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Assisted Living: New Obstacles

**Soaring Prices Make It Tougher
For Seniors to Get in the Door;
Waiting Lists and Tricky Fees**

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Finding space in an assisted-living center -- the increasingly popular low-maintenance residences for retirees -- is getting tougher.

Demand is soaring as the aging U.S. population goes looking for someplace staffed to help elderly residents with day-to-day tasks (housekeeping, pill-taking and the like) but isn't a full-blown nursing home. Waiting lists are increasingly common, and prices are rising sharply. On average, assisted-living centers cost about \$35,000 a year in 2005, up roughly a third from 2002, before figuring in health-care expenses, according to a recent survey by MetLife Inc.

Overall, assisted-living centers are near saturation at 95% occupancy nationwide, according to industry data. It is a dramatic change from as recently as the late 1990s, when there was a glut of space following a building boom.

All of this is placing added burdens on consumers shopping for a property, either for themselves or for a relative.

There are about 36,000 properties nationwide, but it is tough to compare rival offerings because states have differing approaches to regulating what services are required and what aren't. In addition, properties often offer different options packages, making price comparisons tricky.

"The pricing can become very intricate and figuring it all out can become laborious," says Tom Eklo, an Episcopalian priest in Minneapolis, who shopped around for a few years before recently finding an assisted-living center for his parents, both in their 90s.

One center he looked at wanted to charge \$8 to deliver a meal to the apartment if Mr. Eklo's mom couldn't make it to the dining room. "You have to read the fine print and ask questions about these kinds of costs," he says.

Further boosting demand: A number of states seeking to lower their health-care costs, including Texas and New York, have been revamping their Medicaid programs to let some low-income retirees enter assisted-living centers instead of nursing homes, which are generally more expensive. (As a rule, consumers generally must pay for assisted living on their own; Medicaid normally doesn't pick up the tab.)

In Tinton Falls, N.J., prices at the Renaissance Gardens at Seabrook have been increasing 5% to 8% a year for the past couple of years and the waiting list is at six months, up from less than a month in 2004. At Cedar Gardens in Cedarburg, Wis., basic rent rose 3% last year and an additional 5% increase is likely for January, in addition to higher health-care costs. The center added 25 new apartments last year to its previous 40 units after hitting 100% occupancy.

Here is a checklist for shopping for a center:

Know what you are getting into: Most centers offer studio and one-bedroom apartments, and some have two-bedroom units, each typically with a private bath and kitchenette. When comparison-shopping, ask each center to provide an itemized breakdown of services included in the basic monthly rent. Centers typically will offer, say, access to a registered nurse and housekeeping help. But these services can vary significantly - and if you or your relatives end up requiring help with something that isn't included, costs can pile up.

Assisted-Living Assistance

Some tips to keep in mind when shopping for an assisted-living center:

Comparisons: Look at everything from costs for room rent and health care to staff interaction with residents and the center's physical grounds. If a parent needs dementia care, are the facilities secured and monitored?

Costs: If money is an issue, build a safety net into your calculations. Monitor assets along the way and scale down early to a less expensive unit as necessary. To cut costs, family members can provide some services themselves, such as showing up every evening to help a senior prepare for bed.

Assessments: Don't try to hide needs as a way to reduce the costs. They always show up in daily activities. If you question an assessment at one center, have a second assessment done and compare.

Staff: A high turnover rate can be disruptive to the care of residents. Also, what sort of specialized training does the staff have, particularly those dealing with memory-care patients? Does the center perform criminal background checks on employees?

Health Care: Is a nurse on site or on call? What access to the resident does a personal doctor have? At what point will a center no longer be able to meet a resident's care needs? Is the center affiliated with a nursing home that will provide the resident priority admission?

Monitoring: Regularly monitor a senior's activities and the services he or she requires over the first few months to ensure you or they are paying for the right level of care.

Complaints: Most states conduct surveys of assisted-living facilities, which are public reports that the center can provide or which you can find in the state's licensing agency. State agencies are found at www.ncal.org. Each state also has a long-term care ombudsman to help manage complaints.

The luxury end of the spectrum is represented by the Classic Residence by Hyatt facilities in tony locales such as La Jolla, Calif. and Boca Raton, Fla. These centers often look (and behave) more like a five-star hotel, providing residents with access to concierge services, for instance.

Some assisted-living centers are stand-alone facilities. But others, such as Renaissance Gardens at Seabrook, are part of a larger continuing-care retirement community, offering a wide spectrum

of housing, ranging from traditional residential developments all the way up to full-featured nursing homes. These can offer more flexibility, but getting into one can be tougher, because people moving up from the residential housing into assisted care typically get first dibs.

Comparison-shopping: What makes shopping so vexing are the different pricing structures. First of all, prices vary sharply across the country. In Boston, the average basic rent is more than \$4,600 a month. But in Jackson, Miss., it is just \$1,642 a month, according to the MetLife survey.

On top of rent, centers add on a health-care fee tied to the level of assistance required. They also offer an a la carte list of additional services, such as speech-therapy sessions.

For instance, at Summit Place, in Eden Park, Minn., the basic "bronze" package is \$1,195 a month and caters to people who need little more than help changing the linens and getting dressed. "Platinum" care, at \$2,835 a month, includes morning and bedtime care, such as hygiene and help in the washroom, as well as other assistance.

For comparison, Chelsea Senior Living, which runs centers in New York and New Jersey, uses an entirely different "points" system. Help getting undressed for a bath is one point, for instance, while additional help bathing and dressing for bed is three points. Residents spend points any way they need to; the first 15 points are at no added cost to the base rent of \$100 to \$165 a day. Beyond that, Chelsea charges between \$30 and \$70 a day, depending on how many points are used.

Adding assistance for dementia and Alzheimer's residents can push the monthly price up by thousands of dollars extra.

Many states' departments on aging offer online checklists of what consumers should ask. You can find those links at the National Association of State Units on Aging (www.nasua.org¹, see the "State Units on Aging" link). Or, check the checklist at the National Center for Assisted Living (www.ncal.org², click on "Consumer Information").

And when it all starts to sound too baffling, there is always this simple strategy: "If there is any doubt in your mind about a parent's needs, go for the lower level of service to start with," suggests Laurie Nielsen in Port Washington, Wis., who cared for her parents for years before recently helping them move to the nearby Cedar Gardens center. It is always possible to ratchet up the care later.

How to Shop: Assisted living is largely a private-pay industry. So, first determine the assets you have available for care, then calculate how much time the money will buy in various assisted-living centers, based on the level of care necessary.

To help with the calculations: The average stay in an assisted-living center is roughly two years. Some nonprofit centers allow some impoverished residents to stay if their money runs out.

Traditional insurance policies don't pay for assisted living. Long-term care policies do, but many seniors don't have these. When buying a long-term care policy, be sure the contract specifically allows for assisted living, because some policies limit coverage to certain types of care.

Talk to the residents and question the administrators, says Sister Regina McTiernan, in Gladstone, N.J., who helped her 94-year-old mother shop for an assisted-living center. At some places residents told her "they weren't happy" because the center provided no outside activities, Sister Regina says. "And when I asked a director about her credentials, she had no health-care background. That raises red flags."

And don't forget to ask if a center is licensed by the state. The bulk will be. If one isn't, dig into the reason why. It may be that what is purportedly an assisted-living center is really a group home, which generally offers a lower level of care and services.

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