Retirement Communities

Whether you are investigating care facilities for an older loved one, or researching them in preparation for your retirement, retirement communities are a popular option for seniors. There are numerous types of retirement communities and the services offered at each vary considerably—from the level of care provided to amenities to living quarters. This guide provides an overview of retirement communities and a checklist to help you evaluate those you are considering.

What Is a Retirement Community?

For the purposes of this guide, retirement communities are facilities that offer at least two levels of care: independent and assisted living. However, many offer a third level of care—nursing home (or skilled) care.

Each community has its own style, atmosphere and setting, ranging from urban to rural, condos to cottages or high-rises to resorts. Independent residents usually have the option of living in apartments, houses or cottages comprised of studios, one-bedroom or two-bedroom units, many with kitchens. Communities often provide housekeeping, daily food service, maintenance and a variety of social programs and amenities. Residents who require custodial care may be housed in a separate wing or area of the retirement community, although many communities are set up to provide custodial care regardless of where residents live. Those that offer skilled care typically require residents to be housed in a separate unit or building that provides medical care and 24-hour supervision by a registered nurse.

Most retirement communities allow individuals to enter at any level and charge monthly fees, plus additional fees for certain services. Some retirement communities, however, known as Continuing Care Retirement Communities (CCRCs), accept individuals at the independent level only, with the guarantee that they can access higher levels of care when needed. CCRCs are set up differently than traditional retirement communities and tend to be much more expensive. Whereas retirement communities charge monthly fees—plus additional charges for services—CCRCs often charge high entrance fees in addition to monthly fees and service fees, as detailed later in this guide.

Staff

Staffing varies depending upon the levels of care a retirement community offers. Most employ housekeepers, activities directors, dietitians, social workers, groundskeepers and security guards. Those that offer custodial care also employ home health care aides and possibly nurses who provide assistance with activities of daily living. And those that offer skilled care are required to have a registered nurse on duty 24 hours a day, in addition to part- and full-time staff which may include therapists, nurses’ aides and physicians.
Services

The range of services and amenities a retirement community offers also varies depending on the levels of care available. Almost all provide housekeeping, meal and transportation services, and usually some form of custodial care. Not all offer skilled care, so be sure you ask each facility you are considering.

Activities also vary greatly. Many offer exercise classes, entertainment and educational opportunities. Plus, amenities may include dining facilities, a library, beauty and barber shops, game rooms, golf courses, tennis courts, swimming pools, health spas, gyms, shops, postal services, banks, cafes, religious services, movie theaters, walking paths, guest apartments, travel services and more. Before signing up for a retirement community, consider the services and amenities that are included in the overall cost.

Cost of Retirement Communities

When investigating retirement communities, ask first whether the community is a continuing care retirement community, since those are typically set up under a different pay structure and are more expensive. Those that are not considered CCRCs typically charge a monthly fee, plus additional fees for services such as custodial or skilled care. Some, however, offer monthly fees only or participate in an equity payment plan. With the equity payment option, residents buy housing—usually a condominium, cooperative or membership arrangement—and pay extra for residential services (custodial care, meals, laundry service, transportation, etc.) and health care.

Under a rental agreement, monthly fees may include the following:

- One to three meals per day
- Scheduled transportation
- Housekeeping services
- Unit maintenance
- Linen and personal laundry services
- Health monitoring services
- Some utilities (usually not telephone or cable service)
- Coordinated social activities
- Emergency call monitoring (e.g., emergency call buttons, pull cords in the bathroom, telephone reassurance service, etc.)
- 24-hour security

It is important to understand that a rental agreement is a legal contract. As with any legal document, it is best to seek the advice of an attorney before signing.

Most retirement communities are “private pay,” meaning residents must pay the majority of expenses out of their own funds, although more and more are starting to accept some forms of insurance (including Medicare and Medicaid) for skilled care services.

Cost of CCRCs

CCRCs have a different pay structure and are typically more expensive but many offer a comprehensive suite of services—and a number of amenities. In addition to monthly fees ranging from $1,000 to $5,000, CCRCs typically charge an entrance fee that can range from $30,000 to as high as $800,000 and some may charge additional fees for services, depending on what type of agreement you enter into with the facility. Most CCRCs offer three types of agreements:

- **Fee-for-Service Agreement**—This typically includes housing, residential services, amenities and, possibly, short-term and emergency nursing care, but residents must pay for all long-term nursing or health care at full per diem rates. Entrance and monthly fees are the lowest under this agreement since residents are responsible for all costs of long-term care.
• Modified Agreement—This typically includes housing, residential services, amenities and a specified amount of long-term nursing care with no substantial increases in periodic payments. After a specified time period, residents pay a per diem or discounted per diem charge for any additional nursing care required.

