

HEALTH CARE

Brooklyn hospital resuscitated

BY JONATHAN LAMANTIA

Centers Health Care plans to open a new skilled-nursing facility in Brooklyn, reviving a campus that has been dormant since St. Mary's Hospital closed more than a decade ago.

The Brooklyn Center for Rehabilitation and Residential Health Care will start treating patients by early next year at 170 Buffalo Ave. in Crown Heights after converting the shuttered hospital into a 280,000-square-foot nursing home, Centers Health Care said.

St. Mary's, which was part of St. Vincent's Catholic Medical Centers, closed in 2005 after sustaining millions of dollars in losses. It was the last remaining Catholic hospital in Brooklyn, according to *The New York Times*.

The new project is significant in the nursing home industry, which receives a sizable portion of reimbursement from Medicaid—a huge obstacle for facilities to finance large-scale capital projects.

A Centers Health Care spokesman said the project's total cost was about \$90 million.

Centers, a regional nursing home chain with more than 40 locations, retained the main St. Mary's Hospital building, constructed in 1979, and installed all new electrical, water, gas and mechanical systems, among other updates.

The chain plans to relocate patients from its current Brooklyn Center in Borough Park and has received permission from the state to set up 281 beds at the new facility.

"This was a gut renovation of extensive proportion," said Benjamin Diamond, chief strategy officer at construction firm One 70 Group. Diamond also works for Centers Health Care in a development role, according to his LinkedIn profile.

The new facility will have a mix of private and semiprivate rooms, averaging about 875 square feet each, plus a 6,000-square-foot area for physical and occupational therapy.

It also boasts a 14,000-square-foot rooftop for patients and families, with community space. Amenities include Starbucks coffee and Netflix available in all rooms.

"The one thing we have been focused on across our entire portfolio is that expectations are changing dramatically in the skilled-nursing-facility space," said Steve Carr, Centers' chief sales officer. "A lot of people don't choose a skilled-nursing facility because of the folklore that it's where you go to die, and there are five people to a room. No one will experience that in this setting."

Patients and families aren't a nursing home's only audiences. Facilities must gain the trust of hospitals and insurers that direct their patients and members where to seek care. Hospitals in particular have been taking a closer look at nursing homes as they begin to



CENTERS HEALTH CARE/ONE 70 GROUP

enter contracts whereby they receive payment for an episode of care, such as a joint replacement, and are responsible for costs patients incur even after they're discharged to a nursing home. If a patient needs to be readmitted, hospitals can face penalties from the patient's insurer.

Vital signs

Nursing homes have begun to diversify the type of care they offer to accommodate patient needs, with some acting as mini hospitals that can treat sicker patients than they used to, said Dr. David Friend, chief transformation officer of professional services firm BDO's Center for Healthcare Excellence & Innovation. The Brooklyn Center will have six rooms with the required air flow to treat infectious disease patients without a trip to the hospital, for example.

They're also using new amenities to improve patients' experience, he said.

"A lot of these old-style facilities are going to close because they're not providing the needs of what people want," Friend said. "The smart operators are trying to create product and service that today's seniors want and can afford."

Senior citizens' children are involved in deciding where their parents should live, and they're weighing nursing homes against assisted-living facilities and home care. They're realizing that, for some older adults, staying at home is not the right fit, said Stephanie Marcantonio, a health care attorney and partner at Crowell & Moring.

"You have a consumer base that is changing how they think about senior care," Marcantonio said. "There's a lot of discussion of congregate care not being a bad thing. Living among other people has a lot of benefits."

As nursing homes look to update facilities to stay competitive, many operators who own just one or two facilities are finding it hard to finance renovations, given their low reimbursement from government insurers, she said. That has resulted in a move toward for-profit chains run by a single management company. From 2015 to 2018, 48 nursing homes in New York moved from nonprofit to for-profit ownership, a Crowell & Moring analysis found.

Centers also operates home care, assisted living, adult day care, urgent care and dialysis units as well as a Medicaid managed-care plan. ■



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