

**REPORT OF THE
VIRGINIA DEPARTMENT FOR THE AGING ON**

**CONTINUING CARE
RETIREMENT COMMUNITIES**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 46

**COMMONWEALTH OF VIRGINIA
RICHMOND
1992**



COMMONWEALTH of VIRGINIA

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THELMA E BLAND
COMMISSIONER

January 21, 1992

Dear Delegate Almand:

Thank you for your interest and concern with the adequacy of consumer protections for the residents of continuing care retirement communities. Your sponsorship of a study of this issue is particularly timely in light of the current and projected growth of the older population and the growth of the continuing care industry. Older persons today often choose continuing care retirement communities because they are increasingly aware of the need to plan for future long-term care needs.

In conducting this study, the Department for the Aging received valuable input from continuing care residents and providers, regulatory agencies, and advocacy organizations. The sometimes divergent views of the issues and recommendations of these groups were considered as this report was prepared.

I am pleased to submit the enclosed final CCRC report in response to House Joint Resolution No. 372. Thank you for your concern for and support of programs for older Virginians and their families.

Sincerely,

A handwritten signature in cursive script that reads "Thelma E. Bland".

Thelma E. Bland

TEB/jt

Enclosure

PREFACE

House Joint Resolution No. 372, passed by the 1991 General Assembly, directed the Department for the Aging "to conduct a study of the Commonwealth's laws and regulations regarding consumer protection provisions for residents of continuing care facilities to determine if additional authority is needed to protect the rights and welfare of residents of such facilities." The study resolution specifically directed the Department to review "the types and number of complaints filed by residents and the resolution of those complaints" and make recommendations regarding "ways for residents to speedily and efficiently resolve grievances with providers; adoption of a consumer complaint mechanism; mandatory placement of a resident representative on the facility's board of directors; and retaliation protection for residents who complain to governmental agencies."

In conducting this study, the Department for the Aging received valuable assistance from continuing care providers, residents, regulatory agencies, and numerous individuals and organizations concerned with long-term care provided by continuing care retirement communities. We wish to give special thanks and recognition to the following individuals who served on a committee convened to assist the Department in the completion of the study.

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Irene Comp, Consumer Representative and CCRC Resident
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Report of the Virginia Department for the Aging on Continuing Care Retirement Communities

EXECUTIVE SUMMARY

House Joint Resolution No. 372, passed by the 1991 General Assembly, directed the Department for the Aging to study the Commonwealth's consumer protection provisions for residents of continuing care retirement facilities. Interest in the study was precipitated by complaints which had been reported to state agencies and which, it was alleged, were not resolved to the satisfaction of the complainants.

Continuing care retirement communities (CCRCs) provide board, lodging and nursing services to an individual for the life of the individual or for a period in excess of one year. Typically, the continuing care resident pays an entrance fee plus an additional monthly fee. The entrance fee can range from \$12,500 to \$313,000. In exchange, the community agrees to provide a package of services which include housing, food, and when needed, nursing care. With the rapid and continued increase in the elderly population, it is projected that the continuing care retirement community is an option that increasing numbers of people will choose. Continuing care retirement communities are a significant new housing alternative for older persons.

Virginia is one of thirty states which, to some extent, regulate continuing care retirement communities. The State Corporation Commission is the primary mechanism for enforcing regulatory requirements governing financial stability, protection of consumers from unsound decisions, and financial disclosure and contract development. In addition, continuing care retirement communities must also meet the Commonwealth's regulations which govern the levels of long-term care they provide.

Several approaches were used to achieve the study's mandate: 1) an extensive literature review was completed; 2) an advisory committee was formed which included continuing care residents, providers, and state and local agencies which regulate or interact with continuing care retirement communities; 3) a survey was conducted of state agencies who receive complaints to determine the procedures for handling complaints and the number and type of complaints received during the past two years, and 4) a survey of residents and resident council presidents was conducted.

The report describes the numbers and nature of complaints reported to state agencies during the past two years (see pp 6-9). The responses to the survey of residents and resident council presidents are contained in Appendix D.

The Department for the Aging offers the following recommendations to improve consumer protection for residents of continuing care retirement facilities:

RECOMMENDATION #1: Add to the disclosure statement a statement specifying that at entrance, residents will be given information, provided by the Commonwealth for this purpose, on how they might handle any complaints which arise while a resident of the CCRC.

