

Continuing Care Retirement Communities:

*A retirement option that's surprising people
one objection at a time*

By David Kane, Vice President of Senior Living, Mather LifeWays

“At a CCRC, you have a safety net and it’s called guaranteed health care.”

“What do I tell friends who haven’t moved to a Continuing Care Retirement Community yet? Don’t hold off, or you’ll end up on a waiting list,” says Lee Stafford, a California native in his late 70s living at Splendido, a Continuing Care Retirement Community (CCRC) in Tucson, Arizona. “I’ve always planned ahead because I’ve learned that money can’t buy everything. At a CCRC, you have a safety net and it’s called guaranteed health care.”

CCRCs are age-restricted, amenity-rich places where you live independently with additional services available should the need arise for care. Costs and payment plans vary and may include an entrance fee or a possible rental option. In plain terms, CCRCs are retirement living communities with an important added benefit: lifetime care, which ensures that you can “age in place” having planned ahead.

Lee first heard the term CCRC after touring several of them in his home state. They’ve evolved over the decades, and he was sold on their value. “I was looking for my mom, and I found out that the concept alleviates any worries down the road for her and me,” he says.

THE BENEFITS OF PLANNING AHEAD

Like Lee, you already live an independent lifestyle, and CCRCs will let you continue to do so with added benefits for the future. CCRCs often offer limited-day (typically 90 days) and life care plans, both of which are designed to cover the expenses of future health care, whether it’s assisted living, memory support, or skilled nursing.

Assisted living provides help with daily tasks such as getting dressed, personal hygiene, and medication management. Suppose you lose your balance and take a tumble. An emergency response system in your home allows you to call for assistance. If you’re diagnosed with Alzheimer’s Disease or dementia, specialized memory support programs emphasize personal strengths to enhance your well-being. Skilled nursing is available for long-term care and can help you recover from illness or surgery.

The agreement you enter into with a CCRC addresses the costs of various levels of care for life, meaning you receive a lifetime of protection for a predictable cost.

This financial security and peace of mind are big advantages of CCRCs. For residents of retirement communities that aren’t CCRCs, a move to a higher level of care can be quite costly and can quickly deplete their assets and savings. Because CCRCs offer a comprehensive range of services and care, they are monitored and regulated by government agencies, which, in turn, helps safeguard your investment.

Research found that residents who live in CCRCs live longer and healthier lives.

IF YOU'RE HEALTHY NOW, THEN YOU'RE READY

While some people think that moving to a retirement community is something they need to do, people who move to a CCRC want to!

Thousands of CCRCs thrive across the country and range from urban high-rises to expansive rural campuses, from 100 residents to more than 1,000. People vary in age, too, from 55 and beyond. In fact, according to a 2007 study, households most likely to make the decision to move to [a CCRC], either within the next six months or the future, are 60 to 64 years of age or 75 years of age or older.¹

In addition to comfortable homes and comprehensive health care, you'll find an array of other services and amenities right outside your door, such as:

- multiple restaurant options
- concierge service
- housekeeping
- maintenance
- fitness classes
- gardening spaces
- recreational and educational programs
- personal conveniences (e.g., spa, bank, library)
- transportation

THE EXPERTS WEIGH IN

In 1997, the Office of Disability, Aging, and Long-Term Care for the U.S. Department of Health and Human Services released research that found that residents who live in CCRCs live longer and healthier lives.²

Living in a CCRC helps people improve their health and reduce their risk of disease and disability. Many have attributed these noticeable benefits to the more active approach that CCRCs take toward wellness, including:

- promoting a dynamic lifestyle
- supporting social involvement
- helping ensure proper health care
- providing good nutrition

DECIDING TO DO NOTHING

You could stay in your home because you already have a plan for the future, right? That long-term care insurance policy made sense when you bought it: you're paying a premium regularly so that you don't have to pay a huge amount later in the event of a major illness or injury.

Good thinking. But what if your premiums go up and your investments decrease? And, also important, do you know exactly what your plan covers and for how long? What about inflation?

As uncomfortable as it sounds, imagine that you do get sick. It's anyone's guess as to who will care for you. Maybe your spouse or children will, but you always said you'd never burden them.

The beauty of CCRC living is that you've already planned for "what ifs" while you're healthy.

Margaret Chase, in her mid-60s, reveals her top reason for choosing to live at The Mather, a new CCRC in Evanston, Illinois, just north of Chicago: "With friends, the question of 'What to do with Mom' frequently comes up," she says. "And I've always been bothered by the thought of my kids having to make a decision about my care, should I ever have needs. I see moving to The Mather as a favor for them and me. It's like a full-service condominium building with a plan for the future built right in!"

