

CASE STUDY: Improved Operating Margin, Sales Velocity, and Resident Satisfaction

Business Opportunity: Life Plan Community, Acquisition, Turnaround, Capital Improvements

LAUREL CIRCLE
BRIDGEWATER, NEW JERSEY



An  LCS Company

THE COMMUNITY

Laurel Circle, formerly known as Arbor Glen, opened in 1997 under the direction and management of a mission-driven Quaker community. The single-site community is located on a 28-acre campus in the New York metro market, close to public transportation, and consists of 202 independent living units, including 19 villas; 23 assisted living units; 10 memory care units; and 64 skilled nursing units.



THE OPPORTUNITY

Arbor Glen experienced financial difficulties that resulted in delayed entrance fee refunds. Some estates were waiting eight years to receive their refunds, which resulted in negative press coverage. The board realized it needed to resolve Arbor Glen's leverage issues, align with fiscally strong ownership and hire an experienced senior housing operator who could provide support with resources, industry knowledge, and technology infrastructure.

With a national operating platform for managing similar Life Plan Communities, a track record of turnarounds, and extensive regulatory knowledge, LCS was the first choice to become the owner and operator of Arbor Glen.

THE STRATEGY

The first order of business was to provide financial stability, addressing the outstanding refund balance and investing an additional \$8 million for capital improvements. Next, Life Care Services engaged an experienced senior living advertising agency to help rebrand and reposition the community, while remaining sensitive to the mission-based Quaker tradition. Because external focus groups perceived Arbor Glen as a care facility with a paternalistic perspective on senior living, Life Care Services added wellness components and rebranded the name from Arbor Glen to Laurel Circle.

THE VALUE OF LIFE CARE SERVICES

\$8 million capital investment included:

- \$2.7 million allocated to address deferred maintenance
- \$5.3 million in renovations managed by LCS Development, An LCS Company
 - Enlarged and enhanced Assisted Living and Memory Care suites
 - Renovated common areas (main lobby, elevators, salon, grab and go dining)

Improvement in resident and employee experience started with:

- Full implementation of Electronic Medical Records (EMR) in all levels of care
- Implementation of Touchtown resident portal, accessible by residents and families via an app
- Expansion of WiFi in all residences and common areas
- Replaced and upgraded all computers to improve staff efficiencies

38%

increase

in use of fitness center and personal training

90%

or higher

resident satisfaction by department
Plant Services | Reception | Marketing
Security | Transportation

5%

improvement

in operating margin compared to budget

20%

improvement

in year-over-year sales velocity from 2018 to 2019

The quality outcomes of the health center's skilled nursing and rehabilitation team resulted in Centers for Medicare & Medicaid Services (CMS) awarding The Arbor at Laurel Circle with a 5-Star rating for excellence in nursing care.

	Total number of licensed nurse staff hours per resident per day	RN hours per resident per day	Physical therapist staff hours per resident per day
LAUREL CIRCLE	2 hours and 13 minutes	1 hour and 28 minutes	12 minutes
NATIONAL AVERAGE	1 hour and 34 minutes	41 minutes	5 minutes

