Retirement Living, Assisted Living, Care, and Housing Options as You Age

Breakfast membership meeting Howard County Estate Planning Council Thursday, May 19, 2022 7:30 am

Presented by:

RESIDENCES AT VANTAGE POINT Connection • Community • Columbia

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What to Consider

How do you see yourself in:

- 1 year
- 2 years
- 5 years
- 10 years or longer...



What to Consider

Where do you want to be?

- Where you live now?
- Where your children or family live?
- Someplace different?



What are my options?

SENIOR CARE SPECTRUM

This graph shows the relationship between the level of care and cost among the various types of senior care. It also demonstrates how services can overlap.

Continuing Care Retirement Community (CCRC)

These communities have multiple levels of care, typically on one campus or within multiple buildings. CCRCs typically are part independent living, part assisted living, and part skilled nursing home.

Retirement Community or Village

These communities have multiple levels of care, typically on one campus or within multiple buildings. CCRCs typically are part independent living, part assisted living, and part skilled nursing home.

Senior Apartment

Your typical apartment complex with an age requirement (often 55+), offering complete independence.

Independent Living

A housing community designed exclusively for seniors, usually including retirement communities, retirement homes, senior housing, and senior apartments.

Respite Care

Includes a range of temporary services in a facility or residential setting to provide relief to family caregivers.

Assisted Living

A residence with apartment-style units that offer personal care and other individualized services (such as meal delivery) available when needed.

Home Health Care

An agency or individual who provides skilled care visits. Services can be provided by a nurse, home health aide, nutritionist, or occupational, speech, respiratory, or physical therapist

Nursing Home

A facility providing a full range of skilled care, rehabilitation care, personal care and daily activities in a 24/7 setting.

Memory Care

Assisted living or skilled facility with 24-hour supervised care in a secured environment for those living with Alzheimer's or dementia.

Hospice Care

A philosophy of care that provides end-of-life support in the home, a community or a designated hospice facility setting.

An agency or individual who performs services that are flexible to meet the individual senior's needs from a few hours a week up to 24/7 care. Services range from personal care, Activities of Daily Living (ADL's), to medication management, home helper activities, transportation and Alzheimer's care. Services can be provided no matter where a senior lives, in their home, in an assisted living facility or a nursing home.

Adult Day Care

Level of Care & Supervision

Active Adult Community (AAC)

- Typically a real estate purchase with HOA dues
- Low maintenance condos/villas or single family homes
- Leisure World: example of a local AAC
- Usually has community center, and often recreation such as pool, golf or tennis
- If something happens health-wise, residents move to another location
- Resident or the family must sell the property



Age-Restricted Rental Apartments



Many have a community room so residents can do their own activities Some will have other amenities such as a pool, gym, computer room, salon

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Buildings are accessible with elevators and some apts. Might have other accessible features

Independent Living Communities: Retirement Communities

- Communities are secured with staff members greeting and screening all visitors
- May offer meal plans
- Some might offer supportive services like inhome care for additional costs
- Some might offer health care services
- Some will offer amenities pool, dining rooms, activities, trips/outings
- Monthly fee covers many services while in others a fee-for- service system is used.
- Might offer Independent living and Assisted Living options

Assisted Living (ALF)

Is a type of housing designed for people who need various levels of medical and personal care.

> For Individuals who need assistance and can no longer living independently but don't require 24hr nursing care.

Services are offered to assist residents with daily living such as help with personal care, provide meals, medications management, have help 24hrs a day when needed

There are larger ALF and smaller ALF called group homes

Larger Assisted Livings – 17+ Residents

- In Howard County we have approx. 12 larger ALF
- Typically they are corporate owned and operated
- Often have more of a hotel or facility feel

Smaller Assisted Livings – 1 – 16 residents

- In Howard County we have approx. 70 smaller ALF
- Typically are found in residential neighborhoods home like feel
- Owned and operated by a single person

What will Assisted Living Cost?

- Most facilities charge a monthly fee, ranging from \$2,000 to \$8,000+ month
- Fees are based on the services and care provided to the resident. These fees will most likely increase as ones needs increase
- Average cost in our areas is \$4,673 ranging from \$3,650 to \$8,000.00
- Some charge a one-time entrance fee
- Medicare doesn't pay for assisted living
- Most individuals pay privately for assisted living
- There are limited programs to help reduce the out-of-pocket costs of assisted living.