RECOMMENDATION #2: The Department for the Aging's Office of the State Long-Term Care Ombudsman, with input from the State Corporation Commission, the Department of Health, the Department of Social Services, continuing care residents, consumer organizations, and providers representing the Virginia Health Care Association, the Virginia Association of NonProfit Homes for the Aging and the Virginia Association of Homes for Adults, shall publish consumer information for continuing care residents and prospective continuing care consumers and recommend procedures for dissemination of such information.

RECOMMENDATION #3: Establish a complaint clearinghouse operated by the Office of the State Long-Term Care Ombudsman where complaints from continuing care residents may be reported, documented and referred to the appropriate agency for handling.

RECOMMENDATION #4: Encourage continuing care communities to fulfill their responsibility for assuring communication with residents, pursuant to Section 38.2-4910 of the CCRC Act.

RECOMMENDATION #5: The language "or for filing complaints" should be added to the Code of Virginia, Section 38.2-4910. "No retaliatory conduct shall be permitted against any resident for membership or participation in a residents' organization or for filing complaints."

RECOMMENDATION #6: The contract between the continuing care community and the resident should include a statement, printed in 12-point type and in bold face above the signature line, encouraging the prospective resident to have an independent financial adviser or attorney of his/her choosing review the contract and disclosure statement before s/he signs.

RECOMMENDATION #7: The creation of a state level continuing care committee should be studied.

CONTINUING CARE RETIREMENT COMMUNITIES

INTRODUCTION

Need for the Study

House Joint Resolution No. 372, passed by the 1991 General Assembly, directed the Department for the Aging to study the consumer protection provisions for residents of continuing care facilities to determine if additional protections are needed. With the rapid and continued increase in the elderly population, it is projected that the continuing care retirement community is an option that increasing numbers of people will choose. Continuing care retirement communities are the "fastest -growing segment of the senior citizens housing market." (Consumer Reports, February 1990). Concern was expressed that the adequacy of the protection for continuing care community residents in the Continuing Care Provider Registration and Disclosure Act (the "CCRC Act", Code of Virginia, 38.2-4900 et seq.) needed review.

Continuing Care Retirement Communities and Resident Contracts

Today's continuing care retirement communities take their roots from religious or fraternal organizations which, in exchange for all the prospective resident's possessions, agreed to provide care the individual needed for the rest of his/her life. Most CCRCs no longer require residents to turn over their possessions; rather, the payment of an entrance fee is required. According to the State Corporation Commission, the entrance fees of Virginia's continuing care retirement communities range from \$12,500 to \$313,000 (effective September 30, 1991). The average entrance fee ranges from \$63,000 to \$143,000. Typically, the continuing care resident pays this entrance fee plus an additional monthly fee. In exchange, the community agrees to provide a package of services which include housing, food, and when needed, nursing care.

Continuing care is defined in the CCRC Act of Virginia as "providing or committing to provide board, lodging and nursing services to an individual ... (i) pursuant to an agreement effective for the life of the individual or for a period in excess of one year ..., and (ii) in consideration of the payment of an entrance fee." Continuing care retirement communities vary widely, however, in the way in which residents are required to pay for the care they need. The 1990 Consumer Reports article referenced above identified three basic types of CCRCs. These same three types have been identified by the Virginia State Bar as existing in Virginia.

"Type A" communities are "all inclusive". Residents are guaranteed housing, food, personal care services, and access to needed nursing care at no additional cost, and may continue to receive the care when their financial resources are exhausted.

"Type B" or "modified" communities offer the same services as the "Type A" community but charges will increase when nursing care is needed beyond a certain period of time, i.e., more than a set number of days per year. If the resident is unable to pay for the needed care, the community is no longer obligated to provide the care.

"Type C" communities offer a "fee-for-service" arrangement whereby the resident has priority access to nursing care but must pay for the services needed.

Entrance fees at Type A communities are the most expensive, followed by Type B, with Type C entrance fees being the least costly.

According to the American Association of Homes for the Aging, which identifies itself as the "national spokesman of the continuing care industry," CCRCs are moving away from Type A. Instead, more Type B and Type C contracts are being offered. In addition, CCRCs which once offered an all inclusive contract are now likely to offer a variety of contract arrangements to new residents. A community may offer all three types of arrangements, as well as a month-to month contract in which the resident pays for the specific services provided and is not guaranteed priority access to additional services.

