions per 100,000 insured members
Share of post-acute spending	39%	31%

Rachel M. Werner and Eric Bressman, "Trends in Post-Acute Care Utilization During the COVID-19 Pandemic," Journal of Post-Acute and Long-Term Care Medicine 22, no. 12 (December 2021): 2496-2499.

Decreasing Hospitalizations

Utilization rates for hospitals have decreased over time because of changes in physician practice patterns, medical technology, and pressure from payors to reduce the total cost of an episode of care. Even before COVID-19, hospitalizations were decreasing significantly for the 65+ population.

Figure 1. Rate of nonneonatal, nonmaternal inpatient stays, per 100,000 population by age group, 2000-2015



Hospital Inpatient Stays per 100,000 Population

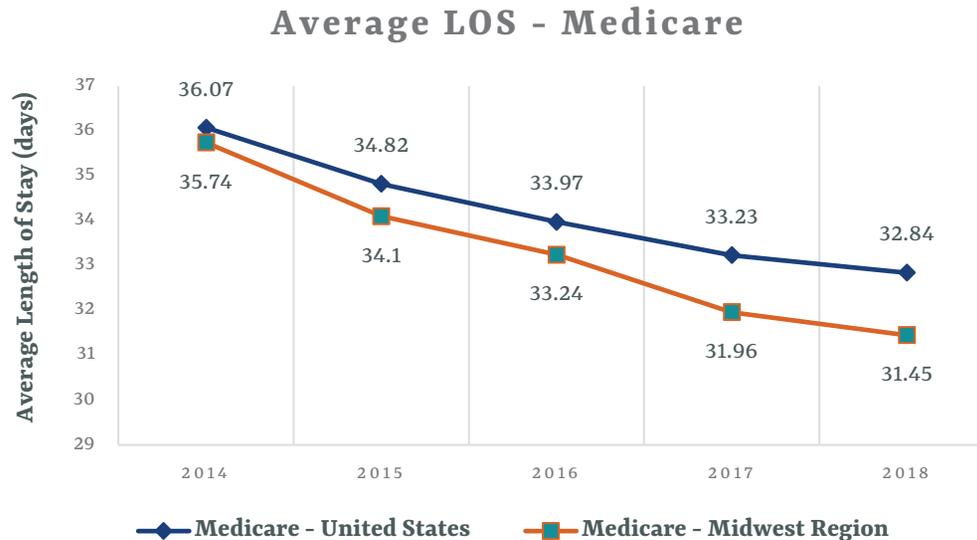
- Between 2000 and 2015, the hospitalization rate of all nonneonatal nonmaternal inpatient stays dropped for all age groups; the largest percentage decrease (25%) was among patients aged 65 and over.
- During the 16-year time period, patients aged 65 years and over had the highest rate of inpatient stays.
- Among patients aged 65 and over, Medicare and private insurance together accounted for ~97% of inpatient stays each year.

Source: Agency for Healthcare Research and Quality, Center for Delivery, Organization, and Markets. HCUP, NIS, 2000-2015.

Decreasing Utilization and Lengths of Stay in Nursing Home Short-Term Rehab

Utilization rates and length of stay for nursing home short-term rehab have decreased over time because of changes in physician practice patterns, medical technology, and pressure from payors to reduce the total cost of an episode of care. These factors have resulted in a higher rate of discharge to home for healthier individuals, accompanied by home health services rather than placement in nursing homes.