• Extensive Agreement—Also known as a “life care” agreement, this includes housing, residential services, amenities plus unlimited long term nursing care without substantial increases in periodic payments (except for normal operating costs and inflation adjustments). Extensive agreements provide for prepayment of medical expenses, much like an insurance agreement. Generally, this plan is the most expensive—having the highest entrance and monthly fees—and also offers the most services. This plan is also increasingly difficult to find due to changing trends in the structure of CCRCs, and those that do offer these “lifetime contracts” typically charge fees in excess of $400,000.

Keep in mind that, while CCRCs are not required to set aside Medicaid beds, if a current resident becomes eligible for Medicaid, the facility is required to accept Medicaid payment. Long-term care insurance may provide coverage depending on the policy. Some CCRCs even require residents to carry supplemental Medicare or Medigap policies, or long-term care insurance, in case their funds run out.

Since fees vary and every contract is different, make sure that you understand exactly what services are included in the price, and what services are offered at additional costs. Experts suggest that individuals or couples should not pay fees exceeding 60 percent of their monthly income. As with any legal document, it’s best to review a CCRC’s contract (and recent financial statement) with a financial advisor or attorney.

Licensing/Regulation/Accreditation

Licensing and regulation requirements for retirement communities vary from state to state. To find out the specific requirements in your state, contact your state Area Agency on Aging. Additionally, many retirement communities are accredited by the Continuing Care Accreditation Commission (CCAC), the nation’s only accrediting body for retirement communities. CCAC accreditation is a voluntary process involving extensive self-evaluation by the retirement community’s staff, residents and board of directors, plus an on-site review by trained CCAC evaluators. The CCAC awards accreditation for five years, but a retirement community must submit annual progress and financial reports to demonstrate compliance with the following standards:

• Resident Health and Wellness—The retirement community must have a written philosophy that serves as the framework for the community’s health and wellness program and as the basis for ethical decision making. It should provide a variety of health programs and services designed to serve residents’ changing needs and to foster their physical, mental and psychological well-being and independence.
- **Resident Life and Services**—The retirement community must service the physical, intellectual, social and spiritual needs of residents; provide an environment that enhances personal dignity and protects individuals’ independence and self-determination; and offer services and programs that encourage residents to make the most of their abilities and provide them with opportunities to grow.

- **Financial Resources and Disclosure**—The retirement community must have an administrative staff that is familiar with requirements of fiscal operations and who manages resources responsibly. The staff must also have disclosure statements that are made available to residents, sponsors and other appropriate parties; and have adequate resources to meet its current financial obligations, including debt, residential contracts, capital needs and other financial requirements.

- **Governance and Administration**—The retirement community must have a clear statement of mission and purpose for both the present and future; a governing board that ensures that the retirement community maintains a positive, caring environment for residents, good working conditions for staff and effective communication both inside and outside the community.

While CCAC accreditation is a good indicator that a retirement community is safe and well run, it does not guarantee quality care. Conduct your own evaluation and interview staff and residents at each community you consider. For your convenience, we’ve provided a detailed evaluation checklist at the end of this guide.

### Helpful Resources

**American Association of Homes and Services for the Aging (AAHSA)**

2519 Connecticut Avenue, N.W.
Washington, DC 20008
202-783-2242
www.aahsa.org

This organization provides information about care options for the elderly including nursing homes, home care options and retirement communities nationwide. It does not provide referrals to providers.

**Continuing Care Accreditation Commission (CCAC)**

2519 Connecticut Avenue, N.W.
Washington, DC 20008
202-783-7286
www.ccaconline.org

This not-for-profit organization is the nation’s only accrediting body for aging services, including continuing care retirement communities. Visit the web site for lists of accredited communities, information on selecting a CCRC, and downloadable publications.
Checklist for Evaluating Retirement Communities

Visit and carefully evaluate each retirement community you are considering and ask up front whether it is a continuing care retirement community since the pay structure and contractual obligations for CCRCs can be very different. As part of your evaluation process, dine with residents, talk with staff and interview the director of the facility. For your convenience, we’ve included the following evaluation checklist. Make copies and take it with you to each facility you evaluate.

Name of Retirement Community: ________________________________

Licensing and Operation

1. Is the community required to be licensed by the state?  
   ☐ No  ☐ Yes  May I see a copy of the license? _____________________________

2. Is the community accredited?  ☐ No  ☐ Yes  By whom? ____________________

3. Is the community a Continuing Care Retirement Community?  ☐ No  ☐ Yes

4. How long has the community been in operation? _________________________

5. Have any complaints been registered against the community?  ☐ No  ☐ Yes  
   Please explain: _______________________________________________________

6. Can you provide me with a list of references, including residents and physicians?  ☐ No  ☐ Yes (Call at least three.)
   Reference 1: _______________________________________________________
   Reference 2: _______________________________________________________
   Reference 3: _______________________________________________________

Services

7. What levels of care does the community offer?  
   ☐ Independent living  
   ☐ Assisted living  
   ☐ Skilled care

8. At what level of care may a resident enter the community? ________________
   _________________________________________________________________

9. What type of assistance is provided at each level? _______________________
   _________________________________________________________________
10. What medical services are provided in the skilled care units? 

