

Published on *SeniorNavigator* (<https://seniornavigator.org>)

How Continuing Care Retirement Communities Work

CCRCs aim to provide a continuum of care as a resident ages. Here's how to evaluate the choices.

Continuing care retirement communities, also known as CCRCs or life plan communities, are a long-term care option for older people who want to stay in the same place through different phases of the aging process.

There are about 1,900 CCRCs nationwide, according to the nonprofit National Investment Center for Seniors Housing & Care (NIC). They offer different types of housing and care levels based on an older adult's needs and how they change.

For example, a resident can start out living independently in an apartment and later transition to assisted living to get more help with daily activities, or to skilled nursing to receive more medical care, while remaining in the same community.

The chief benefit of CCRCs is that they provide a wide range of care, services and activities in one place, offering residents a sense of stability and familiarity as their abilities or health conditions change. But that comes at a cost.

Most communities charge an entry fee. The average initial payment is about \$402,000, but the fees can range widely, from \$40,000 to more than \$2 million, according to NIC, which tracks costs at some 1,100 CCRCs in 99 major U.S. markets.

Once residents move in, they pay monthly maintenance or service fees. Other continuing care communities operate on a rental model with no up-front fee. The average monthly charge across both types of communities in the third quarter of 2021 was \$3,555, and rents typically rise about 2 percent a year, NIC says.

CCRCs tend to have higher occupancy than standalone independent living, assisted living and nursing care communities and have seen less of a decline during the

pandemic, according to NIC data. CCRC occupancy rates dipped from 91.5 percent in the first quarter of 2020 to 84.3 percent a year later, but had inched back up to 85.4 percent by October 2021.

10 questions to ask a CCRC

Your loved one needs to be involved in the selection process.

LeadingAge, a nationwide organization of nonprofit and government aging-services providers, recommends that prospective residents ask these 10 key questions when considering a continuing care retirement community.

1. Are you for-profit or not-for-profit, and what's the financial strength of the retirement community?
2. What's included in the monthly fee?
3. How do you help me to maintain my freedom and independence?
4. What kind of emergency response systems do you have?
5. How do you measure your residents' satisfaction? Can I see your last two surveys?
6. How may residents offer input and feedback?
7. What is the difference between independent and assisted living, and when would I have to move to assisted living?
8. Can you remain in independent living when your needs change, and how is aging in place supported?
9. What are the five most popular programs in your community and who decides what programs and events are scheduled?
10. Can I review your residency agreement?

Here's some information on how to find a CCRC and decide whether it's the right place for your loved one to spend the rest of his or her life.

How to find a CCRC

- Visit the federal government’s online [Eldercare Locator](#) or call 800-677-1116 to get contact information for your local Area Agency on Aging, which can provide information about CCRCs in your area.
- LeadingAge, a member association for nonprofit eldercare providers, maintains an [Aging Services Directory](#). To find a list of nonprofit communities, type in your state or ZIP code.
- Search for “retirement communities” or “retirement living” on the [Yellow Pages website](#).
- Use an online referral service such as [Caring.com](#) or [SeniorLiving.org](#).

What to look for when you visit

Once you’ve compiled a list of communities you and your loved one would consider, gather more information on the web or by phone and narrow it down to places you want to visit.

Here are some things to look for and questions to ask when evaluating a community in person.

Location

- Is a hospital nearby?
- How far is the community from your loved one's doctors?
- Does it have local amenities such convenient public transit, grocery stores and other shopping, and services like a dry cleaner?

Staff

- What are the staff’s credentials?
- Do they act in a professional manner and seem eager to help?
- What hours do the administrators work, and are they usually available during the day to deal with issues that arise?

Housing

- What floor plans and options are available?
- Are independent living residences equipped with dishwashers and other appliances?
- Do they have safety features such as nonslip floors and grip bars?

- Is outdoor space available for your loved one to enjoy?
- Are the facility's common areas well maintained? Take a look yourself, too.
- Are private rooms with baths available in the assisted living and nursing facilities?
- Where are emergency exits, sprinklers and other security and safety measures?

Residents

- Talk to people who live in the community. Do they like the place, its services and its care?
- Does staff seem attentive to their needs without being too intrusive?
- Is the community worth the cost?

Meals

- What meal programs are offered?
- How many entrée choices are available?
- Are special diets accommodated?
- What meals have residents been offered in the past month? Ask for menus to make sure of some variety.

Health care services

- What's available with each level of care, and what is included in the entrance and monthly fees?
- Is specialized care for dementia and other health conditions available?
- Is a pharmacy on site, and does qualified staff monitor medication?

Personal services

- Can residents in independent living get help with everyday activities, or are those services available only to assisted living and nursing home residents?
- Is housekeeping, laundry or linen services offered? Do they cost extra?
- Is a hair salon on site?
- What transportation services are available?

Social activities and recreation

- What kind of social events are planned? Check for weekly or monthly schedule of activities.

- Is a common area for residents available? Does it offer recreational activities such as access to television or movies, cards and games?
- Are off-site trips part of the amenities? Exercise facilities and fitness classes? Opportunities for worship?

Medicare also recommends checking the inspection report for the nursing home component of a continuing care retirement community, which will be posted in the facility.

Understanding a CCRC contract

Once you've settled on a community, go over the contract closely. These contracts have three basic types:

- **Extensive life-care contract**, also called Type A. This option carries the highest fees, but it will include a full range of services. For example, you will get unlimited assisted living, medical treatment and skilled nursing care with little or no additional cost.
- **Modified contract**, Type B. This contract offers a limited set of services. Services beyond those contracted incur higher monthly fees.
- **Fee-for-service contract**, Type C. The initial enrollment fee may be lower, but residents pay for whatever specific services, such as assisted living, skilled nursing or memory care, that they require.

Some facilities also offer a rental contract, Type D; and an equity agreement to purchase a share of your unit in lieu of an entry fee, Type E. Continuing care retirement community contracts are notoriously complex, so whichever type you get, run it by a lawyer before signing.

Some basic contract questions to consider:

- What is the breakdown of fees, and will fees be raised annually? If so, by how much?
- What is the payment schedule?
- What services are included in the entrance and monthly fees?
- What are the charges for services that aren't included in the standard fees?
- What happens when one person needs the next level of care if you are moving in as a couple?

- What if a resident needs assisted living or nursing care but no spaces are available in those sections?
- Is any portion of a resident's fees refunded to the estate upon death?
- Are entrance fees refundable if a resident decides to leave the community?

More resources on continuing care retirement communities

Some additional tools for evaluating these retirement communities:

AARP. A [printer-ready worksheet](#) allows you to write down information and assess your plans for long-term care.

CARF International. An accrediting organization for health and human services providers, CARF offers a [downloadable consumer guide](#) to CCRC contracts, fee structures and financial performance.

Franklin Templeton. The financial-services firm offers a [detailed worksheet](#) you can use to log information and make notes on a visit to a community.

myLifeSite. This online company maintains a storehouse of data to help consumers research CCRCs, including information on size, amenities, finances, ownership, size and a tool to compare facilities side by side. It charges a fee for premium access.

Nonprofit Explorer. If the CCRC you're considering is nonprofit, you can review its tax filings at this research site established by the investigative news organization ProPublica.

AARP was founded in 1958 and has over 38 million members. It is a nonprofit, nonpartisan organization for people over the age of 50. AARP is well-known for its advocacy efforts, providing its members with important information, products and services that enhance quality of life as they age. They also promote community service and keep members and the public informed on issues relating to the over 50 age group.

Article Source

AARP

Source URL

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Last Reviewed

Thursday, January 4, 2024