

FOCUS ON ASSISTED LIVING & RETIREMENT PLANNING

Continuing care community ensures a lifelong home

By **JOHN ROSSI**

Special for Lehigh Valley Business

Older women are twice as likely as older men to live alone.

Seventy percent of Americans older than 65 will need some form of long-term care.

Fifty-eight percent of adults underestimate the cost of a nursing home.

Thirty-one percent of adults underestimate the cost of assisted living.

Yes, aging is complex and potentially expensive.

One option, though, for retirement is a continuing care retirement community.

Also known as a life plan community, a CCRC often permits residents to remain in one facility or campus while moving between various levels of care as their needs change from independent living to assisted living to a nursing home.

Residents pay an entry fee and an adjustable monthly rent in return for being cared for during the different stages of life.

Seniors may be entitled to a refund of their entry fee on a declining scale if it is requested within a period of time after moving in.

CCRCs generally guarantee a lifelong place to live. Assisted living and even nursing homes make no such guarantees; they may ask you to leave if they believe they cannot provide the care required.

Virtually no CCRC will guarantee an individual entry into an assisting living facility and nursing home that is a part of the CCRC.

If all the units are filled, though, the CCRC may place the resident in another facility. This can come as a surprise to the affected elderly person and their family.

FIVE STRATEGIES

Seniors have five theories for their long-term care:

(1) Stay at home – *I am happy here and will never need any services or help.*

(2) Stay at home and anticipate services – *I can stay here and bring in help if and when I need it.*

(3) Cohabitate – *I can move in with my kids – or have them move in with me, if I need help.*

(4) Assisted living/nursing home – *I will make a change when it is a need-based decision.*

(5) CCRCs – *I will make a change now, when I can fully plan for my future.*

COULD BE COSTLY

As the American population ages and the demand for long-term care increases, and without insurance paying for these services, the cost for many seniors

The continuing care retirement community permits seniors to usually remain in one facility or campus while moving between levels of care.

becomes prohibitive.

The CCRC has emerged as another option by permitting seniors to usually remain in one facility or campus while moving between levels of care.

The downside of CCRCs is the cost, which can be greater than what people with low or moderate income and assets can afford.

Prices depend on the amount of care provided, the type of contract and the size and location of the facility.

PREPAYING FOR CARE

A CCRC is essentially an insurance product.

The contracts are regulated by states, and financial performance is based upon a report filed with the state.

Seniors essentially are prepaying for potential assisted living or nursing home needs. A portion of the entrance fee and monthly fee is tax deductible as medical expenses.

CCRC residents can deduct portions of their entrance fees and monthly fees in excess of 7.5 percent of adjusted gross income as prepaid medical expenses.

ASSESSMENT OF HEALTH, FINANCES

Most CCRCs require a health care assessment and financial assessment.

As part of the health care assessment, many CCRCs require a medical history, cognitive assessment, ability to enter while independent and able to live safely on his or her own and be within minimum (generally 62) and maximum age limits.

As a prerequisite to admission, some facilities also may require both Medicare Part A and Part B and Medigap coverage. A few are even requiring long-term care coverage.

As part of the financial assessment, CCRCs require an accounting of assets/income and a projection of spending over a lifetime. In return, they provide three levels of care: independent, assisted living and nursing home.

FINANCIAL STRENGTH

A CCRC is a lifestyle choice. Enter while independent, free from home maintenance chores. Many offer transportation, activities/programs, increased social options and the ability to stay in control of your life.

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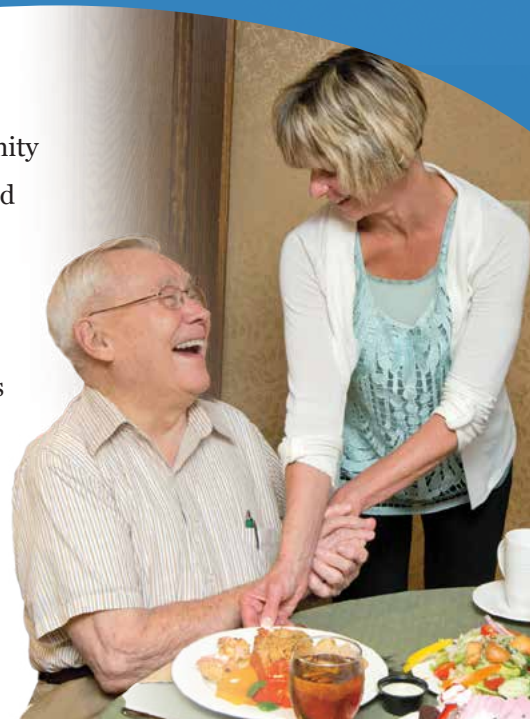


Rossi

Does your loved one live on their own yet need some assistance?