Regulation of Continuing Care Retirement Communities

Virginia is one of thirty states which, to some extent, regulate continuing care retirement communities. In Virginia, providers which offer continuing care are required to register with the State Corporation Commission. Meeting this requirement entails filing a registration statement with the Commission on the form prescribed for that purpose and including "all information required by the Commission pursuant to its enforcement" of Chapter 49, Title 38.2 et seq., as well as submitting the initial disclosure statement. The State Corporation Commission approves or disapproves the continuing care provider's registration within ninety days of the filing.

The American Bar Association has identified three purposes for regulating CCRCs. They are: (1) to insure financial stability; (2) to protect consumers from making unsound investments; and (3) to set requirements on financial disclosure and contract development. The following are examples of how Virginia's Continuing Care Provider Registration and Disclosure Act addresses these goals.

Financial Stability. The State Corporation Commission is authorized to protect residents or prospective residents when the provider has been, or will be unable, to meet its income or cash flow projections, thus endangering its ability to meet its contractual obligations to residents, or when the provider is, or is in imminent danger of becoming, bankrupt or insolvent. The Commission is empowered to investigate alleged violations of the CCRC law. It may employ a variety of measures to correct identified violations including: issuing cease and desist orders, permanent or temporary injunctions, and imposing monetary fines. All CCRCs registered with the State Corporation Commission must submit initial and annual

disclosure statements. These statements contain extensive information on the provider's financial status. Until the resident's unit in the community is available for occupancy, the provider must maintain in escrow all entrance fees or portions thereof in excess of \$1,000 per person. The State Corporation Commission must receive notice of the sale or transfer of ownership of more than fifty percent of the CCRC.

Protection of Consumer Investment. At least three days prior to entering the CCRC and annually thereafter, consumers must receive a copy of the CCRC's disclosure statement. In addition to information on the community's ownership and financial viability, the statement includes specific information on the services to be provided under the basic contract. The contract also specifies the physical, mental and financial conditions under which the resident may continue to remain a resident or must relinquish his/her space in the CCRC, the circumstances under which a change in fees may occur, the "good cause" reasons for canceling the resident's contract, and the terms governing the refund of the entrance fee. CCRCs must give residents thirty days' advance notice prior to a change in fees or services. Residents also have the right to form a residents' council without fear of retaliation, and to meet with representatives of the board of directors at least quarterly.

Financial Disclosure and Contract Requirements. The CCRC's initial and annual disclosure statements must include information on the ownership of the property, any professional organization which will be involved in the management of the community, all fees to be charged, including entrance fees and periodic charges, reserve funding the provider has set aside to enable the organization to fulfill its contractual obligations, and certified financial statements for the previous two years and projections of income and estimated operating expenses.

Besides the regulatory requirements enforced by the State Corporation Commission, outlined above, continuing care retirement communities must also meet the regulations which govern the levels of long-term care they provide. For example, thirty-one of Virginia's thirty-eight continuing care retirement communities offer the "assisted living" level of care and as such, are required to be licensed as homes for adults by the Department of Social Services. In addition, nursing care is provided by twenty-four continuing care communities and are licensed by the Department of Health as nursing home units. In addition, the sixteen CCRCs whose nursing units accept Medicaid or Medicare must also meet federal certification requirements, enforced in Virginia by the Department of Health. Thus, the care provided by a CCRC may be subject to laws and regulations enforced by three state agencies: the State Corporation Commission, and the Departments of Health and Social Services.

Study Methodology

Several approaches were used to achieve the study's mandate: 1) an extensive literature review was completed. This included a review of Virginia laws and regulations which impact continuing care retirement communities and model statutes recommended by the American

Association of Homes for the Aging (still in draft) and Columbia University Law School. 2) An advisory committee was formed which included continuing care residents, providers, and state and local agencies which regulate or interact with continuing care retirement communities. The committee considered the results of the literature review and the surveys of state agencies and of residents (described below). Six meetings of the advisory committee were convened. The committee provided valuable input for the development of the final recommendations. 3) A survey was conducted of state agencies who receive complaints to determine the procedures for handling complaints and the number and type of complaints received during the past two years. 4) A survey of residents, resident council presidents, and providers was conducted.