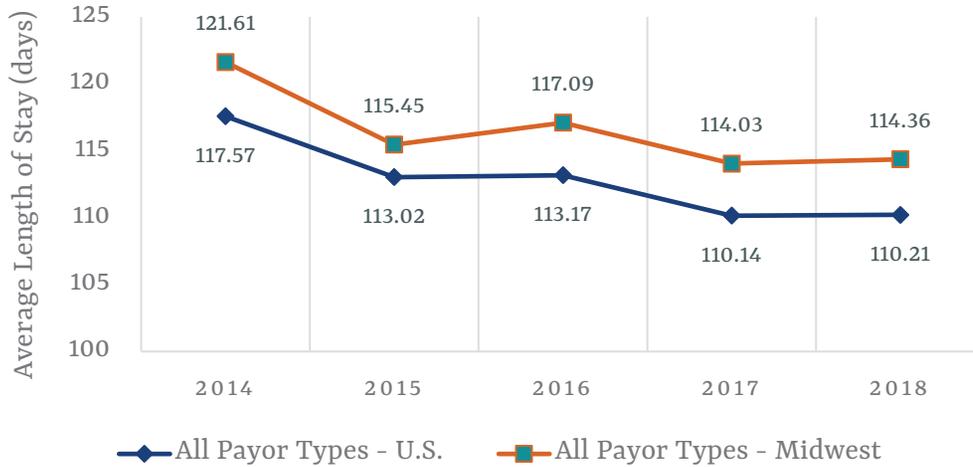
The COVID-19 pandemic further decreased the utilization of nursing homes. A study of Medicare short-term acute care hospital discharges by ATI Advisory noted that the share of discharges to NH decreased from March through August of 2020 as compared to March through August of 2019. This trend will likely continue as many home health agencies are establishing NH-at-home models that are patterned after hospital-at-home models that are gaining increasing support from Centers for Medicare and Medicaid Services (CMS).



Source: Marcum: A Five-Year Nursing Home Statistical Analysis (2014 - 2018)

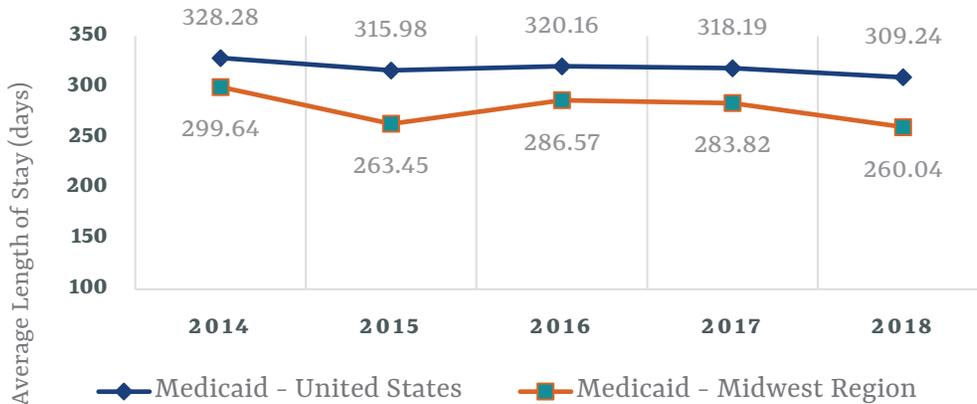
Decreasing Lengths of Stay in Nursing Homes

All Payor Types Average LOS



Length of Stays (LOS) for all payor types as well as Medicaid have also decreased for the US as a whole and for the Midwest region.

