• How does the provider ensure patient confidentiality?

Paying for Home Care

Medicare will pay for home health care if all of the following conditions are met:

• a doctor certifies your need and sets up a plan of treatment;

• you need intermittent (part-time) skilled nursing care, physical therapy, or speech therapy;

• you are homebound; and

• the services are provided by a Medicare-certified agency.

Not all agencies are Medicare-certified. If you satisfy these conditions, then Medicare will pay the reasonable costs for covered home health visits. You will have to pay for the costs that Medicare does not cover, including the difference, if any, between what Medicare considers reasonable and the actual cost. Medicare does not cover the cost of full-time nursing care at home, meals delivered to your house, or homemaker services. In some circumstances, however, Medicare will pay for intermittent use of a home health aide, occupational therapist, medical social services, and medical supplies and equipment. Medicaid-eligible patients may qualify for some of these benefits.

Although in the past, home health care has not been included in private insurance plans, many insurance companies are beginning to offer the coverage. You need to check the coverage under your policy and also check with the home health agency to make sure they will accept private insurance. Those eligible for Veterans Administration benefits or TRICARE should look into coverage under these programs as well.

While reimbursement usually is available for skilled services received in the home, this is seldom the case for home support services such as a homemaker or an aide. Some agencies have received federal, state, or local government funds to provide these services to senior citizens meeting specified eligibility requirements. You should check with your Area Agency on Aging, your local department of social services, or the individual home health agency to see if you qualify.

Continuing Care Retirement Communities

Introduction

Also known as life care retirement communities, these facilities have been in existence for over 60 years; however, the industry has greatly expanded in the last two decades. Although the vast majority of Continuing Care Retirement Communities (CCRCs) are run by nonprofit organizations, several major corporations have entered the market.

What Is a CCRC?

A CCRC is a financially self-sufficient residential community for senior citizens that offers medical care and nursing services in addition to independent living. They vary in the image they wish to project. Some are closely aligned with a particular religious denomination. Some seek to cover the basics in a simple community setting, while others attempt to create a country club or resort atmosphere.

Type A Facility: Extensive Plan

CCRCs differ in the amount of health care they offer their residents. What is sometimes referred to as a "Type A" or "extensive" facility will provide food, housing, medical services and nursing care, and assisted living care for the remainder of the retiree's life, frequently even after you have exhausted your financial resources. It can be thought of as a form of self-insurance, spreading the risk of catastrophic health care costs among all residents in the CCRC so that no one will face financial ruin. Because of the guaranteed health care, Type A facilities are the most expensive.

Type B Facility: Modified Plan

"Type B" or "modified" retirement communities offer the same services as the Type A facilities but without the health care guarantee. For example, a Type B facility may provide 15 days of nursing care per year. After you use up your 15 days, you must pay a daily charge for the nursing care. In the event you run out of money, the facility is not contractually obligated to provide for your care.

Type C Facility: Fee-for-Service Plan

In the "Type C" or "fee-for-service" community, residents have priority access to the nursing unit, but they must pay for the services received. Moreover, Type C facilities generally do not include meals or personal care assistance as part of their package. Consequently, they are the least expensive.

CCRC Fees

A CCRC usually charges two fees—a one-time entry fee followed by a monthly maintenance fee. The entry fee may range considerably, depending on whether it is a Type A, B or C facility, the size of the living unit, and the amenities associated with the community (such as swimming pool or golf course). The monthly maintenance fee may be increased from year-to-year as inflation dictates. Residents meet the monthly fee with social security and pension income, while the funds for the entry fee often are obtained from the sale of the retiree's home. An alternative used by some CCRCs is to offer a reduced entry fee which is accompanied by proportionally higher monthly fees.

Pros and Cons

Security and flexibility are two reasons for joining a CCRC. With increased life expectancies brought about by modern medicine, many elderly persons experience two stages in their retirement years. The younger elderly are capable of independent living and community involvement. For this age group, the social and recreational features are attractive. Dependency and declining health characterize the second stage of retirement. The CCRC is equipped to keep you in your apartment as long as possible. Housekeeping and dietary services (offered by the Type A and B facilities) handle the day-to-day living activities you no longer may be able to do for yourself. Transportation to shopping areas is often provided. Most importantly, a nursing facility is located on the premises if and when skilled or custodial care becomes necessary. The support systems of a CCRC enable various gradations of living along the independent/dependent continuum tailored to the individual's needs. In addition, some life care contracts (Type A) promise to care for you even after you exhaust your financial resources.