FINDINGS

Review of State Agencies' Experience with Complaints about Community Care Retirement Communities

The number of complaints reported to state agencies during the past two years does not indicate extensive resident concerns with continuing care retirement communities. However, it may be that some residents do not know what agency to contact to report complaints, or they may be hesitant to complain. All the agencies which handle complaints about CCRCs indicate that when a complaint about an issue over which they do not have jurisdiction is reported, they refer the complainant to the appropriate agency, but do not always document the receipt of, or monitor the outcome of, such complaints. Therefore, the actual number of complaints may be greater than the numbers reported by these agencies.

The study resolution requested a review of the number and type of complaints reported by residents and the resolution for these complaints. In response, several state agencies which could potentially receive complaints about continuing care retirement communities were asked to provide information about: a.) their complaint handling responsibilities, and b.) the number of complaints they received regarding CCRCs during the two year period, July 1, 1989 - June 30, 1991. The agencies, all of which were represented on the study committee, included: the State Corporation Commission's Bureau of Insurance; the Department of Health's Division of Licensure and Certification; the Department of Social Services' Division of Licensing Programs; the Department of Agriculture and Consumer Services' Office of Consumer Affairs; and the Department for the Aging's Office of the State Long-Term Care Ombudsman. The letter which was sent to the agencies requesting this information is enclosed in Appendix B. A summary of the responses to this request follows.

The State Corporation Commission, Bureau of Insurance is responsible for enforcing the Continuing Care Provider Registration and Disclosure Act (Code of Virginia, Chapter 49, Title 38.2). However, there is no specific regulatory responsibility for handling complaints, nor have procedures been set for responding to continuing care complaints reported to the Commission. As described above, the Commission may investigate complaints, and may use

a variety of measures to enforce the statute if a violation occurs. No formal record is maintained on complaints, although complainants are encouraged to send a written complaint to the Commission. Following receipt of a written complaint, the Commission determines if the complaint alleges a violation of the Code. If it is believed a violation may have occurred, the Commission requests the provider to respond to each allegation either by telephone, in writing, or during an on-site investigation. If a violation has occurred, appropriate regulatory action is taken.

Complaints received: Since July 1, 1989, it is estimated 20-25 telephone calls alleging violations of the Code were received. About one-half of the calls came from former residents of one CCRC, all of whom wanted help to obtain refunds of their entrance fees. However, the residents' contracts did not require the provider to refund entrance fees until the unit previously occupied by each resident was occupied and another entrance fee was collected. Since this particular continuing care community was under order by the Commission not to admit any new residents, the entrance fees of the former residents could not be refunded.

Most of the remaining complaints came from residents of another CCRC; the complainants questioned the integrity of the community's management and its financial condition. The residents were alarmed about recent drastic increases of their monthly fees. They had the impression that their entrance fees were to be used for their future health care needs and were also concerned that the community's reserves were low. The Commission did not receive sufficient documentation to determine if the community was in violation of the Registration and Disclosure Act. This CCRC has since been sold, and no additional complaints have been received since it changed ownership.

The Department of Health, Division of Licensure and Certification licenses nursing homes (Code of Virginia, Title 32.1), and under a contract with the Health Care Financing Administration, enforces federal standards which nursing facilities and skilled nursing facilities must meet in order to receive Medicaid and/or Medicare reimbursement. The Department of Health has specific authority to handle complaints against nursing homes, which may be part of CCRCs. The Division of Licensure and Certification investigates complaints which allege a violation of the rules and regulations under which nursing homes operate. On-site inspections are conducted at least annually to determine compliance with the regulations. Complaints are accepted via telephone, letters or referrals from other agencies. Complaints are assessed to determine if the allegation concerns a regulatory issue; if not, the Division refers such complaints to the appropriate agency for handling. Complaints are investigated via telephone or written contact with the provider or by an on-site inspection.

Complaints received: During the period under study, the Division received complaints regarding 10 of the 24 CCRCs with nursing home units. A total of 35 complaints were reported, 2 of which were confirmed but were unrelated to the scope of the study. Two of the unconfirmed complaints were related to the scope of the study: one complaint

concerned an allegation regarding the administrator's response to residents' concerns and the other concerned a transfer/discharge problem.

