Retirement communities are in abundance throughout the U.S. and particularly in Arizona. There are no right or wrong choices since everyone’s needs, desires, and interests are different. We hope this Special Report helps you sort through the often confusing array of offerings and provides the most important questions to ask as you explore the various options.

Retirement Communities are often bucketed into three categories:

- **Active Adult/Over 55 Communities**
- **Rental Retirement Communities**
- **Continuing Care Retirement Communities** (CCRC)

### Active Adult/Over 55 Communities

The new retiree is the market for these communities, which offer a dizzying array of activities, typically based around a golf course, and a myriad of social activities to keep boredom at bay for the just-retired. In these communities, you own your home and have all the associated costs.

### Rental Retirement Communities

In a rental community, you rent an apartment, garden home, or casita and amenities such as utilities, maintenance, transportation to doctors, some meals, and other assorted services are provided in the monthly rental fee, typically ranging from $2,000–$5,000, depending on how luxurious the surroundings. When you need assisted living or skilled nursing services, your fees increase to the market rate for those services. The range for assisted living is $5,000–$8,000/month and for skilled nursing it is $7,000–$12,000/month.

### Continuing Care Retirement Communities (CCRC)

Also known as a lifecare community, a continuing-care community is the “one-stop shopping” of the retirement world—typically a campus-like setting that offers resort-like amenities where residents live in apartments or homes in a community setting. Assisted living and nursing home care are carefully arranged on the campus to provide maximum benefit when and if residents need those services. In a typical CCRC, as your need for care increases, your monthly fee does not.
Is the CCRC’s financial health transparent?

The financial soundness of a community should be at the top of the list of questions that need to be addressed. Fitch, a global rating association that provides information on the financial strength of CCRCs, is a good place to gauge the credit worthiness of the CCRC of your choice. Go to www.fitchratings.com. CCRCs highly rated by Fitch will erase any fears of a facility having financial difficulties. Secondly, if the CCRC doesn’t offer financials upfront, be suspect. CCRCs with nothing to hide will be eager to provide you with financial and operating information.

What are the fees and how do they increase as my needs increase?

Fee structures for CCRCs vary quite a bit from one community to another. In most cases, residents pay an entrance fee starting at around $100,000 and up, depending on the size of the home/apartment, and then a monthly fee after that. The CCRC should provide an understanding of the Entrance Fee, Monthly Service Fee (MSF), and services covered by the MSF, along with fee increase trends. Additionally, if you would move into assisted living or need skilled nursing services, an explanation of additional fee-for-services should be outlined.

Who manages the CCRC and how accessible is the management?

CCRCs, whether for-profit or not-for-profit, should disclose the management structure and provide a comfort level that on-site management is readily available to discuss your home and care needs. A not-for-profit CCRC generally returns all excess funds into enhanced goods and services for the residents since those organizations have no company coffers to feed—a nice benefit. However, a for-profit CCRC may have financial strength behind it, so become familiar with the organizational structure of the CCRCs under consideration.

Ongoing information should be plentiful and often in a CCRC. Ask if periodic updates are held and how residents can have input into decisions made. You will also want to have the opportunity to meet the Board of Directors when you become a resident.

Some CCRCs offer lifecare. In the lifecare contract outlined by the CCRC, everything (housing, meals, services, non-medical and skilled nursing care) will be covered, and the monthly fee shouldn’t increase as a resident moves from one level of care to the next. A modified or fee-for-service contract is oftentimes offered by CCRCs; this is generally less expensive at first, but additional fees will be charged as more care or services are needed. Costs will also vary based on the size of the home chosen.
What are the tax advantages of entering a CCRC and what percentage of the Entrance Fee and MSF can you deduct?

Because CCRCs have medical facilities and you are entering into a long-term care insurance policy (lifecare) when you enter the CCRC, the IRS recognizes this as a prepaid medical expense and provides a substantial tax deduction on both the Entrance Fee and the MSF. The CCRC should brag about this advantage as it is a sizeable benefit to those itemizing deductions on their federal taxes.

Are there expenses associated with my home in the CCRC community?

The answer to this should be a definitive “no!” All maintenance and utilities are provided by the CCRC, along with housekeeping, laundry, and transportation services. A certain level of meal service is also included—usually one meal a day—in the MSF.

How is the food?

In the past, the traditional senior housing community hasn’t been thought of as creating gourmet fare, but the savviest CCRCs across the country employ Executive Chefs with resort training to keep the residents healthy and satisfied in the culinary category. CCRCs with good chefs will invite you to a complimentary meal before you make the decision to become a resident since they are proud of their gastronomical endeavors!
What kind of social activities are offered?

Advantages of living in a CCRC are friendships and activities. Ask to see an activity calendar and/or speak to the Activities Director. Savvy CCRCs understand the positive correlation between active social lives and living longer. These communities take residents on cruises, outings, sporting and theatre events, and generally provide a multitude of fun!

What are the credentials of the health care facilities?

If health care services are needed, you’ll want to make sure you or your loved one is provided with great, not just good, care. Be sure to have an understanding of staffing ratios and if the nurses and caregivers are employees or contracted staff. Communities that use contracted staff to save money typically have much lower outcomes than those that refuse to use nurse registries. When your goal is to get well and back to your home, you surely want a health care center which boasts about stellar outcomes!

