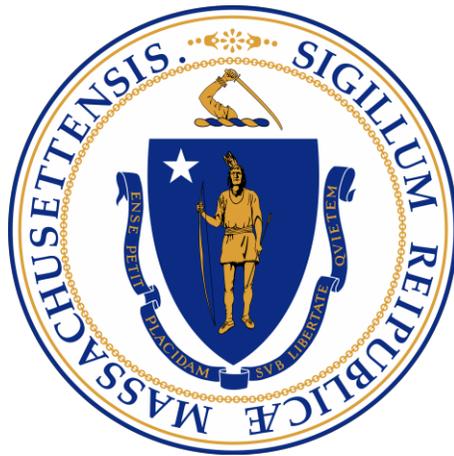


Continuing Care Retirement Communities Consumer Guide



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Overview

Over the past few decades, numerous options for retirement living have been created. One option is the Continuing Care Retirement Community or CCRC. Sometimes referred to as “Life Plan Communities,” CCRCs are different from other types of senior housing because these communities provide housing, personal services, and health care, usually at one location. CCRCs are a lifestyle choice – an option for people interested in an active community with lifelong learning opportunities that offers the amenities and services they are interested in now, as well as health care and supports that they might need in the future as they age.

CCRCs usually require a substantial entrance fee as well as monthly fee for room and board and/or health related services. CCRCs must also have a contract or agreement with the resident. As described in this guide, these contracts can take many different forms, but all must be effective for the life of the individual or for longer than one year.

A list of all CCRCs in Massachusetts can be found online at www.mass.gov/elders/housing/ccrc/sites-in-mass-for-a-ccrc.html

Throughout this guide there will be questions that you may want to ask as you determine if a CCRC is the right option for you, and if a specific community will meet your needs and expectations. Make sure to not only ask these questions, but also to get the responses from the CCRC in writing. Remember, a CCRC is a usually lifetime commitment, so it is important to choose a community carefully and wisely, taking into account any and all of your or your family member's present and future needs.

What is a CCRC?

CCRCs typically combine a variety of housing options on one campus, from townhouses or cottages for independent living, to assisted living apartments for elders who need some personal care assistance, to nursing home accommodations for elders who require more comprehensive care. As the health needs of an individual change over time, residents have access to different apartments and housing styles within the CCRC campus.

In addition to providing housing, CCRCs provide or make available some combination of health and property management services and amenities. These amenities are designed to maximize a resident's independence and usually include:

- Nursing and other health-care services
- Meals, usually in a community dining area
- Housekeeping
- Emergency assistance
- Personal care assistance
- Recreational and social activities
- 24 hour security
- Building and grounds maintenance

The composition of service packages varies greatly by CCRC. The cost of these services is covered by a monthly fee, which usually ranges from \$2,000-\$6,000 per month. The variation in fee is based on the CCRC's size, amenities, and type of contract (discussed below).

It is important to be clear about which services are included in the monthly fee and which are available at an additional cost. At many CCRCs, the types and amount of services, both available and included in the fee, will depend on whether the resident lives in independent housing, assisted or supported living, or rehabilitative and nursing care units.

Most CCRCs also require a sizable entrance fee that is usually similar to the cost of purchasing a house in that town or city. A portion of the entrance fee may be refundable depending on the structure of the contract with the CCRC.

CCRC Laws and Oversight

[M.G.L. ch. 93 §76](#) governs CCRCs in Massachusetts. It is important to note that there are other retirement communities that are very similar to CCRCs in terms of requiring a large initial deposit and providing varying levels of care, but they don't meet the legal CCRC definition. The key elements of the CCRC definition include:

- CCRCs must provide board and lodging together with nursing services, medical services or other health related services, regardless of whether or not the lodging and services are provided at the same location.
- CCRCs must have a contract that is effective for the life of the individual or for a period in excess of one year.
- CCRCs charge an entrance fee. This entrance fee is separate and distinct from any fee payable to the CCRC on a periodic basis for board, lodging, medical or other health related services or an application fee.