The Department of Social Services, Division of Licensing Programs licenses homes for adults, defined as non-medical facilities which provide supervision and care for four or more aged, infirm or disabled adults, and enforces the regulations under which these facilities operate (Code of Virginia, Chapter 9, Title 63.1). The Division of Licensing Programs conducts on-site inspections of homes for adults at least annually. The Division handles complaints which allege a violation of the rules and regulations under which homes for adults operate. Complaints may be received by telephone, letter or referral from another agency. Complaints which do not allege a regulatory infraction are referred to the appropriate agency for handling, but are not tracked. Complaints may be investigated by telephone or correspondence with the provider or by an on-site investigation.

Complaints received: During the period under study, four complaints were reported to the Division about CCRCs. The complaints concerned two of the 31 CCRCs which contain licensed homes for adults. Two of the four complaints included one complaint about financial accounting and one complaint concerned a resident's personal funds. Both were found to be valid. The other two complaints were unrelated to the scope of this study.

The Department of Agriculture and Consumer Services, Division of Consumer Affairs may receive complaints alleging violations of the Virginia Consumer Protection Act, the intent of which is "to promote fair and ethical standards of dealings between suppliers and the consuming public" (Code of Virginia, Chapter 17, Title 59.1). During the period under study, no complaints were reported to the Division regarding continuing care retirement communities.

The Department for the Aging, Office of the State Long-Term Care Ombudsman has responsibility under the federal Older Americans Act of 1965, As Amended, (42 U.S. Code, Title 3001, et seq.) to investigate and resolve complaints reported by or on behalf of older persons receiving long-term care services, whether those services are provided in long-term care facilities or in the older person's home. The Office does not enforce regulations, but may respond to complaints alleging violations of laws and regulations. The Ombudsman Program frequently handles complaints which fall outside the regulations and which no other agency has specific authority to handle. Complaints may be reported by telephone, letter, in person, or by referral from another agency. Complaints may be handled using a variety of complaint resolution techniques, which include counseling complainants to handle complaints themselves, mediation, negotiation and investigation. Complaints which allege regulatory infractions are always referred to the appropriate regulatory agency.

Complaints reported: During the period July 1, 1989-June 30, 1991, 59 complaints were received about CCRCs. Fifty-two of these were about the nursing home sections of the continuing care community; 7 concerned homes for adults sections; one was related to an issue of concern specifically to CCRC residents. The complaint involved a married couple in the home for adults section of the CCRC. Due to their failing health, the CCRC proposed moving them to the nursing facility. The family objected.

Surveys of Residents, Resident Council Presidents and CCRC Administrators

In an effort to further assess the effectiveness of current consumer protection for continuing care residents, the advisory committee considered it necessary to obtain input from a broad spectrum of continuing care residents and providers. Because of the time constraints under which the study had to be completed, a written survey was chosen as the most efficient way of seeking such input. Since resident organizations are encouraged in all continuing care communities under the CCRC Act, and information obtained by the study committee indicated that in many communities, the resident council serves as the first step in complaint handling, a questionnaire for resident council presidents was developed, as were surveys for residents and for CCRC administrators.

Ten copies of the resident questionnaires were sent to resident council presidents in each community, requesting them to distribute the surveys to interested residents, and to contact study staff for additional copies. Resident council presidents in all 38 continuing care communities also received the resident council president questionnaire. In addition, the survey of CCRC administrators was mailed to the administrators of the 38 continuing care retirement communities. Copies of the questionnaires are found in Appendix C.

The responses to the survey of residents and resident council presidents are presented in Appendix D and indicate various levels of satisfaction on different issues relative to the continuing care communities in which they live. Residents who answered the questionnaire seem to understand the way in which complaints are handled in their communities. Furthermore, resident council presidents report that resident councils, one of the options for complaint handling, are effective in addressing residents' concerns.

The CCRC administrators' descriptions of their complaint handling processes indicate that continuing care communities offer residents a number of choices regarding who to approach to get their concerns addressed, including the appropriate staff supervisor, the administrator, or the resident council. However, the information varies on who to contact if they are unable to get their complaint resolved within the community. As noted earlier, 31 of the 38 continuing care retirement communities contain home for adults sections, and 24 have nursing home sections.