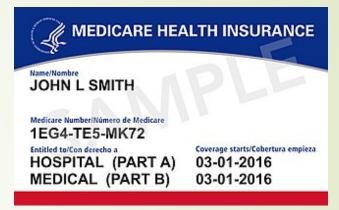
Nursing Home Care

- Is a long-term care/ residential facility that offers room and board and health care services, including basic and skilled nursing/ rehabilitation services
- Short-term care and rehabilitation needs
- 24-hour hands-on care provided by licensed or registered nurses
- Extensive chronic care
- End-of-life care needs
- Licensed by each state and federally regulated
- Cost average: Private room \$10,889 a month and Semi-private room \$10,281 a month

www.medicare.gov/nhcompare/home.asp

Medicare Coverage for Nursing Home Care

- Medicare can cover up to 100 days in a skilled nursing facility if you meet very strict conditions. You must:
 - Need "skilled nursing" or rehabilitation such as physical, occupational or speech therapy, prescribed by your doctor.
 - In the hospital at least 3 days for a related condition
- Medicare pays 100% for days 1-20, you pay co-pays for days 21-100 days (2020 - \$176), after 100 days you pay all costs.





Medical Assistance (Medicaid) paying for a long-term care stay in a Nursing Home

Medical Assistance is a government program that pays for medical services, including nursing home care.

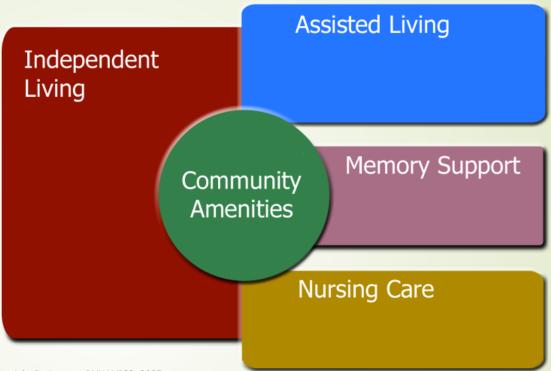
Coverage for nursing home care both financial and medical elgibility;

Medical – nursing home/ medical level of care Financial guidelines

- •Assets: less than \$2500
- Income less than cost of care

Life Plan Community

a.k.a. Continuing Care Retirement Community



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The hallmark of a CCRC is **guaranteed access** through a Residency Agreement, to an on-site continuum of care settings, including Assisted Living, specialized Memory Support, Skilled and Long-Term Nursing Care.

Continuing Care Residency Agreement Types – the Basics

- Pay an entrance fee based upon Agreement type and residence size/style
- Pay an ongoing monthly fee for independent living based on Agreement type and residence size/style
 - Many services and on-site amenities included in fees

Property taxes	Housekeeping
Dining plan	Electricity, HVAC, Water & sewer
Insurance	Groundskeeping, leaf and snow removal
Fitness membership	Telephone, television and internet services
HOA dues	Repair & replacement costs of
24 Emergency Call or Lifeline	major components of the home

Continuing Care Residency Agreement Types – the Basics

Type A – LifeCare	 Monthly fee remains virtually the same if you access on-site long-term care Can project costs into the future Tax benefits yearly
Type B - Modified Agreement	 If you enter independent living and later use long-term care there is a discount, such as A number of "free days" and/or A percentage discount May provide a 10% to 20% discount on healthcare daily rate
Type C – Fee-for- Service Agreement	 Independent living entrance fee and monthly fees are lower relative to Life Care and Modified Agreement types Should long-term care be needed, fees are at the current market rate
Type D - Rental	 No upfront entry fee Month to month lease All long-term health care is fee-for-service
Type E – Equity	 Ownership/fee-simple purchase Has monthly fee for services Health care paid on a fee-for-service basis Typical condominium owner responsibilities

Traditional declining refund

- Lower entrance fee relative to guaranteed return of capital
- Refund amortizes over specified period of time; i.e. 50 months

Guaranteed minimum return

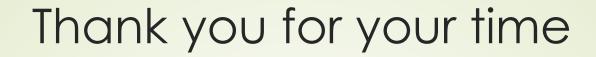
- Resident is guaranteed a specific amount of refund regardless of length of occupancy
 - Common refunds: 50%, 90%, 100%
 - Typically a premium is paid for the higher refund amounts.
- Refunds are based on what you paid at move-in
- Monthly fees may vary depending on Agreement type and refund option selected

Entrance Fees How do they work?

What will a CCRC Cost?

- Entrance fees vary widely, ranging from +/- \$100,000 to \$1,000,000 +
- Monthly fees in our area range from +/-\$1,800 to \$8,000 +
- Medicare doesn't pay for independent living
- Residents pay privately
- Additional ancillary costs may apply (based on Agreement)
- Long-term care insurance may be used for health care
- Some communities accept Medicare and/or Medicaid for health care

Questions?



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