There is no state agency with direct oversight of CCRCs. As described later, the law requires that CCRCs submit copies of specific programmatic documents to the Executive Office of Elder Affairs so that they can be made available to the public.

In addition, those CCRCs that include an Assisted Living Residence (ALR) are required to have the ALR obtain and maintain certification from the Massachusetts Executive Office of Elder Affairs. Those CCRCs that include a nursing home are required to meet the applicable nursing home regulations set for by the Massachusetts Department of Public Health.

Who Should Consider a CCRC?

CCRCs are intended for older adults who:

- Are generally in good health and capable of either living independently or living with some assistance, but who are planning for an increasing need for assistance with activities of daily living and/or health care in the years ahead.
- Desire less responsibility for home maintenance.
- Seek a secure, safe, and supportive environment in which they can have their long-term

- care needs taken care of and where they can age within their own community.
- Have the financial resources to cover the one-time initial entrance fee and monthly service fees for the rest of their lives.
- Are interested in a lifestyle and environment that provides access to recreational activities, congregate communities, and cultural and social opportunities with peers.

How to Begin Looking For the Right Continuing Care Retirement Community

Once you have determined that a CCRC is a sound option, it is best to start by talking to people you know and trust. If you know someone who lives in a CCRC in an area that is desirable to you, talk to that person and see if he or she is happy there. Why did he or she select this community? Would he or she recommend the CCRC to other people?

Elder Affairs maintains [an online list of CCRCs in Massachusetts](#) that includes the location and contact information for each community. Elder Affairs does not make recommendations regarding selecting specific CCRCs. However, this guidebook should help you to know what factors to consider when deciding if a particular CCRC would make a good home for you.

Elder Affairs believes that the only way for you to know whether a CCRC would make a good home is to visit. If possible, you should visit at different times during the day. You may also want to participate in an activity or social event. Many communities will allow you to attend a dinner with residents. Most importantly, you should speak to a number of staff members and residents who work and live at the CCRC. Although it is likely that you will receive a tour and information from a marketing or sales representative, it is important for you to speak with other staff and residents as well. This is because the primary role of the sales representative is to market the CCRC; they are hired to "sell" you a unit. Speak to other staff people (for example, activity director, personal care workers, and dining staff) and residents to get a variety of perspectives.

You may also wish to inquire as to whether the CCRC offers respite or trial stays. Some CCRCs allow prospective residents to move in for a short period of time to see whether or not they would be happy living there. This provides you with the opportunity to see what it would be like to live at the CCRC without signing a lifetime contract.

As mentioned earlier, several CCRCs have chosen to include an Assisted Living Residence as part of the community. All ALRs in Massachusetts must be certified by Elder Affairs. In order to be certified, the ALR component of the CCRC must meet general requirements regarding staffing, residents' rights, and personal care services. The ALR component of the community is inspected by Elder Affairs at least every two years. Information about the laws and regulations related to ALR certification as well as specific information about each ALR can be found online at the [Elder Affairs website](#). In addition, prospective ALR residents may call the Assisted Living Ombudsman at Elder Affairs at (800) AGE-INFO to ask if there have been any complaints filed against the Assisted Living Residence or if the Residence has been found in violation of any applicable laws and regulations. Prospective residents may also request a copy of the findings of the last ALR inspection completed by Elder Affairs. Please note this information will only be available for those CCRCs that include an Assisted Living Residence component and the information is limited to only that component of the community.

All Nursing Homes/Skilled Nursing Facilities are required to be licensed and inspected by the

Department of Public Health. If the CCRC includes a Nursing Home onsite or is associated with a Nursing Home, you may want to look at the facility's Nursing Home Report Card by calling the Department of Public Health at (617) 753-8118 or by visiting their web site at www.mass.gov/dph. You can also download [A Consumer's Guide to Nursing and Rest Homes](#) or request a copy by calling Elder Affairs at (800) AGE-INFO.

The Commission on Accreditation of Rehabilitation Facilities (CARF) is a non-profit organization that specializes in quality control. CARF has developed various helpful resources, which are available [online](#). Specifically, CARF provides accreditation to nursing facilities and CCRCs at the request of the provider. While not all CCRCs in Massachusetts are accredited through CARF, this accreditation demonstrates that the CCRC meets certain standards for quality of care.