The licensing regulations which govern these facilities require that residents be given the name and telephone number of the licensing agency and the Long-Term Care Ombudsman Program. In some continuing care communities, residents who live independently are given the same information as residents in the licensed sections.

Residents' survey responses indicate they understand how level of care decisions are made in their continuing care communities, although only 5% of the respondents had personal experience with a level of care decision. Resident council presidents also respond that the residents in their communities have reported to the resident council few problems regarding level of care decisions. Based on the information provided by administrators, it appears that residents are at times given information on the process and criteria used to make level of care decisions for nursing home placement only, without reference to the home for adults level of care. The survey of administrators also appears to indicate a lack of consistency among the communities in specifying the role of the resident and his/her family in the level of care decision. Survey findings are contained in Appendix D.

CONCLUSIONS AND RECOMMENDATIONS

Ways for residents to speedily and efficiently resolve complaints and the adoption of a consumer complaint mechanism.

RECOMMENDATION #1: Add to the disclosure statement a statement specifying that at entrance, residents will be given information, provided by the Commonwealth for this purpose, on how they might handle any complaints which arise while a resident of the CCRC.

This change would require an amendment to Section 38.2-4902 of the CCRC Act, which specifies the content of the disclosure statement.

RECOMMENDATION #2: The Department for the Aging's Office of the State Long-Term Care Ombudsman, with input from the State Corporation Commission, the Department of Health, the Department of Social Services, continuing care residents, consumer organizations, and providers representing the Virginia Health Care Association, the Virginia Association of NonProfit Homes for the Aging and the Virginia Association of Homes for Adults, shall publish consumer information for continuing care residents and prospective continuing care consumers and recommend procedures for dissemination of such information.

CCRCs providing this publication to new residents at admission would fulfill the requirement to provide information on complaint handling specified in recommendation #1.

RECOMMENDATION #3: Establish a complaint clearinghouse operated by the Office of the State Long-Term Care Ombudsman where complaints from continuing care residents may be reported, documented and referred to the appropriate agency for handling.

This recommendation is intended to streamline the complaint handling activities of state agencies and to improve access to assistance with problem resolution for consumers. This complaint tracking system could also identify any consumer complaints which cannot be addressed under current regulations.

Mandatory placement of a resident representative on the CCRC's Board of Directors.

No recommendation is made regarding this issue.

Section 38.2-4910, B of the CCRC Act requires quarterly meetings between the board of directors (or the board's representative or other governing body) of continuing care communities and residents or resident representatives "for the purpose of free discussion of issues relating to the facility." This requirement is met in a variety of ways by continuing care communities throughout the Commonwealth.

Some members of the study committee expressed concern that in some communities, the interchange between residents and the board is minimal and discussions do not deal with concerns of residents. Recommending a particular method by which continuing care communities must meet the above requirement was considered. Some communities, however, are part of multi-facility corporations with geographically distant boards of directors, and therefore, standardization would not be feasible. Also, in some cases, the board of directors may deal with the operation of a continuing care community as one of many, varied responsibilities.

Resident representatives on the advisory committee indicated that the benefit of having a resident attend meetings of the board of directors was in taking part in the discussions; serving as a voting member was not considered necessary. Additional information was provided the committee indicating that the concept of a resident serving as a non-voting member of the board of directors is inconsistent with the provisions of the revised Virginia Non Stock Corporation Act (Code of Virginia, Section 13.1-870); such a provision would, therefore, require an amendment to the Non Stock Corporation Act.

In addition, The Internal Revenue Service looks closely at tax-exempt entities for any possibility of inurement, whereby an individual derives disproportionate benefit from his/her association with a non-profit organization. The presence of a resident as a voting member on the CCRC's board of directors might possibly be considered inurement, thus endangering the tax exempt status. In addition, the resident board member could face a potential conflict of interest in voting on matters which directly affect the board member as a resident, such as an increase in monthly fees.

RECOMMENDATION #4: Encourage continuing care communities to fulfill their responsibility for assuring communication with residents, pursuant to Section 38.2-4910 of the CCRC Act.

Continuing care communities are encouraged to ensure that such communication is meaningful communication, and to explore and develop all appropriate measures for ensuring a regular flow of information between the CCRC's residents and the board of directors and administration. Furthermore, residents are reminded that, if they believe the continuing care community where they live is not following the requirements of Section 32.1-4910, B, they should report such concerns to the State Corporation Commission.

