



ROYAL OAKS

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Reaching Out

to friends of Royal Oaks

SUMMER 2017

How CCRCs Can Ease Retirement-Related Fears

One subject that is frequently voiced among prospective residents of CCRCs revolves around the stress associated with envisioning and planning for the future, and indeed, it can feel like a daunting task since none of us has the luxury of a crystal ball. The results of a recent survey speak directly to some of these concerns.

Retirement worries

The study was conducted by the Transamerica Center for Retirement Studies (TCRS), a division of the nonprofit Transamerica Institute, which strives to educate people on retirement security trends in the U.S. This annual survey asked over 5,000 Americans in the workforce about their top retirement/aging-related concerns. Here were the top five responses:

1. Outliving savings/investments (51 percent)
2. Social Security will be reduced or cease to exist in the future (47 percent)
3. Declining health that requires long-term care (45 percent).
4. Cognitive decline, dementia, Alzheimer's Disease (35 percent)
5. Lack of adequate and affordable healthcare (32 percent)

These results run in parallel to a separate survey conducted by Merrill Lynch in 2013 in partnership with Age Wave, and it highlights respondents' biggest concerns about living a long lifetime. The results were as follows:

1. Serious health problems (72 percent)
2. Not being a burden on family (60 percent)
3. Running out of money to live comfortably (47 percent)
4. Being lonely (26 percent)
5. Not having a purpose (21 percent)

Isn't it more than a tad ironic that while most people hope to live a long life, simultaneously, they are worried about what will happen if that wish comes to fruition?

Alleviating worries for retirees

But these study results also are noteworthy for people who are themselves approaching retirement age. Perhaps you're diligently saving to prepare for the future, but it's those health and wellness "unknowns" that are keeping you up at night. That's where a CCRC may become a viable option worth considering.

Planning for an eventual move to a CCRC can allay many of the worries that people express again and again about their retirement years

(as evidenced by the aforementioned surveys). CCRCs offer their residents access to a continuum of progressive care services ranging from independent living to full-time skilled nursing care...and everything in between... all within the same community campus. Many CCRCs also provide



memory care services for people experiencing a cognitive decline related to conditions like dementia or Alzheimer's disease. This range of care affords tremendous peace of mind for CCRC residents, knowing that they will have ready-access to the level of care they need, if and when they need it, and knowing they will not become a burden to their adult children.

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Feeling more confident about future unknowns

It's understandable and normal to have some worries associated with the aging process and the prospect of retirement—after all, you've never done this before! But many points of anxiety can be alleviated through proper financial planning and understanding the advantages of senior living options like CCRCs, which include the necessary facilities and skilled caregivers to attend to your potential physical or mental health needs down the road.



THE EDUCATION ISSUE

Visiting Life Plan Communities like Royal Oaks is exciting (these campuses may also be called Continuing Care Retirement Communities CCRCs). These resort-like campuses offer no-maintenance living, delicious dining options, programs to keep your mind, body, and spirit in sync, camaraderie, new friends, travel experiences, wellness services...and most importantly, access to long-term care services if and when you need it. The excitement of these visits can also be daunting. Each community will offer different Lifecare contracts and different fee structures. We hope to simplify the process with this Education Issue. Content for this issue provided with express written permission from myLifeSite www.mylifesite.net

Photos in this issue are Royal Oaks residents enjoying all that life has to offer on the Sun City campus.

Here are Four Key Aspects of the Decision Process

Continuing care retirement communities are a popular retirement living choice among older adults who live fully, or mostly, independently today but desire to live in a setting whereby long-term care services are available if needed in the future. Choosing the right community is an important, often complex decision process. Here are four key aspects of the decision process:



Contract Details

There are a number of different types of residency contracts available. The vast majority of CCRCs require an entry fee and monthly fees. These fees are impacted by factors such as the size of the home or apartment,

location, available services and other amenities. Yet the fees are also based, in part, on what you will pay for assisted living and healthcare services when needed.

