What You Need to Know About Continuing Care Retirement Communities

With the oldest baby boomers now approaching 80 years old, there has been a steadily intensifying desire among older individuals and their adult children to better understand long-term housing options that offer both independence and the ability to access health care as needs change. Continuing care retirement communities (CCRCs), also known as "life plan communities," are an increasingly popular choice for older adults and their families who want a blend of independent living, supportive services, and long-term health care in one location. However, choosing the right CCRC involves careful planning, comparison, and understanding of financial and lifestyle implications.

What Is a Continuing Care Retirement Community?

A CCRC is a type of senior living community that offers a continuum of care—typically including independent living, assisted living, and skilled nursing care—on one campus. Residents often move in while they are still healthy and active and can then transition to higher levels of care as their health needs change, without having to relocate.

This model provides peace of mind to both residents and their families, knowing that future care needs can be met without disrupting the individual's living situation or support network.

Services Offered by CCRCs

Most CCRCs offer a range of services, including:

- **Independent living:** Private apartments with access to meals, housekeeping, and social activities.
- **Assisted living:** Support with daily activities such as bathing, dressing, and medication management.
- **Skilled nursing care:** 24-hour medical care for those with serious health issues.
- **Memory care:** Specialized care for residents with Alzheimer's disease and other dementias.
- **Rehabilitation services:** Physical, occupational, and speech therapy.

Additional amenities can include fitness centers, pools, art studios, on-site dining, transportation services, and various educational or recreational programs.

Financial Considerations

Most CCRCs require an entrance fee, which can range from $100,000 to more than $1 million, depending on the location, size of the residence, and type of contract. Additionally, residents typically pay monthly fees to cover services and amenities, which can range from $2,000 to $6,000 or more.

There are typically three types of CCRC contracts offered:

1. **Type A (Life Care):** Higher entrance fees but provides comprehensive care with little or no increase in monthly fees as care levels increase.
2. **Type B (Modified):** Lower entrance fees and monthly payments, but additional care costs more when needed.
3. **Type C (Fee-for-Service):** Lowest entrance fees, but residents pay full market rate for any additional care they receive.

Touring and Comparing Communities

If you are able, visit multiple CCRC communities in person. Pay attention to the cleanliness of the facility, friendliness of the staff, and how residents appear—are they engaged and happy? Ask if you can speak to current residents about their experiences.

Try to schedule a visit during mealtimes or a group activity to get a feel for daily life. Also, consider location: Is it close enough for family to visit easily? Are the climate and local community a good fit? Are there nearby activities and community resources to participate in and enjoy?

Legal and Contractual Aspects

Before signing a contract, review all documents with a trusted elder law attorney and financial advisor. CCRCs often require complex contracts that can be difficult to navigate without expert guidance. Make sure you fully understand:

- Terms of cancellation and refund policies.
- What happens if you need to leave early (e.g., to move closer to family).
- Whether spouses with different care needs can stay together.

Don’t Wait too Long to Make a Move

It’s important to note that there is a risk in waiting too long to join a CCRC, as delaying the decision can result in disqualification if unexpected health issues arise. Many CCRCs require prospective residents to meet certain health criteria upon entry, particularly for independent living. If a serious medical issue arises before you apply, you may no longer qualify for admission or be limited to more expensive care levels. Joining while you're still active and in relatively good health not only helps to ensure eligibility but also allows you to fully enjoy the community's amenities, build relationships, and transition more smoothly through future stages of care if needed.

CCRCs can be an ideal solution to enjoy your golden years in a stable community, without having to move repeatedly as health care needs inevitably increase. These communities can also provide peace of mind for loved ones seeking reassurance about both quality of life and future healthcare needs.

