



The Summit at Brighton

Life Care Senior Living

Proposed Life Care at Home (LCaH) Program

What is a Continuing Care Retirement Community (CCRC)?

A Continuing Care Retirement Community (CCRC) is a residential alternative for older adults (usually age 65 and older) that provides flexible housing options, a coordinated system of services and amenities, and a continuum of care that addresses the varying health and wellness needs of residents as they grow older. The emphasis of the CCRC model is to enable residents to avoid having to move – except, perhaps, to another level of care within the community – if their needs change and they require more health care and supervision.

Most CCRC's offers a tiered approach to the aging process, with three levels of care accommodating residents' changing needs. Upon entering, healthy adults can reside independently in single-family homes, apartments or condominiums. When assistance with everyday activities becomes necessary, they can move into assisted living or nursing care facilities.

These communities give older adults the option to live in one location for the duration of their life, with much of their future care already planned. This can provide a level of comfort by eliminating the caregiver relationship between parents and children.

What does a CCRC cost?

Residents pay an entrance fee – most often from the sale of their home – and monthly charges out of their own funds and/or from long term care insurance benefits. In exchange, they have guaranteed access to the entire range of services provided in the community. CCRCs are an attractive alternative to many seniors, since they provide security in knowing that the resident's future health care and other needs will be met by the same organization, and that their monthly fee will remain predictable even if the level of services needed changes. This allows a resident to budget for the cost over time.



An affiliate of Jewish Senior Life

TYPES OF AGREEMENTS/CONTRACTS

CCRCs provide housing and health related services for their residents under an agreement effective for the life of the resident or for a specific period. There are three main types of agreements or contracts within CCRCs. Although many communities offer more than one type of contract, not all of them do.

- “Type A” contracts, also known as “life care” agreements, include housing, residential services and amenities, and unlimited long-term care without substantial increases in residents’ monthly payments.
- Modified (“Type B”) contracts cover housing, residential services and amenities, and limited nursing home care without any substantial increases in residents’ monthly payments.
- Fee-for-Service (“Type C”) contracts – which were first authorized in New York in 2004 – include housing, residential services and amenities. Residents are guaranteed access to health care services by paying prevailing rates. Essentially, residents only pay for health care services used at a monthly rate that varies based on the level of service they are receiving.

The CCRC approach helps to maintain residents’ independence for as long as possible by serving them in the least restrictive, most independent setting in the community appropriate to their needs.

CCRC’s in New York State

CCRCs have been authorized to operate in New York State since 1989, when State legislation, Article 46 of the Public Health Law, was enacted to authorize the establishment of these senior living arrangements.

Within CCRCs, the independent housing options typically range from small and large apartments to townhouses and cottages. Assisted living options can include enhanced programs which allow residents to remain in that level of care longer as their needs increase, as well as special needs programs that offer memory care services. CCRC nursing homes offer short-term rehabilitation and post-acute care services, as well as long term care for residents who need access to 24-hour nursing and other services. CCRCs also host organized social events, provide recreational and educational activities and offer transportation to venues outside of the community. They may also offer guest quarters for visiting family members and friends. CCRCs are unique because they offer a full range of living arrangements for their residents – independent housing, assisted living/adult care facility and nursing home – within one community.

Benefits of living at a CCRC

In addition to providing living arrangements and a range of health-related services and supports, CCRCs also provide their residents with the amenities and comforts of a community. Residents often have access to:

- Health and fitness areas
- Swimming pools
- Meeting rooms
- Convenience stores
- Beauty salons
- Dining options
- Transportation

Life Care at Home in the US

Life Care at Home (LCAH), an outgrowth of the continuing care retirement community model, offers member the opportunity to receive the services of a CCRC but remain in the comfort of their own home. Members enroll when they are healthy and well; they pay fees (typically an entrance fee paid either up front or over a period of time and a monthly or annual fee) in exchange for a promise of future care.

Services covered by the plan include care coordination, medical and nonmedical home care, emergency response system, adult day care and coordination of Medicare services all designed to help the individual remain in his/her home for as long as possible. Access to care in an assisted living or nursing home should it be required is also part of most programs.

If the member experiences a change in health, the LCAH care coordinator arranges for the needed services and the plan pays for the care up to daily and lifetime limits selected at the time of enrollment.