There are some drawbacks to living in a CCRC. The most obvious is the cost. The entry fees are so expensive that should you join a CCRC and later find you do not like it, the bulk of your life savings is gone and you cannot afford to move elsewhere. Some senior citizens do not desire a community as homogeneous as

CCRCs tend to be. Finally, there have been a few instances where, due to fraud or mismanagement, CCRCs have gone bankrupt. Virginia is one of 35 states that attempts to reduce this risk by regulating the industry. CCRCs must register with the State Corporation Commission and provide detailed annual disclosure statements to the Commission, and to current and prospective residents. In addition, the Commission is authorized to intervene when a CCRC shows signs of financial instability.

Residents' Rights and the Possibility of Dismissal

Once you have invested a large sum of money in a life care contract, you do not want to be evicted or dismissed on the whim of management. Virginia law permits dismissal only after a showing of good cause. "Good cause" is defined as: (i) proof that the resident is a danger to himself or others; (ii) nonpayment by the resident of a monthly or periodic fee; (iii) repeated conduct by the resident that interferes with other residents' quiet enjoyment of the facility; (iv) persistent refusal to comply with reasonable written rules and regulations of the facility; (v) material misrepresentation made by the resident on his application; or (vi) material breach of the terms of contract by the resident.

Virginia law also gives CCRC residents the right to form a residents' association and requires quarterly meetings between residents and management.

Choosing a Specific CCRC

Initially, you must determine whether or not communal living is for you. Once the decision is made to pursue this form of housing, you should visit each CCRC you are considering and determine what the entrance requirements are for each. You should also inquire about rules and policies. A visit ought to include a night in the guest house, as well as a couple of meals in the dining room. Ask questions about the services available. How many meals are included in the contracts? Is service available to the resident's apartment if it is needed? Is the kitchen willing to prepare meals to fit a prescribed diet?

You should tour the grounds and buildings, paying close attention to the layout, appearance, upkeep, and security. Within the apartment you should look for the usual features that concern prospective renters or homeowners, along with looking for an emergency call system. You should engage the residents and staff in conversation. Are the people friendly? How do they interact? Are there many social activities? Is there a library? Are there recreational facilities?

You should insist upon visiting the nursing unit. This is essential for the Type A facilities, as health care constitutes a significant portion of the services you will be purchasing. Does the health care facility provide a full range of services, such as annual or routine physical exams, dental care, physical/occupational/speech therapy, prescription drugs and/or eye care? What is the limit to the health and medical care coverage that is included in the regular fees? What is the community's policy for transferring residents from apartment and independent living units to nursing home facilities? What is the policy for returning residents to their apartments or independent living units? You should observe the manner of the staff. Are they calm or frantic? Inquire about the rate of turnover on staff. If there is considerable turnover, it may indicate management or low-pay problems. What about the patients? Are they groomed and dressed? Are the halls clean and free of odor? Finally, the visit should include a trip into town to see the nearby churches, stores, and recreational opportunities.

Seek Professional Advice

More important than the physical layout of a retirement community is the insurance services package you will be buying. You must remember that you are buying a contract and not real estate. To this end, you should carefully read the contract and have your lawyer read it. You should have, in writing, all fees and the corresponding services to be rendered by the provider. Clarify whether services such as housekeeping, linens and personal laundry, telephones, parking, and transportation are included. You should ask the facility for its fee-hike history. You should see what the refund policy is in the event a resident dies prematurely or chooses to leave the community. Nonrefundable entry fees tend to be lower. Retirees wishing to leave an estate for their heirs, however, may want to look for a CCRC offering a refundable (or partially refundable) entry fee.

You and your lawyer should also scrutinize several annual reports and balance sheets of the CCRC. You should ask if an actuarial study has been done and request a copy of the report. Even more so than a financial disclosure statement, an actuarial study will reveal whether the facility will be able to meet its obligations several years down the road. In addition, you might inquire if the CCRC has been accredited by the American Association of Homes and Services for the Aging.

CCRCs are increasing in popularity as evidenced by the long-waiting lists for admission at some of the more established facilities. Careful planning, coupled with wise shopping, can make this form of housing and health care a successful alternative for many senior citizens.

For a list of those CCRCs in Virginia which are registered with the State Corporation Commission, you may contact the Commission at:

Bureau of Insurance
State Corporation Commission
Tyler Building
1300 East Main Street
Richmond, VA 23219
(800) 552-7945 (toll-free)