Questions to Ask When Evaluating CCRCs

To determine which CCRC best fits your current and long-term needs, ask detailed questions, such as:

- What types of care are available on campus?
- What is the staff-to-resident ratio in higher levels of care?
- How does the community handle transitions between care levels?
- Is the community accredited (e.g., Commission on Accreditation of Rehabilitation Facilities accredited (CARF)?
- What is the community’s financial health? (Ask to see audited financials.)
- What activities and programs are available?
- Can you personalize your living space?
- What are the community rules (e.g., pets, visitors, overnight guests)?
- How is resident feedback collected and addressed?

ABOUT LNW

LNW Advisors provides services to support exceptional families and individuals seeking to activate the full potential of their wealth.

To help turn lifetime ambitions and multigenerational aspirations into reality, Laird Norton Wetherby (LNW) brings to each client a high level of care combined with deep expertise in wealth and legacy planning, investments, and trust and estate services.

Offering both RIA (registered investment advisor) and trust services, LNW is committed to providing clients with unbiased, independent guidance and solutions. LNW has offices in Seattle, San Francisco, New York, Los Angeles and Philadelphia, as well as an affiliated trust company in South Dakota, empowering clients across the U.S. and around the world.

LNW is owned by employees and majority owned by Laird Norton Company, one of the longest-sustained family enterprises in the United States. To learn more, please visit LNWAdvisors.com.

LNW

PERSONAL WEALTH ADVISORY BY
Laird Norton Wetherby

DISCLOSURES

LNW or LNW Advisors refers to Laird Norton Wetherby Trust Company, LLC, a State of Washington chartered trust company; LNW Trust Company of South Dakota, LLC, a state of South Dakota charted trust company; and two investment advisers registered with the Securities and Exchange Commission, LNW Wealth Management, LLC and Laird Norton Wetherby Wealth Management, LLC.

This presentation includes candid statements and observations regarding investment strategies, individual investments, economic and market conditions; however, there is no guarantee that these statements or forecasts will prove to be correct. These comments may also include the expression of opinions that are speculative in nature and should not be relied on as statements of fact. LNW views and opinions regarding the investment prospects of our portfolio holdings include “forward looking statements” which may or may not be accurate over the long term. While LNW believes there is a reasonable basis for the appraisals and there is confidence in our opinions, actual results may differ materially from that was anticipated.

All investments involve a level of risk, and past performance is not a guarantee of future investment results. The value of investments and the income derived from them can go down as well as up. Future returns are not guaranteed, and a loss of principal may occur. All investment performance can be affected by general economic conditions and the extent and timing of investor participation in both the equity and fixed income markets. Asset allocation, due diligence, and diversification do not guarantee a profit or protect against a loss.

This presentation is not intended as investment advice; LNW offers investment advice only on a personalized basis after understanding the client’s individual needs, objectives, and circumstances. The information presented herein does not constitute and should not be construed as legal advice or as an offer to buy or sell any investment product or service. Any accounting, business or tax advice contained in this presentation is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties. Any opinions or investment planning solutions herein described may not be suitable for all investors nor apply to all situations. All opinions expressed are those of LNW and are current only as of the date appearing on this material.

A benchmark or index is an unmanaged statistical combination of securities designed to be representative of the performance of an asset class, sector, or investment style. Indices are shown for informational purposes only and it is not possible to invest directly in an index.

Indices are not subject to management fees. Comparisons between a composite or a portfolio and an index or benchmark are unreliable as performance indicators and should not be considered indicative of the performance that may be experienced in a particular managed portfolio.

Certain information herein has been obtained from public third-party data sources, outside funds, and investment managers. All data presented is current only as of the date shown. Although LNW believes this information to be reliable, no representation or warranty, expressed or implied, is made, and no liability is accepted by LNW or any of its officers, agents or affiliates as to the accuracy, completeness or correctness of the information herein contained. Should a reader have questions regarding the applicability of information presented to her/his individual situation, she/he is encouraged to consult with the professional adviser of her/his choosing. A copy of LNW’s current ADV Part 2 & 3 discussing our advisory services, fees, and other relevant information is available upon request. LNW recommends individuals visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.