Retaliation protection for residents who complain to governmental agencies.

RECOMMENDATION #5: The language "or for filing complaints" should be added to the Code of Virginia, Section 38.2-4910 as follows: "No retaliatory conduct shall be permitted against any resident for membership or participation in a residents' organization" or for filing complaints.

Its implementation would provide protection to all CCRC residents, the same protection now afforded residents of the licensed sections of the community.

The need for additional authority to protect the welfare and rights of CCRC residents.

During the course of the study several additional issues of concern to the CCRC residents were raised. The following is a brief review of the issues and the related recommendations.

Review of the Contract and Disclosure Statement. Due to the complexity of the information contained in the disclosure statement and the investment CCRC residents make in the form of the entrance fee, it may be advisable for prospective residents to consult with an attorney or other appropriate financial adviser before entering into a continuing care contract. Therefore, the following is suggested.

RECOMMENDATION #6: The contract between the continuing care community and the resident should include a statement, printed in 12-point type and in bold face above the signature line, encouraging the prospective resident to have an independent financial adviser or attorney of his/her choosing review the contract and disclosure statement before s/he signs.

This recommendation would require an amendment to the Code of Virginia, Title 38.2-4905, which specifies the required provisions of the resident's contract.

Concern was expressed by several members of the study committee that current law, which requires that the prospective resident be given the disclosure statement at least three days before signing the contract, does not allow sufficient time to consult with a financial adviser or attorney before the individual signs the contract. However, the continuing care providers who served on the committee were concerned that extending the time for reviewing the disclosure statement beyond three days would have a serious financial impact on continuing care communities.

Furthermore, individuals needing longer than three days to review the contract may rescind the contract, "without penalty or forfeiture," within seven days of signing.

Creation of a State Level Continuing Care Advisory Committee. Some members of the advisory committee recommended the creation of a state level continuing care committee, as is proposed in the model statutes of the American Association of Homes for the Aging and the Columbia Law School. The Committee could provide a forum for ongoing review of resident and provider concerns. The Committee would not formulate regulations or have any adjudicatory powers, but rather, could study and provide recommendations on matters related to CCRCs. However, several concerns arose in discussion of this issue. The following questions emerged with regard to the creation and structure of an advisory committee in Virginia.

- Should members be appointed? If so, how should they be appointed?
- Who should serve as chairman of the advisory committee? The choice of chairman and selection of members is contingent on the scope of the advisory committee's duties and responsibilities.
- What administrative costs are associated with the creation of an advisory committee and who would bear these costs?
- Given the regulatory responsibilities and legal structure of the State Corporation Commission, could staff of the SCC participate in the deliberations of the committee?

Therefore, the following recommendation is made:

RECOMMENDATION #7: The creation of a state level continuing care committee should be studied.

This recommendation would require enactment of a resolution by the General Assembly directing that a study be conducted.

Other Significant Issues.

Protection of Entrance Fees. While the protection of entrance fees was not considered within the scope of this study, the study committee discussed the importance of adequate financial reserves and the appropriate use of entrance fees by CCRCs. The new American Institute of Certified Public Accountants (AICPA) Statement entitled, "Financial Accounting and Reporting by CCRCs," imposes additional requirements on continuing care communities which address this issue. A future evaluation of these regulations may be warranted to determine if additional statutory requirements are necessary to further assure the adequacy of financial reserves.

Monthly Fee Increases. While the issue of monthly fee increases was not a specific focus of this study, some committee members expressed concern that some CCRC residents may feel that such

an increase would result in their inability to remain in the facility. It is unusual, according to the State Corporation Commission, for a continuing care community to adjust its fees more often than one time per year. No recommendation was made to address the rate or frequency of monthly fee adjustments in continuing care communities. However, this issue was identified as an issue which should be monitored by the agencies which receive complaints about continuing care communities.

CCRC 'Look-alikes'. The continuing care retirement community (CCRC) represents one option in a wide array of choices available to older persons seeking retirement housing. Retirement communities which offer an array of services similar to that available in a CCRC but rent their apartments on a monthly, fee-for-service basis, with no assurance of access to additional services may create confusion for the unwary consumer. While the mandate of this study is to address the need for additional protection for CCRC consumers, the growth of these CCRC 'look-alikes' needs further investigation.

