



BUSINESS

FINANCIAL NEWS AND GROWTH STRATEGIES FOR PROVIDERS AND SUPPLIERS IN THE NOT-FOR-PROFIT SECTOR

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Benefit Residents, Staff, Results

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'SMART HOMES' BENEFIT RESIDENTS, STAFF, RESULTS *Diakon and Goodwin Homes Embrace Breakthrough Technologies*

The overwhelming majority of Americans over age 65 want to continue living in their own homes indefinitely—even as their circumstances change and regardless of whether those homes are the ones where they grew up or a cottage, apartment, or villa in a retirement community. Forward-thinking senior living providers, therefore, are embracing universal design elements and breakthrough technologies that encourage—and, in many cases, allow—that kind of independence within their communities. As a result, these providers are improving the overall quality of life for their residents, enhancing personal safety, significantly reducing staff time, and responding more quickly to emergencies. And because the high-tech monitoring systems are all based on a Wi-Fi platform, they can be implemented on a pick-and-choose basis, in stages, and at a reasonable cost.

Diakon gets on board

In mid-April, **Diakon Lutheran Social Ministries**, headquartered in Mechanicsburg, Pennsylvania, began construction on the first of two “smart homes” it plans to build at its **Lutheran Home at Topton** (Pennsylvania) community. The first one will be a demonstration home that should be open to the public by late September or early October. The second one, which should be finished by the end of the year, will actually house a couple, who have agreed to test it out. Diakon

is also setting up a study with a local university that will determine whether the technology is really helping the couple. “The study will determine the usability and acceptability of the new technologies and how best to combine them with our services,” said David Baker, Vice President/CIO

Diakon decided to build the “smart homes” to educate its residents, their family members, its staff, and others in the local area to the possibilities of the new technologies and to provide a situation where they can see it, touch it, feel it, and—in the case of the second home—live in it. “We’re on board with the concept,” said Baker. “Now we’re trying to show others what’s available.”

Diakon plans to invest about \$100 million over the next decade in 70 additional “smart homes” it will build across the street from the models. “We’re pre-selling those right now,” said Baker. “As soon as we reach 70% on the first 18, we’ll start construction.” Like the models, all the new homes will have the built-in infrastructure for wireless access. Standard features will also include universal design components (e.g., wider halls and doorways, zero thresholds, minimal steps, anti-scald devices in bathrooms and showers) and a high-tech living environment—easy-to use, big-button, touch-screen security and lighting monitors. Built-in computers will monitor blood pressure

and other vital signs, and a system will automatically dispense medications. The heavy-duty technologies—such as Activities of Daily Living (ADL) monitoring, telehealth, and brain fitness software—will be optional, but the infrastructure for those systems will be in place, as well. Residents can decide what they want or need at any point, and the sensors or equipment can easily be added.

Baker estimates that a \$250,000 “smart home” would have about \$35,000 invested in new technologies. That includes the wiring infrastructure and installation of all the standard items and the additional monitoring options. Building multiple homes, of course, would reduce the cost per home. The cost will also be less when the technologies become universally accepted.

The industry’s perfect storm

Is this something that providers should be doing, or is it technology for the sake of technology? “We’re facing a perfect storm,” explained Baker. “First, providers can’t scale to meet the looming needs of the aging nation. By

2050, one in five people will be elderly. And three-quarters of adults over age 65 already have at least one chronic condition. Second, we have a shrinking professional caregiver workforce. By 2020, we’ll have 400,000 fewer nurses than we need to provide quality care.”

The third piece of the storm is meeting baby boomer expectations. “They’re all tech-savvy —71% have Internet access, 89% want to age in place, and 92% anticipate that technology will help them live longer and more independently. And 54% are willing to pay \$100 a month extra to access technology,” he noted.

The challenge, then, is to provide the quality of life and quality of care for triple the number of seniors, most with chronic conditions, while they remain independent and with a shrinking caregiver workforce. “And oh yes,” Baker added, “we need to reduce costs, too.”

Technology, of course, is just a tool that supports the care that aging service providers already have in place. It increases professional caregiver efficiency, reduces their workload, and reduces costs. “By far, technology is a positive influence on care giving,” said Baker. “It also takes the financial and emotional burden off informal caregivers—the family members—and increases their engagement in the care and support of the older adult.”

Diakon’s goal is to test out the product in its own communities and then slowly grow into the local neighborhood. “We already offer home services,” said Baker. “We’ll support that with technology and then branch out beyond our communities—a five-mile ring, a 10-mile ring...people will become a virtual resident of Diakon before ever stepping onto one of our campuses.”

Goodwin House buys in

About a year ago, **Goodwin House Inc.** was looking to install Wi-Fi capability in its CCRC located in Alexandria, Virginia, as a benefit to its increasingly tech-savvy residents and their visitors. Separately, the facility needed to update its emergency call system. That was the immediate need, according to Colleen Ryan Mallon, Corporate Director of Marketing. The existing system was a simple alarm that notified staff when a resident pushed a button. If the person needing assistance wasn’t in his or her apartment at the time, staff members were sent scrambling throughout two high-rise buildings, as well as the garage and all the outside public areas, to locate the individual. “It was an inefficient, time-consuming situation,” said Mallon, “and it happened

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frequently. And if it were a serious emergency, we needed to find the person before the situation got worse.”

Last September, **Goodwin House Alexandria** installed a system designed by **Healthsense**, an aging services technology company located in Mendota, Minnesota, that now provides free Wi-Fi access throughout the community, along with state-of-the-art emergency monitoring. Participating residents wear a personal pendant (optional, with a \$100 one-time fee) that, when pushed, allows the staff to know the exact location of the individual needing help. “It’s a considerable time saver and improves the quality of our emergency response,” said Mallon. Currently, about 80 of the facility’s 279 residents have opted for the emergency pendant.

Goodwin House paid about \$600,000 to install everything related to the new technology, including the wireless phones carried by nurses. It’s important to note, however, that the system was installed in two older buildings—one with 16 floors and another with 12—plus access points in the garage and significant outdoor spaces, including the rooftop and garden areas, so that the residents would have 100% coverage. Smaller buildings and newer construction probably wouldn’t cost as much, according to David Fowler, IT Director.

But the additional benefit of the Healthsense system is that, down the road, the organization can easily implement other services and capabilities by simply building them onto the Wi-Fi platform. “For a minimal additional charge, we could put sensors into an individual apartment and, as soon as tomorrow, be able to monitor that one resident through our current system,” noted Mallon. “We can have as much or as little as we want.”

Actually, Goodwin House is considering installing monitors in assisted living areas of its Alexandria community to detect changes in behavior patterns more quickly than personal observation or word-of-mouth reporting allows. A new building that will open in April 2010 at **Goodwin House Bailey’s Crossroads** already has a wireless infrastructure in place, and the organization is considering adding the Healthsense system. And if Goodwin House decides to offer home- and community-based services in the future, the system will allow the staff to monitor someone off-campus. “That’s a new business opportunity for us,” Mallon added.

“Technology is really an accelerator,” she said. “We haven’t initiated new technology just to be first or to have

the coolest tools and toys. And we’re not looking to cut staff in half by using a sensor system. Technology can save time and costs and can tell whether a person is doing well or if something has changed, but it can’t replace the face-to-face emotional support of a person asking ‘How are you doing.’” □