Some residency contracts state that your monthly fees will remain relatively level over the course of your lifetime, except for inflationary increases, regardless of whether you are living independently or require care services. Other residency contracts may require a smaller entry fee and possibly even lower monthly fees, but if you ever require care services your monthly fees will increase to reflect the market cost of care at that time. Still yet, there are other contracts that are essentially a blend of these two.

In addition to the types of residency contracts available, many providers also offer refundable entry fee contracts. These contracts essentially pay back some portion of the entry fee if the resident moves out or at death. The tradeoff: entry fees are almost always higher for a refundable entry fee contract and may be contingent on the resale of your residence.

Financial Stability of CCRC

The financial stability of a CCRC will determine if it is in position to fulfill its long-term commitment to provide housing and health care to residents for life. Do your research to learn about the community's occupancy ratio, history of operations, financial ratios and the experience and expertise of its management. Consult with a financial or tax professional for additional guidance.

Lifestyle

Location, culture, programs, and other services and amenities should align with your personal preferences. After all, this is where you are going to live and you want to be happy there. Consider whether the lifestyle offered will help your thrive in mind, body, and spirit.

Visit often to get a sense of what it might be like to live there. Observe whether residents seem involved in the community and respected by staff? Are activities mainly resident-driven or staff-driven? This can indicate the vitality of the resident

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Three Must-Ask Questions When Considering a Life Plan Community

Life plan communities provide peace of mind for many retirees who live independently today but seek the comfort of knowing that assisted living or skilled medical care is available if and when needed. However, many life plan communities require a fairly substantial entry fee, on top of monthly service fees, in exchange for a commitment to provide lifetime housing and care. Therefore, choosing the right community the first time is an important decision.

If you are researching life plan communities for yourself or a loved one, here are three questions you need to be sure to ask:

1 What is the ratio of independent living residences to assisted living and healthcare residences?

Some life plan communities are mainly independent living communities with a proportionately small number of assisted living or skilled care units available. This could be particularly concerning for newer communities, where very few residents require care now but may in the future. The

question is whether there will be enough availability in the healthcare center for residents requiring care at that time. On the flip side, some CCRCs evolved out of established nursing care facilities that added a few independent living residences. In this case, you may find the number of residents requiring care services far outweighs those living independently. On average independent living residences represent 60–75% of the total residential units.

2 How have your monthly rates changed over the last five years?

This is important to ask for two reasons. First, it gives you an indication of what to expect going forward so you can plan accordingly. Second, it could also be an indication of the community's financial viability. Average fee increases of 3–4 percent per year are not uncommon in the industry. If you find there have

Life plan communities provide peace of mind...

been years when the increase has been substantially more, you should find out why. Be sure you ask what the increases have been each year over the past three to five years, as opposed to an average. Averages can sometimes hide larger increases in a given year.

3 What services are included in my monthly fee, and what will cost extra?

When a provider shares with you their monthly rates, be sure to find out what types of services are included, and which are extra. This is particularly important if you are comparing two communities and one operates à la carte, while the other operates under an all-inclusive model. Ask this question not only in terms of your monthly fees while living independently, but also in the future if you should require assisted living, memory care, or nursing care. The type of residency contract, which can vary from one life plan community to another, will dictate what you will pay today versus what you will pay in the future if you require care services.

Four Key Aspects of the Decision Process *(continued from page 2)*

base, or lack thereof. Is there up-to-date technology, including wi-fi in common areas and in the residences? Also, are meals only available at scheduled times or are their flexible meal time and menus?

Health care

Although most people are attracted to CCRCs by the independent living features, the ultimate reason for considering this type of retirement

community and paying an entry fee is the peace of mind that comes with having priority access to healthcare. Here are some key questions to ask:

- Does the community appear to take pride in the care that makes available to residents?
- What sets the community's care facility apart from other providers?
- If there is a record of complaints against the CCRC, can you review it? If skilled nursing care is offered

in a Medicare-certified facility (versus private pay only), consult the CMS star rating on Medicare.gov.

