



## Is a Continuing Care Retirement Community the Right Fit for You?

It used to be that the question of senior living had two answers: try to stay at home or go to a nursing home. These days, there are so many options it can be hard to know where to start. This article will briefly introduce a different concept in senior living, Continuing Care Retirement Communities (CCRCs).

CCRCs are a broad type of senior living communities. Generally, residents move into these communities as independent older adults, and age in place with the support of the care resources offered in the community. CCRCs offer independent living arrangements in apartment style units, and semi and fully detached units. Most communities offer in-unit personal care so that the resident can remain in their “home” if possible. If skilled nursing care is required, a community nursing home is available for a close transition. Residents find this arrangement appealing because if they need skilled care, they can transition to a facility that they have already chosen, and the facility is within walking distance from their spouse and friends.

While there are many upsides to CCRCs, prospective residents should carefully consider their choices before moving in. Factors include personal needs, financial arrangements, the power to direct one’s own healthcare, and the administration of the community.

The decision to move into a particular CCRC should be viewed as a permanent choice rather than something to “try out.” For this reason, it is important to tour as many CCRCs as possible because communities vary greatly in terms of amenities, “atmosphere,” services, and even resident population. You are picking a new home, “town,” and “neighbors.”

The financial arrangements of CCRCs also vary greatly. Typically, costs come in the form of initial fees and recurring monthly fees. A traditional arrangement involves a large initial fee, or entrance deposit, comparable to the cost of purchasing a residence. Often, this entrance deposit is used as a “rainy day” fund in the case that the resident has exhausted savings to continue to pay the monthly fees. Entrance deposits are also sometimes refundable to the estate of a deceased resident. Many CCRCs have some type of “promise” not to kick out a resident if the resident has expended all their savings. These “benevolent funds” vary significantly, and it is important to fully understand the conditions to receive assistance before moving in. Because these financial arrangements are complex, vary widely, and may impact your future decisions, it is important to carefully review a prospective CCRC with a trusted advisor.

Another important consideration is the power to control your own healthcare decisions. Older adults often struggle with family about whether to remain at home or transition to a senior living facility. These struggles can be very emotionally draining, but in most cases, the older adult retains the authority to make the decision for themselves. Similar struggles occur in CCRCs when a resident needs increased care. However, instead of the struggle between family members, the push for more services usually comes from the CCRC itself. CCRC resident contracts contain detailed provisions about what circumstances give rise to the question to transition to a higher level of care and who makes the decision to increase care. For some prospective residents, it is important that the decision rest with a trusted physician that the

resident has a long-standing relationship with. These contracts contain provisions that will either allow or disallow such arrangements.

Prospective residents should also consider the viability and reputation of the facility. Most CCRCs are regulated in Pennsylvania by the Pennsylvania Insurance Department. CCRCs are required to disclose information to the Department, and the Department conducts periodic audits for new CCRCs. Information concerning these audits is available on the Department's website: <https://www.insurance.pa.gov/Coverage/ContinuingCare/Pages/default.aspx>. However, some legal scholars have described the level of oversight as an "informed buyer beware" model of regulation. For this reason, residents may desire to seek additional assurances. Some questions to ask may include whether the CCRC holds resident entrance deposits in escrow or request actuarial analysis of financial statements. There are also many industry designations that a CCRC may obtain, however accreditation from the Commission on Accreditation of Rehabilitation Facilities (CARF), an independent non-profit organization, is viewed as the most authoritative. Accreditation is a voluntary and costly process for the CCRC, so ask why a CCRC may not have sought accreditation. Lastly, many residents are very active in advocacy groups, and prospective residents can find helpful information from the websites of the National Continuing Care Residents Association (NaCCRA) and the Pennsylvania Alliance of Retirement Community Residents (PARCR).

Many of my clients who have chosen to move into a CCRC are very happy with their decision. It is important to become fully informed about the details described above before making a final decision so you, too, can make the right decision for your personal circumstances.

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