The Better Business Bureau may also be able to tell you if any complaints have been filed against a CCRC. Other agencies with helpful resources related to CCRCs include:

- [Massachusetts Life Care Residents Association \(MLCRA\)](#) – a statewide organization for CCRC residents
- [LeadingAge Massachusetts](#)

If you are interested in a CCRC that is under construction, it is particularly important that you ask questions about the owner/company experience with senior living and overall agency financial stability. When visiting the site of the CCRC, it will be difficult to visualize it as a fully operational community. If the management company operates another CCRC in the area, you might want to visit that CCRC to get an idea of how it is run.

Questions to Ask About General Services and Amenities at a CCRC

General

- What different housing options are available within the CCRC? What are the different eligibility criteria for each housing option? Do the service packages differ in each housing option?

Location and Amenities

- Is the community located in a safe area, near family, friends, houses of worship, and hospitals?
- Is the community near parks, museums, theatres, and other places of interest?
- Is there access to public transportation? Does the facility provide any transportation?
- Are there gift shops, markets, hair salons/barber shops, convenience stores, banking, or a post office onsite or nearby?
- Is there wifi throughout the campus?

Building and Grounds Maintenance

- Is maintenance of the building(s) and the grounds included in the monthly fee?
- How well are the grounds and buildings maintained?
- Is there easy access throughout the campus for wheelchairs/scooters/walkers?

Living Quarters

- Are the living quarters secure, comfortable, and well-maintained? Are they easily accessible and safe?
- Exactly what kind of maintenance is provided? Will the community maintain the appliances that came with the unit and/or personal appliances? Will the community replace appliances if necessary and if so, is there a replacement fee?
- Can residents bring in their own toaster oven, microwave, or other small appliance for their unit if these items are not furnished by the CCRC?
- Is your apartment conveniently located to the dining room and spaces for group activities?
- Are there any limitations on wheelchair/scooter/walker access?
- Are residents allowed to keep pets in their unit?
- What modifications can I make to my unit? If I need accessibility modifications made to the unit (e.g. grab bars), who is responsible for paying for these alterations? Can I use my own contractor?
- What, if any, is the additional basic monthly fee for a second occupant in the unit?
- What are the rules regarding alcohol, smoking, and legal marijuana usage?

Utilities

- Are utilities covered in the monthly charge?
- Exactly what utilities are covered? Is the phone, cable, heat, electric, gas, and air conditioning included?

Meals

- What meal plan options are available? If only 1 or 2 meals per day are included, is it possible to choose which meal?
- Are meals served in a common dining room?
- Are meal times flexible or occur at an assigned time? Are reservations required?
- Can arrangements be made for meals to be delivered to individual apartments if a resident is ill or doesn't want to go to the dining room? Is there a fee for food delivery?
- What is the policy for making up missed meals?
- Is there a variety of food and meal options? You may want to review a monthly menu.
- Are there vegetarian options available? Are menus checked by a registered dietician? Are therapeutic or special diets included in the fee or do they cost more?
- Are guests welcome for meals? What is the cost of guest meals?
- Are the kitchen facilities clean and sanitary?

Transportation

- Is the community near public transportation?
- Is transportation provided on a regularly scheduled basis? Can special arrangements be made to accommodate individual needs?
- Is the available transportation handicapped accessible?
- Are the fees for transportation included in the regular fees or is there a charge associated with use?
- Is onsite parking available? Is there a cost for parking? Is the parking outdoors and/or indoors? For outdoor parking who is responsible for shoveling out and cleaning snow off cars?

Recreational and Social Activities

- What types of social and recreational activities are available and how often do they take place?
- Do the residents generally participate in the activities? Is there a resident Activities Committee?
- Who plans events?
- Is there a community room, community kitchen, library, exercise room, movie/media room, computer room, art studio, etc.? Are computer, art, etc. classes available onsite?
- Is there a golf course or a pool nearby?
- Are wellness classes/clinics offered onsite?
- Are there fitness facilities onsite? Are there exercise and yoga classes available?