11. Is a doctor or registered nurse available 24 hours a day in the skilled care units?  □ No  □ Yes

**Housing/Rooms**

12. What housing options does the community offer?

- □ Cottages
- □ Condos
- □ Apartment buildings

- □ Private rooms
- □ Shared rooms

- □ Other: ________________________________

13. Do all units have a telephone, cable TV, and internet service?  □ No  □ Yes

How are the bills handled? ____________________________________________________________

14. Is smoking allowed?  □ No  □ Yes

15. Are pets allowed?  □ No  □ Yes

16. Can residents bring their own furniture?  □ No  □ Yes

**Amenities**

17. What amenities does the community offer?

- □ Swimming pool
- □ Tennis
- □ Walking trails

- □ Picnic areas
- □ Golf course
- □ Library

- □ Arts and crafts rooms
- □ Lounges
- □ Gym/fitness center

- □ On-site shopping center
- □ Garages/visitor parking
- □ Restaurant

- □ On-site medical professional building

- □ Other: ________________________________

**Food Services**

18. How many meals are included per day? ____________________________________________

19. Are snacks provided?  □ No  □ Yes

20. Can nutrition and special dietary needs be accommodated?  □ No  □ Yes

Please explain: ________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________
21. Do any rooms/units have private kitchens?  □ No  □ Yes

22. Is there a common kitchen area/unit with a refrigerator, sink and cooking area?  □ No  □ Yes

Staff and Training

23. What staff members do you employ?
   □ Physician  □ Registered nurse  □ Home health care aides
   □ Physical therapist  □ Nutritionist/dietitian  □ Social worker
   □ Activities director  □ Other: ________________________________

24. What certification/training are staff members required to have? __________

25. Does the community provide ongoing training for staff members to keep their skills current?  □ No  □ Yes  Please explain:______________________________

26. Is the staff supervised by a skilled professional?  □ No  □ Yes

27. What is the staff-to-resident ratio (the number of staff members per resident)? ________________________________

28. Does the community provide individual attention to residents?  □ No  □ Yes
   Please explain: ________________________________

Safety and Security

29. Is the community handicapped-accessible?  □ No  □ Yes

30. Are bathrooms handicapped-accessible?  □ No  □ Yes

31. What safety features does the community offer?
   □ Grab bars  □ Emergency evacuation plan
   □ Railings  □ 24-hour security
   □ Non-slip surfaces  □ Regular fire drills
   □ Emergency call system  □ Pull cords
   □ Ramps for wheelchair accessibility
   □ A wander-proof security system
   □ Other: ________________________________
Finances and Insurance

32. What are the basic terms of the admissions contract?  
   Note—Be sure to review the contract thoroughly, and consider having a lawyer review it as well.

________________________________________________________________________

________________________________________________________________________

33. Please explain the billing, payment and credit policies. ______________________

________________________________________________________________________

34. Are rates clearly outlined?  ☐ No  ☐ Yes

35. Will rates increase?  ☐ No  ☐ Yes  When and how much? ________________

________________________________________________________________________

36. Are there different costs for various levels of services?  
   Please explain: __________________________________________________________

________________________________________________________________________

37. How is billing handled for additional services such as nursing care if/when they are needed? ______________

________________________________________________________________________

38. What insurance does the community accept?  
   ☐ Medicaid  ☐ Medicaid  ☐ Private insurance  What type? ______________________

39. Are other financial programs available to help cover the cost of services?  
   ☐ No  ☐ Yes  Please explain: _____________________________________________

________________________________________________________________________

40. Who is responsible if finances/insurance run out?  
   ☐ Resident  ☐ Caregiver  
   ☐ Other  Please explain: ________________________________________________

   Note—If you are signing a contract for a loved one, keep an eye out for clauses that indicate you, the caregiver, are responsible for payment.

41. Under what conditions can a contract be terminated, and what are the refund policies? ______________________

________________________________________________________________________
General Observations

Ask yourself the following questions when touring the community:

42. Do you like the location and outward appearance of the community? □ No □ Yes
43. Are living units attractive and home-like? □ No □ Yes
44. Are staff members friendly and available to answer questions? □ No □ Yes
45. Are you able to talk with residents and family members about how they like the community and staff? □ No □ Yes
46. Are the buildings clean? □ No □ Yes
47. Are there any unpleasant odors? □ No □ Yes
48. Is the community appropriately heated/cooled? □ No □ Yes
49. Is there a safe outdoor area for residents to enjoy? □ No □ Yes
50. Do residents seem to have compatible interests? □ No □ Yes
51. Are you satisfied with the amenities offered? □ No □ Yes