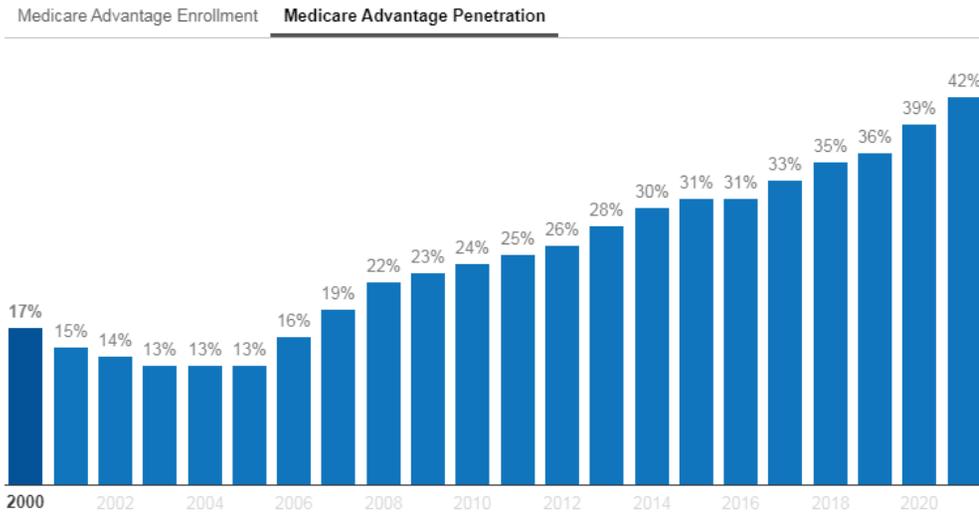
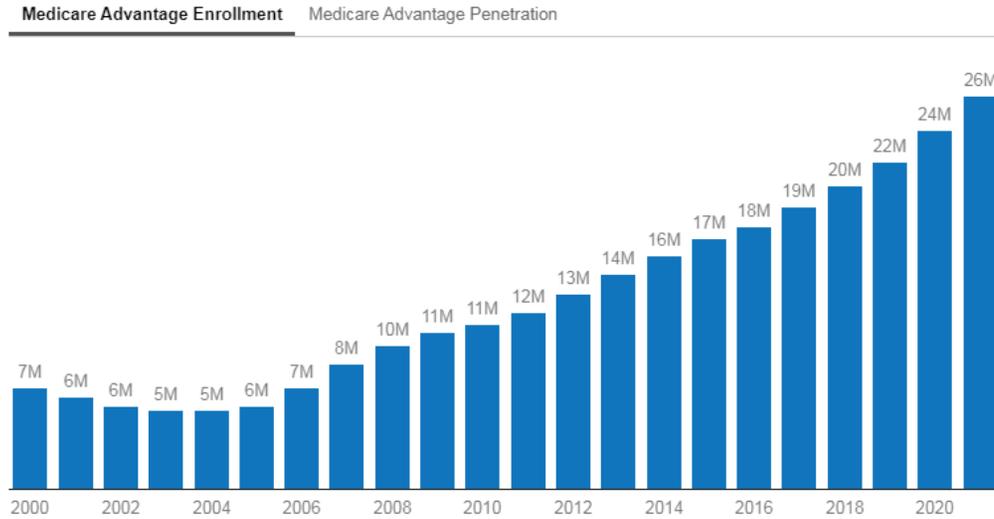
Average LOS - Medicaid



Source: Marcum: A Five-Year Nursing Home Statistical Analysis (2014 - 2018)

Payor Mix Shift from Medicare to Medicare Advantage

Total Medicare Advantage Enrollment, 2000-2021



NOTE: Includes cost plans as well as Medicare Advantage plans. About 62.7 million people are enrolled in Medicare in 2021
 SOURCE: KFF analysis of MPR, "Tracking Medicare Health and Prescription Drug Plans: Monthly Report," 2000-2005; Medicare Chronic Conditions (CCW) Data Warehouse from 5 percent of beneficiaries, 2006-2017; CCW data from 20 percent of beneficiaries, 2018; and Medicare Enrollment Dashboard 2019-2021. Enrollment numbers from March of the respective year. • PNG