Come to Fellowship Community where residents get connected with friends, activities, exercise, medication management, and the best healthcare around. Residents get chef-prepared meals in a restaurant setting and enjoy the freedom to come and go as they please.


Fellowship
community
Continuing Care with Spirit



Contact us for lunch and a tour where everything is included in your investment.

FellowshipCommunity.com

Whitehall, PA | 610-799-3000

off the clock

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We are looking for your photos to include in our Off the Clock weekly feature that highlights fundraisers, galas, social events or seminars.

Email your photos to cholland@lvb.com.

Please save photos at 300 dpi as TIFF or JPEG files.

LEHIGH VALLEY **BUSINESS**

Gaming and Leisure Properties Inc. in Wyomissing appointed **Barry F. Schwartz** to its board of directors as an independent director. Schwartz served in several leadership roles with MacAndrews & Forbes Inc. and various affiliates. He is a director of Revlon Inc., Revlon Consumer Products Corp. and Scientific Games Corp. He also was a director of Harland Clarke Holdings Corp. and M & F Worldwide Corp.

ESSA Bank & Trust based in Stroudsburg hired **Henry G. Kush Jr.** as vice president, commercial loan officer, Philadelphia region. Kush, who resides in Buckingham, has worked in banking in the Greater Philadelphia market for 38 years, with a



Kush

focus over the past decade on health care lending, primarily senior living and senior care communities. He recently worked at Key Bank, overseeing commercial and industrial lending.

Sandy Jainauth-Barone joined **Weber Kracht and Chellew Attorneys at Law** in Perkasié. Her practice includes insurance defense, civil and commercial litigation and estate planning and administration.



Jainauth-Barone

Sam Kennedy joined **St. Luke's University Health Network** as the corporate communications and media relations director. Kennedy previously worked at The Morning Call, most recently covering the health beat.

Laboratory Testing Inc. in Hatfield hired **Jonathan Faia** as the director of quality assurance for the material testing, nondestructive testing and calibration lab. Faia has had a 30-year-career and previously worked at a manufacturer of specialized fluoropolymer products for the automotive and aerospace industries.



Faia

The Greater Reading Chamber and Economic Development Corp. promoted **Ellen Albright** to director of workforce and education. She previously was communications coordinator at the Greater Reading Chamber of Commerce & Industry.

Phoebe Ministries of Allentown hired

Tracy J. Polacheck as executive director of **Pathstones by Phoebe**. She is responsible for the overall operations of the continuing care at home program and oversees the development and implementation of comprehensive programs and service offerings to members. Polacheck has nearly 20 years of experience and recently worked at Keystone Villa Communities.



Polacheck

Quantum Financial Management LLC in South Whitehall Township hired **Cindy Ecker** as a financial services administrative assistant. She previously worked at Keystone Financial Management.

— WENDY SOLOMON

FOR YOUR INFORMATION

BUSINESS NOTES

Keith R. Hoffman, a Certified Public Accountant, was elected president of the Reading Chapter of the Pennsylvania Institute of Certified Public Accountants for the 2017-2018 fiscal year. Hoffman is a senior manager with **Herbein + Co. Inc.** in Wyomissing. Hoffman serves on the Reading Chapter's executive committee.

Jeremy S. Sestito, a Certified Public Accountant, was elected president of the Lehigh Valley Chapter of the Pennsylvania Institute of Certified Public Accountants for the 2017-2018 fiscal year. Sestito is manager of the international accounting team at **PPL Corp.** in Allentown.

The board of trustees of the **Lehigh Valley Physician Hospital Organization** has restructured its leadership as the organi-

zation positions itself for changes in health insurance, provider relations and health care in general. Gregory Kile, chief insurance officer at Lehigh Valley Health Network and president and CEO of Populytics Inc., was named chair; and Dr. James W. Manley, chair of the Greater Lehigh Valley Practice Association, was named vice chair.