Staff

- Do the staff members have professional backgrounds in the continuing care and/or geriatrics field? What are their qualifications?
- Does the staff seem sincerely concerned with the safety, security, and wellbeing of the residents? Are they pleasant and caring?

Resident Government

- How active and informed are the residents?
- What is the role of residents in the governing of the community?
- How are residents' complaints handled by the community?
- How do residents communicate with the CCRC Board of Directors?
- Do residents serve on the Board?
- Is there a Residents Association? What authority does the Association have? Is the Association affiliated with MLCRA?

CCRC Health Care Services

The variety and intensity of health care services provided varies greatly by CCRC. Some communities offer long-term care insurance as a part of their regular fees while others require residents to purchase insurance on their own. At some CCRCs residents pay the same monthly fee whether they are in an independent living unit or the nursing facility, while at others different rates apply to independent living, Assisted Living and skilled nursing care.

Typically, CCRCs have different rates for different levels of service and the monthly fees change over time to reflect these levels of need. However, some communities offer a partial pre-payment arrangement in which nursing facility care is guaranteed for a specific number of days and beyond that the resident is responsible for all costs. Still other communities guarantee only the availability of care and residents pay for care on a fee-for-service basis. It is very important to ask the questions highlighted in this guide to ensure that you fully understand the services available to you at the CCRC and the potential costs for these services.

Questions to Ask About with Health Care Services

General

- Is there an Assisted Living Residence or Nursing Home/Skilled Nursing Facility on campus?
- Does the CCRC accept residents with mild cognitive impairments and are there any special programs for this population?
- Does the CCRC offer home health care?
- Are housekeeping, linen service, and laundry included in the basic monthly fee, or are they available at an additional charge? If they are included, how often is each done?
- What triggers a move to a different component within the CCRC? What triggers a requirement to move out of the CCRC?

Personal Care Services

- What personal care services, if any, are covered in the basic monthly fee? Does this vary depending on which housing model you live in?
- Does a resident need to take the whole package of services or can they choose services a-la-carte?
- If only service packages are available, do the packages provide enough care?
- Does the contract guarantee how long the services will continue?
- How much flexibility is there with assistance or supervision with personal care? Can residents determine when they receive assistance with personal care?
- What other services are available, how much do they cost, and how are they billed?
- Who sets the price for the services that are not included in the monthly fee?
- Can residents bring in outside services on their own and does the CCRC need to be informed about this arrangement? Are there any limitations or requirements related to providers hired by the resident to help?

Emergency Response System

- Is there an emergency response system in the unit? Is it conveniently located? How often is the system checked regularly to ensure it is functioning?
- Is the signaling mechanism portable? Does the system still work if the resident is not in their unit? Does the response system work if a resident is outside of the community? Is there a fee for a portable system?
- Where does the system signal, who responds, and how long does it take?

Nursing Home Care

- Which health and long-term care services are included in the monthly fee?
- Can skilled nursing care be provided in a resident's own apartment or only at the skilled nursing facility?
- Who decides when a resident needs a higher level of care and how is the decision made?
- Where is the nursing facility located – on the campus, nearby, or across town?
- What type of license does it hold? Is it CARF-accredited?
- Does the facility provide different levels of care (skilled or intermediate) that may be needed in the future?
- Does the nursing facility accept Medicare and/or Medicaid?
- Who has the final judgement about nursing home admission and length of stay: the resident, the resident's physician, the medical director, or the administrator of the community? How is the decision made?
- Is admission to the nursing facility immediate or must residents "wait in line" for placement?
- Is the purchase of long-term care insurance required? If so, what type of insurance is required, how much does it cost, and what exactly does the policy cover? Are any required long-term care insurance premiums included in the monthly fee or are they extra? If the resident already has long-term care insurance, what, if any, portions of the monthly fee would be covered under long-term care insurance.
- What is the staffing ratio in the nursing facility?