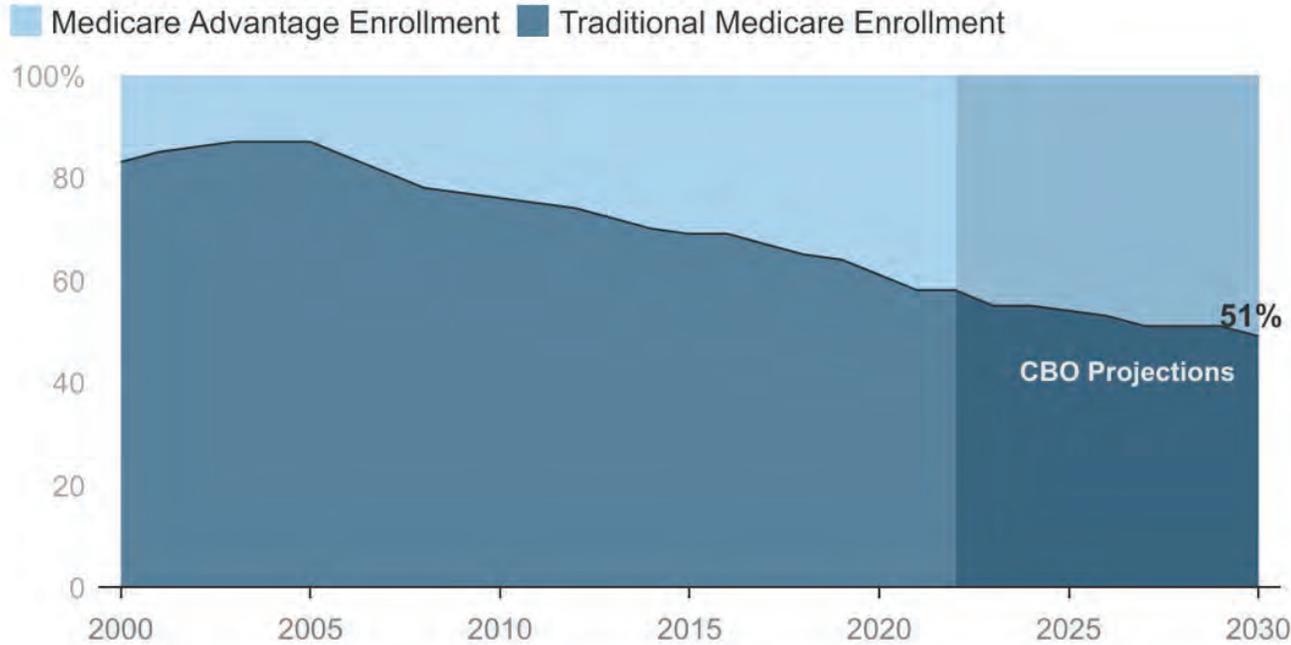


Payor Mix Shifts

Over the last two decades, the role of Medicare Advantage, the private plan alternative to traditional Medicare, has grown. In 2021, more than four in ten (42%) Medicare beneficiaries – 26.4 million people out of 62.7 million Medicare beneficiaries overall – are enrolled in Medicare Advantage plans; this share has steadily increased over time since the early 2000s. Between 2020 and 2021, total Medicare Advantage enrollment grew by about 2.4 million beneficiaries, or 10 percent – nearly the same growth rate as the prior year.

Payor Mix Shift from Medicare to Medicare Advantage

Medicare Advantage and Traditional Medicare Enrollment, Past and Projected



Payor Mix Shifts

The Congressional Budget Office (CBO) projects that the share of all Medicare beneficiaries enrolled in Medicare Advantage plans will rise from 42% in 2021 to ~51% by 2030.

