



ST. JOSEPH COUNTY

ESTABLISHED 1830

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June 6th, 2023

St. Joseph County has spent approximately three years researching how to save the operations and the mission of Portage Manor. The County has employed industry experts to arrive at a solution to assist the vulnerable population that is served by Portage Manor, and recently a Portage Manor Task Force was formed to assist. After a lengthy and exhaustive process, the County has arrived at the following conclusions.

Despite the State of Indiana and the Federal Government providing numerous programs to serve those in need (approximately 40 forms of Medicaid, Medicare, HUD programs, etc), there is a subset of the mentally ill population that is not served by any current program other than the Indiana Residential Care Assistance Program (RCAP). This program helps to fund county homes such as Portage Manor. The RCAP reimbursement rate has not been raised in approximately 15 years. The very low reimbursement rate and other factors have led to the closing of all but 10 county homes (soon to be 9 once Delphi County closes), mainly because the facilities are not financially viable. With only 10 county homes remaining, the communities that operate these facilities have had added pressure to assist with solving a statewide gap in servicing the mentally ill. For instance, when LaPorte County closed its county home, approximately 25 of its residents were relocated to Portage Manor, without any financial assistance being provided by LaPorte County. St. Joseph County now faces the same realities that 83 other counties have already faced, the facilities need major costly repairs, and the program operates at a significant loss.

To properly renovate the facility, Portage Manor is in desperate need of major upgrades and repairs which would cost over \$10,000,000.00. Last year Portage Manor operated at a \$403,651.00 loss without considering county subsidies paid from the general fund and other county department budgets. For instance, the county general fund paid approximately \$385,000 of the employees' health insurance cost, IT provided approximately \$100,000.00 of computer equipment, the county also provided additional services such as HR, IT, Legal, Finance, etc, and provided funds for miscellaneous needed equipment not reflected in the \$403,651.00 loss shown by the auditor's office. Thus, the total operating loss would actually be in the range of \$1,000,000.00.

Due to the current situation, St. Joseph County is faced with several possible options for the future of Portage Manor, none of which result in a situation where all St. Joseph County citizens will be satisfied.

First, the County could choose to maintain the current program in the current building by spending \$10,000,000.00+ to properly renovate the facility and dedicate in the range of \$1,000,000.00 (likely increasing year over year) to the operations of Portage Manor. This option would require a bond to be issued (increasing taxes) to make the repairs. It would also require either depleting the general fund by \$1,000,000.00 per year which would require cutting other county services or county employee jobs or increasing taxes to pay for the ongoing operations.

Second, the County could build a new Medicaid waiver compliant facility. Although this facility would not need ongoing operational funds, to build and furnish a facility to house the same number of individuals would cost approximately \$43,000,000.00. The County would be required to issue bonds to fund this option which would result in a tax increase.

Third, the County could transfer operations to a third-party operator. This option does not appear to be viable. Due to the financial issues discussed above, the County has been unable to find a qualified partner that is interested in assuming the operations of Portage Manor in the current building that can become licensed and legally and ethically operate the facility.

Fourth, the County can cease operations and close Portage Manor.

The fourth option, although less than ideal, appears to be the most prudent option. Therefore, the St. Joseph County Board of Commissioners stands behind its decision to close Portage Manor and asks that the St. Joseph County Council ratify its decision.

With that said, the Board of Commissioners have been working on finding a best-case scenario or fifth option to consider. The St. Joseph County Board of Commissioners intends to present a fifth option to the County Council for consideration. Closing the facility will require rehousing Portage Manor residents. Many of the residents will qualify for Medicaid waiver or other current state or federal programs. This will allow them to be placed in safe housing with qualified caregivers. However, an estimated 40 individuals will need to be placed in RCAP beds which are limited in Indiana and would cause many of the residents to be separated from the friends they now live with at Portage Manor. To help provide for these types of residents and ensure that they can be placed in safe housing with qualified caregivers and keep the community together, the St. Joseph County Board of Commissioners recommends to the St. Joseph County Council that, pursuant to Indiana Code 12-30-1-6, St. Joseph County contract with a strong community partner to create a new RCAP program, if allowable by the State.

The potential community partner operates numerous Skilled Nursing and Rehab facilities in the State of Indiana and over 100 facilities nationwide. They have over 18,000 employees and are uniquely situated to assist with this endeavor. The potential partner currently has a wing of its facility that was closed during the pandemic but can house 50 or more residents in the event the State of Indiana will grant the appropriate licensure. In fact, the partner's current population is made up of at least 6% of individuals that would otherwise be homeless if not housed at their facility.

However, the facility will need to upgrade its facility by providing revenue while the licensing process is worked out, renovating rooms, creating a physician exam room, purchasing new furniture, etc. Thus, the St. Joseph County Board of Commissioners is recommending that the Council allow the use of the remaining \$1,500,000.00 of ARP money to start an RCAP program and to provide funding to assist with the transition of the Portage Manor residents to safe and suitable housing, for facility improvements, resident support, and more. This allows the County to assist in supporting this underserved population by seeding the creation of a new RCAP facility in relatively close proximity to Portage Manor. The St. Joseph County Board of Commissioners will also call on the Council to support the facility by allowing the continuance of the County's contract with Byron Health to assist with the transition and consult on licensing, staffing, and training matters for the new facility. The St. Joseph County Board of Commissioners also intend to facilitate a job fair for the current employees of Portage Manor to possibly obtain employment at the partner facility. Facilitating the hiring of Portage Manor employees at the

partner facility will not only assist the employees with finding immediate employment but will also greatly assist with the transition of the residents to the new facility. The County Commissioners are also open to donating the current furniture, fixtures, and equipment (including a bus) of Portage Manor to the partner facility to ensure the success of the program. St. Joseph County would look to the partner facility to join with St. Joseph County to rehouse ALL of the willing Portage Manor residents at the new facility or other suitable locations shortly after the formal closing of Portage Manor to ensure a smooth transition.

The Board of Commissioners is enthusiastic about the strong possibility of partnering with a local partner which would allow most the current residents of Portage Manor to have the opportunity to stay together as a community and live in a much nicer facility.