Other Health Services

- Does the CCRC offer assistance with medications, such as phoning doctors when prescriptions run out, reordering prescriptions, picking up/delivering prescriptions, filling pill/medication planners, and reminding residents to take their medications?
- Are these services included in the monthly fees or are they on a fee-for-service basis?
- Are ambulatory health care services available on the campus and who pays for them?
- Does the facility offer short-term services such as routine physicals, dental examinations, pharmacy services, and physical therapy? Are these included in the monthly service fees, or do they cost extra?
- Are there free blood pressure and oxygenation tests available?

CCRC Financial Considerations

Investing in a CCRC requires a substantial monetary commitment. Given this, you might want to have a trusted financial advisor examine your personal financial situation to make sure you can afford to live in the community for the long term.

Likewise the community, in order to deliver contracted services over a long period of time, must be financially sound. It is a good idea to ask to review copies of the CCRC's past financial statements and to have a certified public accountant review them to gauge the financial health of the community. The community must, upon request, make available a copy of its most recent audited financial statements. The risks involved for both the consumer and the provider should be explored.

Contracts

The contract (often referred to as the "residency agreement") is the legal agreement between the CCRC and the resident. Since the contracts differ between CCRCs it is important to review them carefully. Most contracts fall within three different types:

- *Type A (also referred to as a Lifecare or Extensive Contract)* – under this agreement, the monthly payments cover housing, residential services, amenities, and unlimited specific health-related services with little or no increase in payments over time. CCRCs that utilize this contract type usually have higher entrance fees.
- *Type B (also referred to as a Modified Contract)* – under this agreement, the monthly payments cover housing, residential services, amenities, and a limited amount of health-related services. After the specified amount of health services are used, residents pay for additional health care services (at either a discounted rate or a full per diem rate). CCRCs that utilize this contract type can have entrance fees of various amounts.
- *Type C (also referred to as a Fee-for-Service Contract)* – under this agreement, the monthly payments cover housing, residential services, and amenities and basic services. Residents can access health care services but usually are required to pay for the services at full fee-for-service rates. CCRCs that utilize this contract type often have an entrance fee that may be fully or partially refundable over a period of time.

Massachusetts law¹ requires CCRCs to disclose in writing certain information to prospective residents before the contract is signed or any money is given to the CCRC. The information that must be disclosed includes:

- The name and business address of the provider;
- Type of legal entity;
- Names of officers, directors and partners;
- A description of the business experience;
- Name of managing organization;
- Any affiliation with religious, charitable or non-profit organizations;

¹ MGL Chapter 93, Section 76 and Chapter 230 of the Acts of 1996 both pertain to CCRCs

- Certified financial statements of the provider; and
- If not yet built, construction and financing information.

The same law also requires that all contracts for CCRCs include the following provisions and information:²

- The prospective resident may cancel the contract any time before moving to the community. Depending upon the terms of the contract, the buyer may be eligible for a refund of most of the fees paid.
- The prospective resident may rescind the contract if the unit is not available to move into on the date agreed. Again, depending upon the contract, the resident may receive a refund.
- Whenever a resident leaves the community or dies, he or she has a right to a refund of the entrance fee, minus one percent for each month of occupancy.
- A list all services or medical care covered by the basic agreement as well as all those which are available at an extra charge; explanation of all other fees; and rate adjustment procedures.
- An explanation of the health and financial conditions required of residents to be accepted.
- Information about the how the community will be able to financially fulfill its contractual obligations.

All CCRCs are required to file a disclosure statement that includes a copy of their contract and advertising materials with Elder Affairs. The public can review this information at Elder Affairs office at One Ashburton Place, 5th Floor, Boston, Massachusetts or online at www.mass.gov/elders/housing/ccrc/sites-in-mass-for-a-ccrc.html.

Again, it is recommended that you have an attorney review the terms, conditions, and requirements of a CCRC contract before you sign it.

Entrance Fees

As mentioned earlier, in addition to the monthly service fees, many CCRCs require a one-time entrance fee. Entrance fees vary from one community to another depending on the type of housing and services and the extent of health care that is provided.