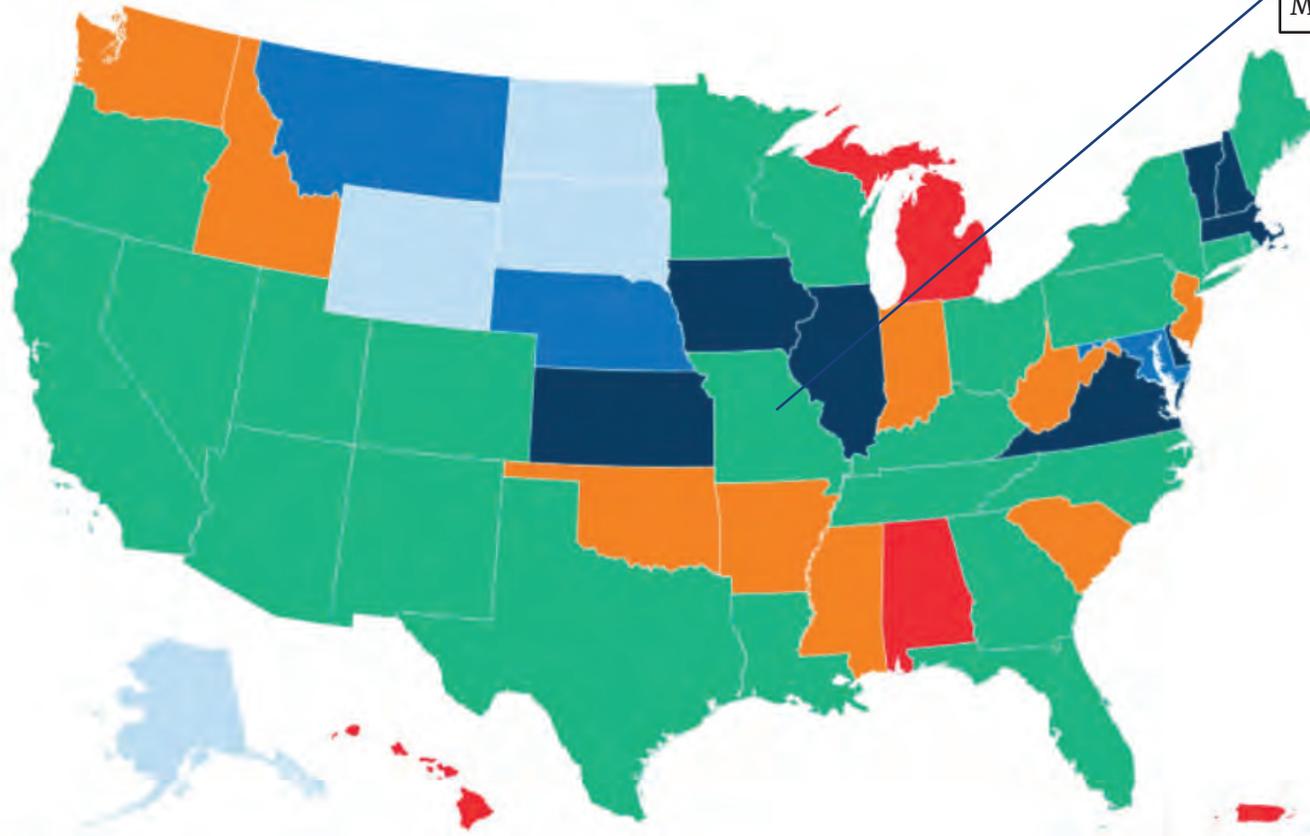
SOURCE: KFF analysis of MPR, "Tracking Medicare Health and Prescription Drug Plans: Monthly Report," 2000-2005; Medicare Chronic Conditions (CCW) Data Warehouse from 5 percent of beneficiaries, 2006-2017; CCW data from 20 percent of beneficiaries, 2018; and Medicare Enrollment Dashboard 2019-2021. Enrollment numbers from March of the respective year. Projections for 2022 to 2030 are from the March Congressional Budget Office (CBO) Medicare Baseline for 2020.