History

This first LCAH plan in the nation was licensed by the Pennsylvania Department of Insurance as a CCRC without walls in 1987. In exchange for fees from its members, LCAH makes a promise to provide long-term care services and supports when needed in the future.

The original LCAH plan incorporated a number of features typical of a Type A CCRC: Pricing was based on an upfront entrance fee (ranging from \$15,000 to \$40,000+) and ongoing monthly fee (averaging \$400-\$600/month).

The plan included the full continuum of care, including care in a nursing home or assisted living in addition to home care services. Minimum age at enrollment was set at 60 years (NYS is 62 for CCRC and would be LCAH guideline as well;) there was no maximum age for enrollment. Prospective members went through a financial and health screening in order to be considered for enrollment. When introduced, new market space was being created; no similar products were in existence.

Enrollment

The market for the Type A LCAH plan was quite robust during the first 10 years of operation (1990-1999). Friends Life Care averaged 167 new members per year; new enrollments reached a high of 282 members in 2008. Enrollment (net of death and withdrawals) reached 300 members after three years of operation; net enrollment of 1,500 members was achieved after ten years of operation. This program currently has approximately 2,400 members enrolled.

LCAH from an Actuarial Perspective

Just as in the CCRC, actuarial evaluations are required to ensure appropriate fees are established to meet the future needs of the LCAH members and establish the reserves required by New York State.

To obtain a better understanding of the Life Care at Home programs around the country, Summit at Brighton reached out to the following communities to learn about their Life Care at Home Programs:

- Longwood at Home, Oakmont, PA – started program in 2002, over 450 participants
- The Jewish Home, Fairfield, CT – started program in 2011, has over 100 participants

Life Care at Home in NYS

Life Care at Home was approved by the New York State Department of Health in 2014 for Continuing Care Retirement Communities. After much consideration, the Summit at Brighton has determined that offering this level of service will further strengthen its CCRC financially and enhance the services provided to the general community. The Summit at Brighton is uniquely qualified to offer LCaH in conjunction with Jewish Senior Life and its other affiliates, as many of the services that are normally offered as part of LCaH programs are already available and being offered to the community through the JSL continuum.

Such services include:

Adult Day Care – Medical Model	Assisted Living including Enhanced level
House Calls (physician services)	Outpatient Rehab Therapy
Skilled Nursing Care	Memory Care
Transitional Care (Short Term Rehab)	Companion Services
Handyman Repair Services	Housekeeping Services
Numerous activities arranged at the CCRC	

Overview of the Summit's Proposed LCaH program

The Summit intends to initially seek approval for 150 life care slots and it is the intent of the LCaH contract to act as a regular CCRC contract except that the member would reside in their own home instead of an Independent Living Unit at the Summit. This type of contract would offer the long term care security of a normal CCRC contract without having to move on to campus. The LCaH would offer three contract types, similar to that of other LCAH programs across the country that we spoke to and confirmed by our actuary.

All-Inclusive Plan: No co-pay required and 100% coverage of specified and authorized services, including home health aide, companion, delivered meals, adult day care, assisted living facility and skilled nursing facility services.

Security Plan: 15% co-pay required for specified home health aide, companion and adult day care services and 30% co-pay for assisted living facility and skilled nursing facility.

Co-Pay Plan: 50% co-pay for specified home health aide, companion, adult day care, assisted living facility and skilled nursing facility services.

Entrance and Monthly Fees

The amount of the entrance and monthly participation fees will be determined once the actuarial analysis has been complete and will be based on the type of contract the member selects as well as their age at the time they become a member.

For use in discussion, the following ranges for a single person may be considered:

	Entry Fee	Monthly Fee
All Inclusive	\$40,000 - \$75,000	\$500
Security Plan	\$30,000 - \$60,000	\$425
Co-Pay Plan	\$20,000 - \$40,000	\$375

It also should be noted that some LCaH contracts contain lifetime limits for services such as Skilled Nursing or Assisted Living days. As part of the actuarial study, these options will also be explored.

Services Included in the Proposed Contract

Initially, it is anticipated that upon being approved for a LCaH contract would be in relatively good health and according the Summit's discussion with existing LCaH programs would have limited need for services. During the first few years, it is anticipated the Members would access the following services:

- Care Coordination
- Transportation Coordination
- Programs at the CCRC
- Handy Man Services
- Companion Care
- Housekeeping

The LCaH contract will include access to the following health care services that may be accessed on a temporary basis while the contract holder retains permanent residence in their home.