Even with extended research, there’s no substitute for spending time at the CCRC you are considering. Join residents for a meal and talk with them about their experiences there. If CCRC managers discourage you from talking to current residents, your antenna should go up. The whole idea behind continuing care is that this is a place you will spend the rest of your life, so invest time in exploring a community to make sure you are comfortable.

Does the facility have a commitment to promoting physical fitness in residents?

Aging does not have to mean slowing down. Many CCRCs have fitness centers and swimming facilities to rival the top gyms in town. The gym equipment should be specifically adjusted for the senior adult while the fitness offerings ideally will center around fun classes that increase range of motion, help with balance, and are easy on the joints. Visit the fitness center and ask the trainers to explain their programs.
A CCRC is a good option if you value security. Regardless of how your health changes, you will be taken care of FOR LIFE without having to move. This can bring great peace of mind for you while freeing your children and grandchildren from financial and emotional burdens that could affect their future and yours.

It's important to note that you will be accepted into a CCRC only if you are healthy enough to live independently. In fact, a health screening will be conducted prior to acceptance. Don’t let a health event dictate your move to a CCRC since decisions should not be made while in crisis. You may face less-than-ideal options, long wait lists, and ever-increasing long-term care costs.

**Remain at home-sweet-home**

In a CCRC, as you age and your needs change, you will receive a higher level of care. You will stay within the campus and receive short-term nursing care when needed after an illness or injury, then move back to independent or assisted living once recovered. If you move in as a couple, even if one of you becomes ill and requires much more care than the other, you will be able to remain near each other. Having several levels of care available on campus is an incredible benefit—it provides you with the security of knowing that if you need Assisted Living, Memory Care, or Skilled Nursing Care at some point in the future, **you won’t have to move to another community.**

Meals, housekeeping, laundry, maintenance, transportation, activities, and some medical care are usually included in the contract (this varies from one community to another, so be sure to check).

A scientific study published by the American Seniors Housing Association: **Study of Independent Living Residents and the Communities in Which They Reside** found that **seniors who live in CCRCs are more satisfied with daily lives and are more likely to be happier and healthier than those who remain in their own homes.** It also found that the social and recreational programs offered at CCRCs provided seniors with many opportunities to meet new friends.

In addition, The Office of Disability, Aging, and Long-Term Care for the US Department of Health and Human Services released a research analysis paper that found that **residents who live in CCRCs are healthier and live longer than people who do not live in CCRCs.** Their analysis also found that CCRC residents have less risk of disease and disability. Their research specifically noted that CCRCs:

- Promote active lifestyles
- Provide good nutrition
- Support social involvement
- Encourage overall wellness
- Ensure proper medical care
- Are good for younger seniors

**THE BEST ADVICE:**

Plan early so you can be accepted into the CCRC of your choice and enjoy the lifestyle!
In early 1983, Royal Oaks opened its doors and today the campus includes 38 acres with 373 residential homes and apartments, 59 assisted living apartments, and a 125-bed skilled nursing center. Home to over 650 residents, the organization maintains a strong and stable financial standing. In fact, Fitch Ratings gave Royal Oaks an “A” in the CCRC category. Only a handful of CCRCs in the country received an “A” rating from Fitch.

As a non-profit backed by the People of Faith Foundation, Royal Oaks makes an astounding promise: no resident, who through no fault of his/her own, becomes unable to make the monthly service fee payment, would be asked to leave. The management backing this promise is local, on-site daily, and available to hear residents’ praises and requests.

Culinary options abound
The dining experience is one of the most important aspects of life at Royal Oaks. Our philosophy is to provide nutritious, healthy, flavorful food in an elegant environment that is conducive to stimulating appetites and conversation. We understand that socializing with friends over a delicious meal can be the highlight of the day for many people. We truly care about your dining experience.

Our central dining room, The Oak Room, offers elegant dining with dozens of menu choices, along with daily specials and a full salad bar. Adjacent to The Oak Room are private dining options for special parties and family functions. For upscale dining, residents make reservations at The Arbor Room, where delicacies such as steak and lobster can be savored with your favorite bottle of wine. Our residents especially enjoy the casual fare in our Acorn Grill, open for breakfast, lunch, and dinner. The Oak Lounge offers a full bar where you can cheer on your favorite team on the flat-screen TV before wandering out to the patio and fireplace. Take-out food, a marketplace, and coffee bar are also amenities in which our residents and their guests take pleasure.

We believe that having a healthy body, mind and spirit are essential ingredients for quality of life and longevity. The trainers and fitness professionals in our state-of-the-art fitness center help our residents stay healthy using cardio and strength equipment. Classes in our motion studio increase balance and flexibility, while charging the spirit! Massage and locker rooms, along with our indoor lap pool, the outdoor walking pool, and a hot tub also keep residents in top-top shape.

Healthy dining, fitness, and social life help our residents stay independent, we hope forever. If you would ever need a higher level of service, both our Assisted Living Center and Health Care Center (HCC) are here on our campus. The HCC offers rehabilitative services along with long-term care to residents requiring nursing assistance. Staffed by employees, not contractors, the HCC staffing ratios average 4.0 hours/patient day (the national average is 3.2 hours/patient day); higher staffing ratios mean more patient attention.

Incoming residents now completely customize their apartment or garden home by visiting our on-site Design Center. Granite countertops, a choice of kitchen and bath cabinetry, and a variety of flooring, paint, and window covering options are now included.

Completely decorated and furnished models are available to be viewed. Call (623) 815-4132 to set up your personal tour.