Payor Mix Shift from Medicare to Medicare Advantage

Share of Beneficiaries Enrolled in Medicare Advantage in 2023, by State

■ < 20%
 ■ 20%–30%
 ■ 30%–40%
 ■ 40%–50%
 ■ 50%–60%
 ■ ≥ 60%



Missouri
MCR Advantage Penetration 54%

Missouri Medicare Advantage

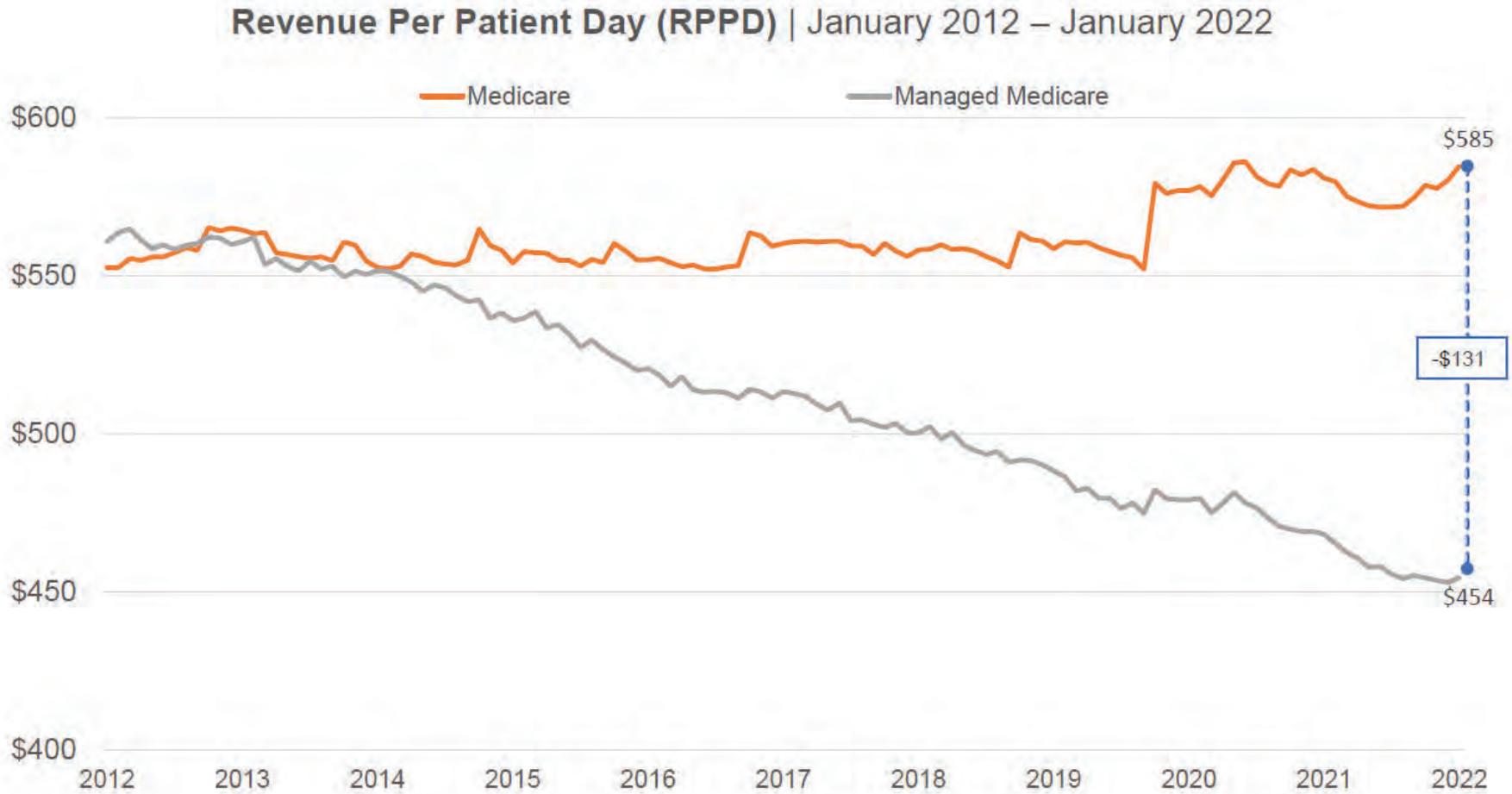
The share of Medicare beneficiaries in Medicare Advantage plans varies across the country. Puerto Rico has the highest Medicare Advantage penetration, with 80 percent of Medicare beneficiaries enrolled in a Medicare Advantage plan. In 26 states (including Missouri), at least 50 percent of Medicare beneficiaries are enrolled in Medicare Advantage plans.

Within Missouri, the share of Medicare beneficiaries enrolled in Medicare Advantage varies across counties. 54% of all Medicare beneficiaries in Missouri are enrolled in Medicare Advantage.

The MA counties are as follows:

- Perry County 26%
- Randolph County 37%

Medicare and Managed Differential Continues to Widen

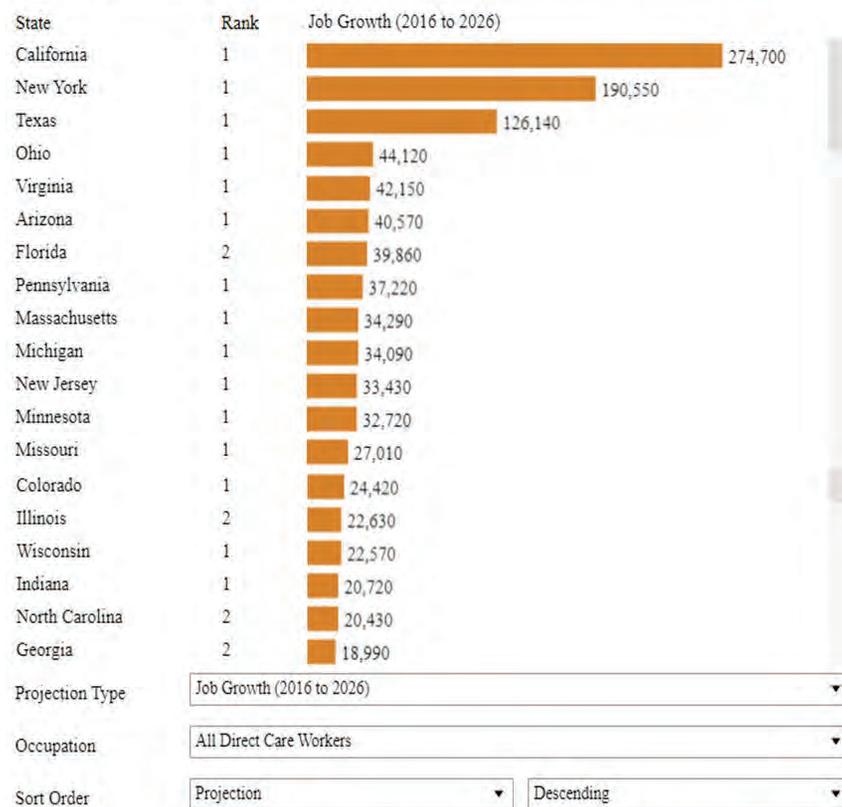


Source: NIC MAP® Data, powered by NIC MAP Vision

Discussion of the Labor Market

Both long-term nursing facilities and short-term post-acute nursing home facilities rely on the labor of 1.2 million health care personnel and support workers. Recruiting and retaining quality direct care staff has long been a challenge in nursing homes, and these problems have only been amplified by the pandemic. While many people join the field with a desire to provide compassionate, hands-on care for residents, physical and emotional demands and low wages drive high rates of turnover among direct care workers. Some nursing homes have been forced to limit new admissions due to lack of staff.

Figure 1: Projected Job Growth (2016 to 2026) for All Direct Care Workers Ranked Against All Other Occupations by State



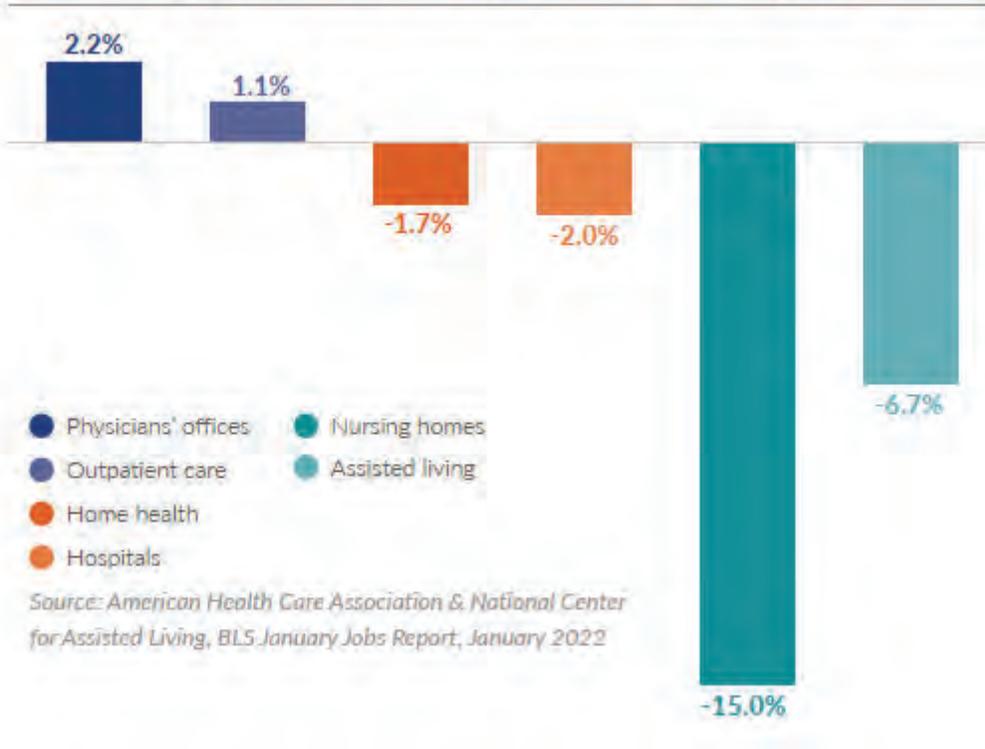
Source: PHL "Workforce Data Center." Last modified December 17, 2018. <https://phinational.org/policy-research/workforce-data-center>.