- Has the healthcare facility received any special awards or special recognition for quality of care?
- Ask about staff turnover in the health care facility. A high turnover rate may indicate an unhappy staff, which could translate into poor care delivery.

CCRCs and Prospective Resident Health Evaluations

If you are considering a continuing care retirement community, you may be aware that there are certain health requirements that you may have to meet in order to enter the community under a continuing care contract. Health assessments are mainly used by CCRCs offering a lifecare (Type A) residency contract, and to a lesser degree, a modified (Type B) contracts. They are not, and likely should not, be used by CCRCs offering a fee-for-service (Type C) contract.

To confirm that you meet the health requirements of a CCRC offering lifecare or modified contracts, you may be asked to complete a health questionnaire and/or undergo a medical exam. The community may also request a copy of your medical records from the previous two years.

Healthy residents help to manage risk

Why do CCRCs have this health requirement? Well, The primary reason for new resident health evaluations is that CCRCs offering lifecare and modified contracts operate much like insurance companies: The healthy (i.e., independent living) residents help offset a portion of the cost for those residents who require care services (i.e., those in assisted living or the community's healthcare facility). Another way to look at it is that residents in independent living are pre-paying for some portion of care to be received in the future. CCRCs offering these contracts must hedge their bets as they determine the level of "risk" they are taking on when a new resident moves in, therefore it is critical that the CCRC accurately assess seniors' healthcare status. For CCRCs offering fee-for-



service (Type C) contracts, it is highly questionable whether there is any legal basis for health evaluations of prospective residents since there is no pre-payment by the resident for future care and the community is not responsible for covering any of the cost of such care.

In the simplest terms, these comprehensive wellness evaluations are basically trying to ascertain whether the resident will be able to live for a period of time without the need for advanced care services. If too many new residents require a higher level of care, the community can encounter financial challenges and likely will not have enough space within the care center to accommodate everyone's care needs.

Are you medically eligible for move-in?

In order to determine your overall health—both physically and mentally—the CCRC may assess some or all of the following:

- Information provided by your personal physician and/or an exam performed by the CCRC's own medical staff
- Information collected from you by the medical staff at the CCRC

- Blood tests and other lab work
- A cognitive ability test
- An assessment of your independence with activities of daily living (also called ADLs)

A few examples of the illnesses or conditions that **may** preclude entry into a continuing care community under a lifecare, and possibly a modified residency contract, are: Parkinson's disease, dementia, osteoporosis with a history of fractures, COPD including emphysema, congestive heart failure, or metastatic cancer.

The important thing is to enter when you are still able to live independently. Many people seek out a lifeplan community after a health incident or when a family member begins to notice cognitive impairments. Don't wait until it's too late.

Legal implications and restrictions

There is some debate about whether CCRCs of any type have a legal basis for health screening to determine eligibility for acceptance under a CCRC contract. Since CCRCs offer independent senior living, which is

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When is the Best Time to Move to a CCRC?

For many older adults who are currently independent but like the idea of living in a setting where healthcare services are available if needed down the road, a CCRC can be an ideal solution. When is the best time to make the move? There is no perfect answer; however, waiting too long can mean missing out on some of the very reasons people are attracted to these communities in the first place.

Here are a few reasons why you may want to consider moving sooner rather than later:

Involvement: One of the main benefits of living in a CCRC is having easy access to a vast array of services, amenities, and activities. Moving earlier allows residents to more fully enjoy and benefit from these “extra-curricular” activities.

Wellness: CCRCs strive to help residents stay healthy and live independently as long as possible. Comprehensive health and wellness programs may

include access to qualified fitness professionals, special diet meal plans, aquatic and fitness centers, low-impact aerobics, and yoga classes, just to name a few. Additionally, CCRCs like Royal Oaks emphasize a “whole-person” concept, including emotional, spiritual, intellectual, vocational, and spiritual experiences.