Most likely, if you do nothing now, you won't be able to choose who will care for you and where you'll be cared for in the future. The beauty of CCRC living is that you've already planned for "what ifs" while you're healthy. If you do become ill or injured, you will be familiar with those who will care for you, and you'll know what to expect. The way a CCRC is structured also lets you keep true to "in sickness and in health." If your spouse requires skilled nursing care (or vice versa), he or she could move to the health center closeby while you continue living in your residence.

You may think that receiving in-home care is the answer. While having an aide is somewhat similar to assisted living in that both offer non-medical services such as assistance with activities of daily living, transportation to medical offices and shopping, medication reminders, and meal preparation, you can't rely on the fact that he or she will be dependable. Plus, you miss out on the social opportunities available at a CCRC.

WHO OWNS WHO?

A CCRC may sound like a viable retirement option, but what about your home? It may be your biggest asset. Your neighbor could be your best friend. Perhaps grandkids are nearby, too. This is the lifestyle you're used to, so why move now?

You've most likely paid off your home, which probably leaves you feeling quite secure. But chances are, you've found yourself uttering on more than one occasion, "It's always something!" The floor is only going to creak more, that water heater is starting to sputter — again — and that's just the beginning of a long list of so-called "character-building" issues.

Suffice it to say, owning a home is work. (And you thought you retired!) CCRC living is typically described as maintenance-free—how you always imagined retirement to be. Think about your mortgage, rent, or assessment payment, along with your property taxes, groceries, utilities, housekeeping, laundry, lawn, garden, and home maintenance expenses, health club fees, and all those social outings—it adds up very fast.

When you choose a CCRC, you will likely pay an entrance fee, which also is considered an investment because most CCRCs allow you, your estate, and/or your family to gain back a large percentage of this fee—sometimes up to 100%. In many cases, a portion of the entrance fee (and monthly fee) may be tax deductible, as well. A monthly fee that covers daily living expenses and services will vary depending on your home's size and the community you choose.

An agreement between you and a CCRC can assure you that you will have a residence and access to assisted living, Alzheimer's or dementia care, or skilled nursing, when you need it, without a substantial increase in your monthly fee. These contracts vary and the entrance fee amounts differ with each contract.

*Enjoy life, knowing you've
planned ahead without
changing your life.*

FINDING THE RIGHT CCRC FOR YOU

If you're ready to start looking at Continuing Care Retirement Communities, below are a few questions you may want to ask when touring and researching them. Also, be sure to seek out trusted counsel as well, or speak with the residents themselves.

- What services are included in the monthly service fee?
- How much are the monthly fees adjusted if more services or care are required?
- What is the CCRC's history of monthly fee increases?
- What happens if the fee increase is greater than the ability to pay?
- Is the entrance fee refundable and if so, when?
- Does the CCRC have a disclosure statement?
- Who manages or owns the CCRC and what's their experience and reputation?
- What type of employee training programs are implemented?
- Is there a resident handbook that outlines policies?
- Is there a residents' association and how does it function?

NEXT STEPS

Moving to a CCRC takes thought and planning. Here is a list of steps you can take to make sure you are making the right decision for you:

1. Do your research.
2. Schedule appointments with CCRCs that interest you.
3. Find a CCRC that best fits your needs and personality.
4. Choose your floor plan.
5. Make your deposit (typically refundable) and sign a reservation agreement.
6. Complete general, health, and financial applications.
7. Schedule your personal health screening with your physician.
8. Choose your CCRC health care plan.
9. Upon move-in, pay entrance fee balance and monthly fee.
10. Enjoy life, knowing you've planned ahead without changing your life.

Footnotes:

- 1 According to Connecting Affordable Seniors Housing and Services: An In-Depth Descriptive Study of Three Models, Washko, Sanders, Stone, Harahan.
- 2 U.S. Department of Health and Human Services. 1997. Continuing Care Retirement Communities: A Background and Summary of Current Issues. Jacquelyn Sanders, Student Intern for the U.S. Department of Health and Human Services, Office of Disability, Aging and Long-Term Care Policy. February 24, 1997.

Based in Evanston, Illinois, Mather LifeWays enhances the lives of older adults by creating Ways to Age Well.SM Founded in 1941 by entrepreneur and humanitarian Alonzo Mather, Mather LifeWays is a unique not-for-profit organization dedicated to providing a continuum of living and care; making neighborhoods better places for older adults to live, work, learn, contribute, and play; and identifying, implementing, and sharing progressive practices for wellness, workforce issues, memory support, and empowering caregivers.



Another White Paper
from Mather LifeWays



*David Kane is the Vice President of Senior Living for Mather LifeWays.
Reach him at dkane@matherlifeways.com.*