By law, all CCRCs are required to have a "declining-refundable" entrance fee, which means when a resident leaves the community, they or their estate, will receive a refund of a portion of the entrance fee after subtracting no more than 1% for every month the resident lived at the community.

² Note that list is not complete. A lawyer should be contacted for more information.

Some CCRCs offer a cap on the declining-refundable entrance fee that limits the amount by which the community can reduce the initial entrance fee. This guarantees that the resident will receive a refund of at least a specified percentage of the initial entrance deposit, regardless of how long that person lived in the community. For example, if a resident lived at the CCRC for 8 years, the community could deduct 1% of the entrance fee every month for the whole 8 years (i.e., subtract 1% each month for 96 months). However, if the declining-refundable entrance fee was capped such that residents would receive no less than 90% of the initial entrance fee upon departure from the CCRC, the resident and/or his/her estate would receive the initial entrance fee minus only 10%. Therefore, the longer a resident anticipates remaining at a CCRC, the more advantageous a capped fee deduction is.

At some CCRCs, residents become members of a real estate cooperative, owning a small percentage of the entire community rather than an individual unit. At others, residents have the option of renting a unit rather than purchasing one outright. An attorney and/or financial planner should be consulted in order to understand both the benefits as well as the disadvantages of these different options.

Questions to Ask About Financial Considerations

General

- How long has the CCRC been in business? Is it for profit or nonprofit entity?
- Does it comply with the filing requirements of EOEAA?
- Is the CCRC in good financial health?
- How does the CCRC calculate its financial reserves?
- What occupancy level needs to be maintained to guarantee financial stability? What has been the average occupancy over the last 3 years?

Monthly Fees

- Does the contract spell out how often and/or for what reason (e.g., increased taxes) the monthly fees can be raised? Is there a cap for increases in these fees?
- Has the monthly fee been raised in the past? How often and for how much? On average over the past 5 years, how much has the monthly fee increased?
- How are residents notified of any change in the monthly fee?
- What, if any, portion of the fees are directly related to health care services? (*Note: They may be tax deductible.*)
- What happens if a resident runs out of money?

Entrance Fees

- Is there an initial entrance fee?
- What happens to the initial entrance fee? What exactly is it used for? How is it invested?
- If a couple moves into one unit, do both people have to pay an entrance fee?
- What is the effect on the entrance fee if a resident moves to a new unit or needs a different level of care?
- Does the contract clearly spell out arrangements for the return of the initial entrance fee upon the termination of the contract?
- When can the resident (or their family) expect to receive the refundable entrance fee? How is the refund processed when the estate is in probate? How does the CCRC work with the designated Executor of the estate?

Tools for CCRC Residents

Once you choose a CCRC and move in, it is important to understand your rights as a resident. In addition to having the right to request copies of the CCRC current disclosure statement (which includes a copy of the current contract and advertising materials), the law also allows residents to form a Resident Association to represent and convey the residents' interests to management/ownership and to promote and provide for the general welfare of residents. Resident Associations may be organized differently at each CCRC but have the overall responsibility for:

- Submitting comments to CCRCs on matters that may affect the health and welfare of residents and affect the future of the facility;
- Receiving information regarding any major construction, modification, expansion or renovation of the facility, including information on cost estimates, funding, financing, projected income, schedule and impacts on the existing facility; and
- Receiving information regarding the purpose and intended funding of all financial reserves kept by the provider.

In addition, according to the law, CCRCs must seek feedback from residents when designing or adopting policies that significantly affect the future of the facility.

CCRC residents that have concerns or complaints about the operations or services of the community should speak with the Residents Association and/or the CCRC Board of Directors. For complaints that are not addressed by the CCRC, residents should contact the office of the Massachusetts Attorney General's at (617) 727-8400 or www.mass.gov/ago.

Conclusion

This CCRC Consumer Guide provides a brief introduction to CCRCs in Massachusetts. It is not meant to rank communities but rather to highlight some of the issues and concerns that should be evaluated before making a commitment to invest in a CCRC.

If you have any questions or concerns about CCRCs, please call the Executive Office of Elder Affairs at (617) 727-7750 or (800) AGE-INFO.