- From 2016 to 2026, the direct care workforce will add the greatest number of new jobs (as compared to other occupations) in 38 states—and by 2026, it will be the largest workforce in 21 states (see Figure 1). In California, Minnesota, New Mexico, and Vermont, personal care aides alone will be the largest single occupation in 2026.
- Employment projections for direct care show that the US needs to create an additional 1.3 million new long-term care jobs by 2029 – more than any other occupation.
- Moreover, the industry also needs to fill 6.2 million job openings in this decade to replace those who leave the field or the labor force.
- The Bureau of Labor Statistics reports the NH sector has lost 210,000 jobs during the pandemic, about 14% of its workforce. Though healthcare workers left nursing homes, they did not necessarily leave the workforce. Researchers found no significant unemployment changes for RNs, LPNs, or aides.

Discussion of the Labor Market

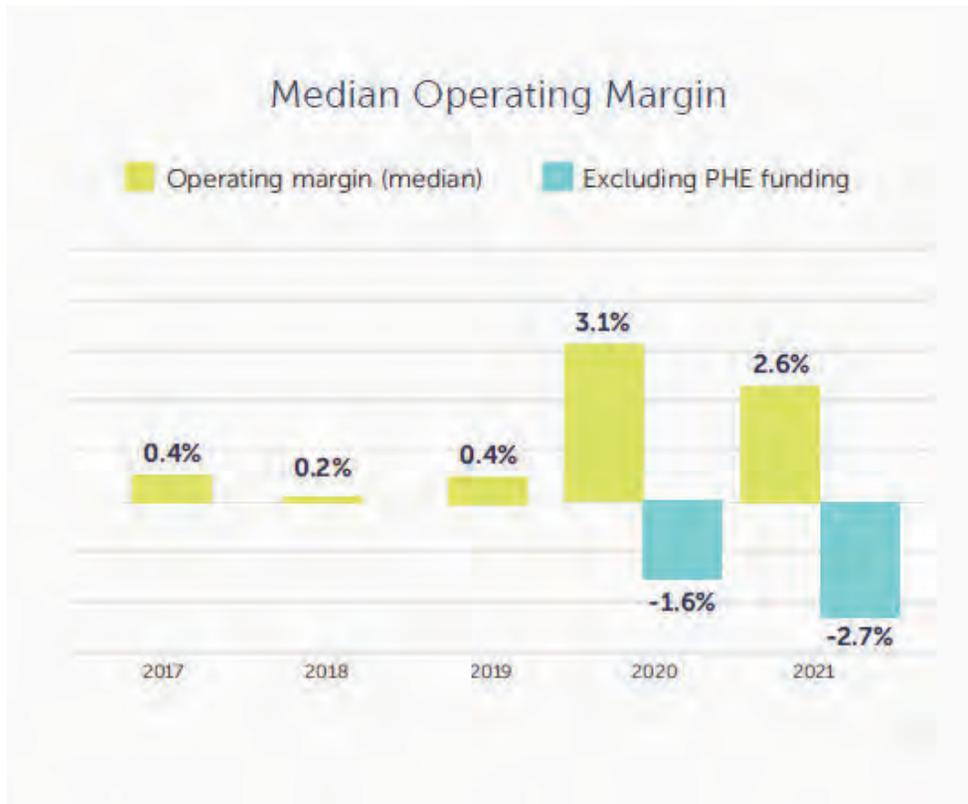
Nurse turnover rates rose to **~22%** in 2021, up from 18% in 2019. Another 30% of RNs are considered “flight risks.”

Percent change in healthcare sector employment: February 2020 - January 2022



- The Bureau of Labor Statistics reports the NH sector has lost 210,000 jobs during the pandemic, about **15%** of its workforce.
- Though healthcare workers left nursing homes, they did not necessarily leave the workforce. Researchers found no significant unemployment changes for RNs, LPNs, or aides.

Declining Nursing Home Operating Margins



Sources: CLA's 37th SNF Cost Comparison and Industry Trends Report (based on cost report data as of October 2021 excluding Public Health Emergency Funds)



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