Relationships: Residents of CCRCs often say that one of the best things about the community in which they live is the friendships they have formed with other residents. Those who wait too long to make the move may not have the time to develop meaningful relationships, which can be particularly helpful as part of a support network if healthcare needs arise in the future.

Window of Opportunity: Continuing care contracts generally require that residents must be able to live independently and that they are not at

an increased risk for assisted living or healthcare services immediately. Those who do not meet the community’s health criteria can be declined for entry and miss the opportunity to benefit from what a CCRC offers, including access to a full continuum of care.

Easier Transition: Moving gets more difficult with time. Those who are able-bodied and in good health can better handle the transition, often even embracing this new chapter in life. Alternatively, those who are frail often suffer from relocation stress syndrome (RSS), which can lead to other health problems.

Generally speaking, once you have made the determination that a CCRC is right for you, it may be wise to make the move while you are still young enough and healthy enough to enjoy the many benefits of these dynamic communities.

CCRCs and Prospective Resident Health Evaluations *(continued from page 4)*

subject to the Fair Housing Act, and also assisted living and nursing care, which are subject to the Americans with Disabilities Act, the guidance isn’t completely clear. But, again, for CCRCs offering a contract with healthcare services provided under an insurance-like arrangement there seems to be a more logical argument that some form of health screening is necessary.

Almost all CCRCs and other types of senior living providers have a health screening process to assure that the resident can meet the general “requirements of tenancy” and to determine the appropriate level of care required. By law it is necessary that all prospective residents are asked the same questions, and that no one is singled out due to their appearance or disability.

CCRCs also should only ask health questions that are relevant to the health care services offered, and not questions about things that might help determine, for instance, if the resident will require extra staffing needs.



Yet, using such a screening process to determine whether a resident will be accepted for occupancy is a different topic altogether. CCRC should be very familiar with the fair housing and discrimination laws in this regard. For residents who do not meet the health requirements of a CCRC offering a lifecare or modified contract, the community is still required to offer acceptance under a fee-for-service arrangement, if accommodations are available. This means that the resident would not be a part of the continuing care contract, but may still reside within the community and pay for necessary care services out of pocket. In this regard, a CCRC really has little basis for denying anyone entry, although they do not necessarily have to offer residency under a CCRC contract.



ROYAL OAKS

Royal Oaks is the only Life Plan Community (CCRC) in Sun City offering full Lifecare. The 40-acre campus includes 360 independent living homes and apartments, ranging in size from 650 sq. ft. to 1900 sq. ft.; 59 assisted living apartments, a 56-suite memory care center and 57 suites for nursing care (complete supportive living). The community is one of only a handful of retirement centers in the country granted an "A" rating for operations and finances by Fitch Ratings.

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What, Exactly, is Long-Term Care?

Long-term care is the common phrase used to describe on-going assistance with activities of daily living, such as bathing, dressing, eating, or walking. This type of assistance is also commonly referred to as assisted living. The need for long-term care can be indefinite, often lasting years.

Long-term care may include skilled nursing care, which is typically provided in a nursing facility and involves 24-hour healthcare provided, or supervised, by a Registered Nurse.

CCRCs cater to those who live independently today, but they are equipped to provide the appropriate levels of assisted living or skilled nursing care that may be needed in the future.

Those requiring skilled nursing care almost always also require assistance with activities of daily living. However, skilled nursing care, by itself, is often short-term in nature, typically following a serious medical occurrence, such as a stroke, fall, or surgery. The goal of skilled nursing care is

to help restore one's health to the point where they are again able to live independently or with assisted living only.

The vast majority of long-term care is provided in one's home by an unpaid family caregiver. Alternatively,

some families choose to arrange for paid caregiver services. An assisted living facility is the typical alternative for those who require a higher level of assisted living than that which can adequately or safely be provided in a home setting.

Those who like to plan ahead and are not as comfortable with the uncertainties of managing in-home care may choose to move to a setting such as a continuing care retirement community (CCRC). CCRCs cater to those who live independently today, but they are equipped to provide the appropriate levels of assisted living or skilled nursing care that may be needed in the future.