Adult Day Care – Medical Model
House Calls (physician services)
Skilled Nursing Care
Transitional Care (Short Term Rehab)

Assisted Living including Enhanced level
Outpatient Rehab Therapy
Memory Care

Just as in the CCRC model, in order to be approved for a LCaH contract, each member will have to complete a medical application and have a complete physical prior to being approved. The CCRC's Medical Director would use similar criteria for approval, in determining whether the applicant would be able to live independently for at least three years.

Permanent Transfer to CCRC Facility

Based on preliminary discussion with other LCaH programs, should the LCaH member determine that they no longer want to reside in their own home but to reside permanently in the CCRC, they would be asked to complete the CCRC application and meet the required financial and medical criteria. Arrangements would be made to provide care under the LCaH contract until such time their residency application is approved and desired accommodations are available. If the Member does not qualify either medically or financially or both for the CCRC, the LCaH Care Coordinator would assist the Member in finding the appropriate on campus services prior to terminating the LCaH contract.

Portability of LCaH Benefits

As outlined in sections PHL 4608(20)(e) and (f), LCaH will establish geographical limits governing the contractual provision of services as part of the contract should the Member move out of the area and the related policy. The LCaH will contract with at least one other adult care facility and skilled nursing facility that is not part of the CCRC so that the Member has an alternative if needed.

Marketing Analysis

Summit at Brighton engaged Clifton Larson Allen (CLA) to conduct a preliminary marketing study in 2017 which indicated the following:

- In the preliminary market, within certain income levels, membership in LCaH could range from 55 – 173 members.
- In addition within those same income levels the secondary market could add between 20 and 119 additional members. This indicates that the Rochester

community would be able to support a LCaH program without causing any noticeable reduction in the CCRC occupancy.

- In addition a telephone survey was completed by CLA of 300 Seniors in the market area to determine their knowledge of potential long term care needs, their knowledge of Jewish Senior Life/Summit services and their likely hood to enroll in a LCaH program. The results of the study were very encouraging and one of the reasons that Summit would like to proceed with the application process.

Impact on Summit's CCRC

We believe that offering LCaH will strengthen the financial viability of the Summit. It is not anticipated that overhead costs will increase significantly with the addition of this program. As such, the addition of 150 LCaH slots to allocate overhead too will improve the bottom line of the Summit. The addition of these LCaH members will also contribute to continued higher occupancy in all levels of care on the JSL campus.

As mentioned above, Summit currently has a waiting list of over 55 people and while we believe that some of those people on the waiting list may choose to use the LCaH program instead, the market study above showed that the LCaH members are those people that want to remain in their own home and not move to the CCRC.

LCaH Related Risks to CCRC and LCaH

From the Summit's perspective the risks associated with the LCaH program are similar to those of the CCRC and are mitigated due to the following:

- An actuarial study will be completed as part of the application process in order to ensure that fees are set appropriately; reserves are established to meet the future needs of the LCaH members and to provide the community with anticipated medical needs of the members.
- Reserves established by NYS DFS will need to be met by the entrance and monthly fees and adhered to by the Committee.
- Just as in the CCRC, each LCaH member would be required to provide medical and financial information and be assessed to determine if they will meet admission criteria established by the Summit.

- Each LCaH member just as any CCRC resident will have to provide on an annual basis, proof of Medicare/Medical as well as property insurance

Next Steps/Time Lines

- Since the Summit is the first CCRC in New York State to request authority to provide LCaH, we will work closely with the CCRC Council, DFS and DOH to discuss the application process, approval criteria, as well as the proposed LCaH member contract. Anticipated deadline: (July, 2018)
- Once the CCRC Council, has weighed in on the application process and has determined what needs to be included in the exhibit to the Council, the Summit would have the actuarial analysis completed and would update the business plan based on that information. (August, 2018)
- Summit submits application and all other required documents to the DOH following approval from the Summit's Board of Directors (September, 2018)
- DOH and DFS submit recommendation to CCRC Council for a final determination/approval of the Summit's LCaH application. (December, 2018)
- Summit informs our Residents of the LCaH program (December, 2018)
- Summit rolls out the LCaH program to the public (First quarter 2019)