Bill and Denise Spence will chair the 100th anniversary year campaign for United Way of the Greater Lehigh Valley. Spence, who is chairman, president and CEO of **PPL Corp.** in Allentown, previously served as a board member for the United Way, while his wife is a member of the organization's Women United affinity group. They also are members of United Way's Tocqueville Society, a group of philanthropic people committed to strengthening the Lehigh

Valley community. In addition to increasing their employee match for the 2017 campaign, PPL Corp. has made a campaign commitment of \$500,000 as part of a leadership challenge, which will match dollar-for-dollar on new or increased gifts.

Yuengling Ice Cream of Orwigsburg signed a contract with the Lakewood BlueClaws, a Single-A affiliate of the Philadelphia Phillies, to exclusively provide the ice cream at First Energy Park in Lakewood, N.J., where the team plays. Yuengling will sell 10 varieties of ice cream at the park.

GOOD DEEDS

Yocco's Inc. of Emmaus donated \$1,000 to Lehigh Children's Academy, a service of Via, toward scholarships through the Opportunity

Scholarship Tax Credit program.

HONORS

Lehigh Valley Physician Hospital Organization/Valley Preferred was named a winner in one of the health care industry's longest running marketing communications competitions, the 34th Annual Healthcare Advertising Awards, sponsored by Healthcare Marketing Report of Atlanta. The local physicians' organization was recognized with a bronze award in the annual report category for its 2017 progress update publication titled, "Physician Directed. Value Driven." The winning entry was created in concert with **Keenan-Nagle Advertising Inc.** of Allentown.

— STACY WESCOE

COMMUNITY

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To determine the financial strength of a CCRC, consider this checklist:

- Is the community accredited?
- Is the community a member of Leading Age?
- Does the community have a resident finance committee?
- Can you speak with the chief financial officer?

- Review the audited financial statements. Are they posted on its website?
 - Does it meet state-required minimum liquid reserves?
 - Is there a history of high occupancy rates?
 - What is the history of rate increases?
 - Is the community able to generate cash flow from profitable operations?
 - Who is on the management team and board of trustees?
- Evaluate the financial ratios and compare to industry standards.

COUNSEL IS A MUST

Deciding on a CCRC is a difficult decision and should be made carefully.

Each CCRC has an agreement or contract that lays out the services provided. You should make sure you understand the contract before signing, and you would be well advised to consult a Certified Public Accountant and elder law attorney.

Finding a CCRC that's right for you and your spouse takes research and collaboration with family members. Seniors should

explore a number of options before deciding which one is best for them.

John D. Rossi III is a business leader, lecturer, accountant and financial planner with more than 30 years of business and academic experience. An associate professor of accounting at Moravian College in Bethlehem, he is president of JR3 Virtuoso Solutions Inc., specializing in financial reporting, taxation, professional training and consulting services. He can be reached at jdrossi3@verizon.net.

CALENDAR

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Wednesday, June 7, to Friday, June 9

Held by: Center for Business & Industry at Northampton Community College

Summary: Practices of successful leaders

Where: Northampton Community College, 511 E. Third St., Bethlehem

Time: 8 a.m.-4:30 p.m.

Cost: \$1,400

Contact: www.northampton.edu/noncredit

Thursday, June 8

Held by: Center for Business & Industry at Northampton Community College

Summary: Keys to successful strategic planning

Where: Northampton Community College, 511 E. Third St., Bethlehem

Time: 9 a.m.-4 p.m.

Cost: \$159

Contact: www.northampton.edu/noncredit

Saturday, June 10

Held by: Lehigh Valley SCORE

Summary: Starting your business

Where: Lehigh Carbon Community College, Schnecksville

Time: 9:30 a.m.-noon

Cost: \$25

Contact: Tracy Damiani at tracy.damiani@scorevolunteer.org or 610-266-3000

Monday, June 12

Held by: Center for Business & Industry

at Northampton Community College

Summary: Conflict resolution strategies

Where: Northampton Community College, 511 E. Third St., Bethlehem

Time: 8 a.m.-4:30 p.m.

Cost: \$259

Contact: www.northampton.edu/noncredit

Tuesday, June 20 and

Wednesday, June 21

Held by: Manufacturers Resource Center

Summary: Root cause analysis for maintenance

Where: Manufacturers Resource Center, 961 Marcon Blvd., Suite 200, Hanover Township, Lehigh County

Time: 8:30 a.m.-4:30 p.m.

Cost: \$690

Contact: www.mrcpa.org/events or Diane Lewis at diane.lewis@mrcpa.org or 610-628-4578

— CHRISTOPHER HOLLAND