CORNWALL MANOR

Resources

8 Questions to Ask when Choosing a Retirement Community

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Courtesy of www.leadingage.org

Eight questions to ask when selecting a Continuing Care Retirement Community (CCRC) for yourself or helping a loved one.

1. **Can you afford it**? CCRCs are marketed to middle- and upper-income homeowners who typically fund the entrance fee through the sale of their home. Since that fee covers housing and care, estimate what you would get for your home and calculate what you think you might eventually spend on personal care or skilled nursing care. (Doctor's visits and hospitalization are out of pocket-costs that may be covered by Medicare for those 65 and older or by health insurance for younger residents.) The monthly fee covers things like utilities, general property taxes, interior and exterior maintenance, security, emergency response system, transportation, housekeeping (in apartments) and use of the fitness center as well as many other services and amenities.

2. **Who lives there and what do they do?** Ask the age of the average resident and the type of programs the CCRC offers. The typical CCRC resident is 80 or older (though some are much younger) and a community that is post-80 may not appeal to younger residents.

3. **What is the occupancy rate?** Look for an occupancy rate of 85% or higher unless it's a new development. After a recession-driven downturn a few years ago, the average occupancy rate of CCRC's at the end of 2013 was back to 90%. Check the rate of local apartments and condominiums for comparison. CCRC's need a high occupancy rate to fund services and debt, plus you don't want to be the only one in the dining room.

4. **Is the CCRC financially sound?** Ask to look at the CCRC's financial records, and look for anything unusual, such as a large amount of debt, failure to meet bond obligations or evidence of liabilities exceeding assets. Most CCRC's will provide audited statements of their finances if you ask, and you should consider it a red flag if they won't.

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5. **How much is the entrance fee and is it refundable?** About half of CCRC's have a refundable entrance fee that will go to the resident if he moves or to his estate when he dies. Ask how much is refundable and under what conditions. Sometimes, residents must wait for their former unit to be remarketed and it can take six months to 10 years to get the refund. Have a lawyer look over your contract to be sure you understand the fees and other potential costs before you sign.

6. **How much are the monthly fees and what do they cover?** You'll also want to find out how much the fee might rise over time. Ask, too, whether home health care is covered and what health services, if any, are included.

7. **What if my spouse or partner needs a different level of care?** One of the advantages of CCRC's for couples is that they can continue living in the same place if, for instance, one needs skilled nursing care and the other is able to live independently. Couples can choose to live separately within the community, although they will likely incur higher fees to do so, or they can move as a couple to personal care if necessary, one day.

8. **Who regulates the CCRC?** Find out which agency regulates the CCRC and check to be sure the company is in good standing. In most states, CCRC's are regulated by the insurance commissioner, but it can be another agency.