

10 THINGS YOU SHOULD KNOW ABOUT ASSISTED LIVING

1. They may only be a short-term solution

The number of assisted living facilities and residents served has skyrocketed, so has the diversity of needs. Some communities cater to those who have trouble cooking or doing their own laundry; others, to those with dementia, loss of mobility and even more serious issues. Government regulations that could help assisted living residents with a chronic or degenerative illness are few and far between. Still, many people choose assisted-living facilities over nursing homes precisely because they offer residents more freedom in a less institutional (and far less expensive) setting. Indeed, residents who value their independence are often loath to give it up: People with severe health problems who in the past would have been moved to nursing homes are now staying longer in much less expensive assisted-living facilities.

2. They can ask you to leave.

Knowing the limits of the care a facility can provide -- and the thresholds of behavior or health that will lead to eviction -- is as simple as looking at its contract but who decides when those thresholds have been met? Not residents or their physicians. Management. People may be asked to leave because they are disagreeable, their health needs have become unpleasant, or they are transitioning to a less lucrative payment source. In those cases, it's easy for a facility to claim that they can no longer care for an individual, whether or not that is actually true.

3. Ailing residents are profitable.

Three-quarters of facilities charge residents extra for a variety of services — from bringing meals and delivering packages to making the bed and administering pills. There is no limit on what they can charge for.

Such charges are usually detailed in the contract. But families facing an important and often emotional decision don't always read the agreements carefully. That's why some insiders recommend consulting an elder care lawyer before signing on the dotted line. Residents should expect increases in charges, as labor, food and fuel costs rise.

4. The rates aren't set in stone.

Eager to lure potential residents, some places have begun enlisting marketing firms to help seniors sell their homes. Others have begun offering bridge financing to help people move into a facility while they wait for their house to sell. Furthermore, some communities are more competitive now than they were prior and more are offering incentives such as discounts off the community fee or off the first few months' rent. Don't assume

that the listed rates are the rates they charge everyone. Depending on how many open spots a facility has potential residents may be able to negotiate the base rent down, or include a clause that bars raising prices for several years or even eliminates some of those pesky charges altogether.

5. Did we say we would lock the doors?

From a business perspective, Alzheimer's and dementia sufferers are a huge market: More than 40 percent of assisted-living residents have the diagnoses. Many facilities advertise specially trained staff, customized activities and locked floors for those who wander. But critics say it can be hard to differentiate a sales pitch from a real service, and government regulations of dementia care tend to be minimal. The Alzheimer's Association advises families of potential residents to ask very specific questions about the type of care and activities available, and to look for competitive staff-to-patient ratios.

6. Advertised amenities can be misleading.

Everyone wants to believe that they will age well—that dementia, broken hips, and other debilitating elements of aging will not happen to them. To cater to that image of an idyllic, healthy, comfortable retirement, many homes spend money creating a beautiful atmosphere—expensive carpet in the common areas, trees in the courtyard, flowers in the dining room. While that has value it can keep people from making a clear-eyed assessment of the level of care offered. Compared with providing top-level care and a high staff-to-resident ratio, carpeting and paint are cheap. Don't be fooled by the decor. Talk to staff, visiting families, and other residents. Eat a few meals to assess the quality of the food and take time to get a feel for the community.

7. They are a profit-seeking industry.

Approximately 82 percent of assisted-living residences are for-profit — owned by publicly traded companies, individuals or private-equity — compared with 68 percent of nursing homes. Though nursing homes get the majority of their income from very low-paying Medicaid recipients (for assisted-living homes, the proportion is 19 percent), profit margins have been increasing in recent years for those that are privately held, according to research firm Sageworks and much of that profitability is due to decreases in staff.

8. They pay free referral agencies to bring them residents.

With so much to know about these facilities, two types of consulting business have sprung up: One that you pay for, and one that is paid for by the facility you move into. The differences aren't insignificant.

Among free referral services are outfits like *A Place for Mom*, the country's largest referral service, now majority owned by private-equity firm Warburg Pincus, which has 250 agents that contract with more than 18,000 facilities across the country. If one of its agents places a senior in a facility, the facility will pay the company close to a month's rent. But placement services may not recommend a facility that won't pay that finder's

fee — even if it may be a better fit for the client. Placement services paid for by the consumer, on the other hand, can recommend any facility they see fit, as well as offer additional services. The Aging Life Care Association™ certifies Care Managers who assess a senior's health and lifestyle needs, develop care plans and help find financing options, such as veterans' benefits. Direct payment by the client ensures that she is working only in the client's best interest. Geriatric-care managers don't just place people in homes, but are available to continue to work for them after placement, and they are in and out of the facilities they recommend on a regular basis.

9. There are a lack of ratings and regulations

It's difficult to find out whether or not assisted-living facilities provide good care. Nursing home ratings are transparent by comparison. There are uniform national rules, and there's plenty of centralized information that consumers can look at. The federal website Medicare.gov allows consumers to look at ratings and deficiencies at every facility in the country. Unfortunately even that system has flaws. The records that consumers see are not the violations that inspectors saw; often, they're less severe ones — that have been reduced through a standardized dispute-resolution process.

10. Some take Medicaid, but they would rather not.

When a resident at a nursing home or assisted-living facility runs out of money, the government will sometimes pay for his or her care, through Medicaid. But the facilities receive far less compensation per patient from Medicaid than from those paying privately. Since about 19 percent of assisted-living residents and 70 percent of nursing home residents pay with Medicaid, facilities do whatever they can to maximize their revenue. For instance, though nursing homes are barred from making private payments an outright requirement, they screen applicants, looking for those that have the money to pay for a few months of care out-of-pocket before they transition to Medicaid. With assisted-living facilities, this can be an outright requirement.

Extracted from

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