CONCLUDING STATEMENT

A continuing care retirement community is a dynamic response to a growing elderly population in a changing society. CCRCs offer access to a full range of lifestyles. There is a need to nurture such new ways of assisting older persons to maintain independent living. This study has begun to explore the issues related to the development of CCRCs and, we hope, has also opened a dialogue between providers and consumers regarding the responsibilities of each to help shape the development of CCRCs. The Virginia Department for the Aging looks forward to a continuing dialogue which considers these recommendations. We appreciate the interest of the Virginia General Assembly in this timely issue for older persons and their families.

GENERAL ASSEMBLY OF VIRGINIA--1991 SESSION
HOUSE JOINT RESOLUTION NO. 372

Requesting the Department for the Aging to review consumer protection provisions for residents of continuing care facilities.

Agreed to by the House of Delegates, February 22, 1991
Agreed to by the Senate, February 21, 1991

WHEREAS, continuing care facilities provide board, lodging, and nursing services to individuals pursuant to an agreement effective for the life of the individual or for a period in excess of one year in consideration for the payment of an entrance fee; and

WHEREAS, continuing care providers offering services at facilities located in the Commonwealth are subject to the provisions of Chapter 49 (§ 38.2-4900 et seq.) of Title 38.2 of the Code of Virginia; and

WHEREAS, the provisions of the Virginia Code require continuing care providers to register with the State Corporation Commission, file initial and annual disclosure statements, establish certain escrow accounts, include certain items in residents' contracts, provide notice of the sale or transfer of ownership, and perform certain other duties; and

WHEREAS, there is a rapidly increasing elderly population which could benefit by the continuum of services that continuing care facilities provide; and

WHEREAS, the Commonwealth must strive to assure the provision of quality services in such facilities; and

WHEREAS, there have been complaints by residents of continuing care facilities in the Commonwealth regarding a reduction in services to residents and a lack of response to residents' concerns, and state agencies have responded that they lack the power to address the concerns raised by residents; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Department for the Aging be requested to conduct a study of the Commonwealth's laws and regulations regarding consumer protection provisions for residents of continuing care facilities to determine if additional authority is needed to protect the rights and welfare of residents of such facilities. The study shall include a review of the types and numbers of complaints filed by residents and the resolution of those complaints and shall make recommendations regarding the following issues: ways for residents to speedily and efficiently resolve grievances with providers; adoption of a consumer complaint mechanism; mandatory placement of a resident representative on the facility's board of directors; and retaliation protection for residents who complain to governmental agencies. The Department shall seek input from continuing care providers, residents, local governments, and others concerned with long-term housing for the elderly.

All state agencies are requested to cooperate by providing any information or assistance that the Department may require for the purpose of conducting this study.

The Department shall complete this study in time to report its findings and recommendations to the Governor and the 1992 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.



COMMONWEALTH of VIRGINIA

THELMA E. BLAND
COMMISSIONER

Department for the Aging
700 East Franklin Street
10th Floor
Richmond, Virginia 23219-2327

TELEPHONE (804) 225-2271
TTY (804) 225-2271

July 24, 1991

MEMORANDUM

TO: Kay Brooks
Kim Chaney
Mark Miller
Gayle Turner
Laura Lee Viergever

FROM: Virginia Dize *TA.*

SUBJECT: Information on Complaints and Complaint Handling

Enclosed for your information is the State Corporation Commission's listing of Continuing Care Retirement Communities, identifying the facilities which have licensed home for adults and/or nursing home sections. Thanks to Kay Brooks and Gayle Turner for compiling this information!

You will recall that at the last meeting, the Study Committee expressed an interest in finding out the numbers and types of complaints reported against CCRCs. Agencies which receive complaints against these facilities were also asked to present information at the next meeting on the process each follows in responding to complaints, including the authority, if any, each agency has to require the correction of noted problems. I am requesting that each of you provide a brief (10-15 minutes?) presentation at our meeting on July 31 which includes the following information:

- (1) A description of your agency's authority/mandate for handling complaints against CCRCs, the process followed to respond to complaints, and your agency's response to complaints which you find to be verified;
- (2) The total number of complaints your agency has received against the CCRCs on the enclosed list during the past two years (July 1, 1989 - June 30, 1991) and the number verified or partially verified. (In preparing your report, please use the terms you normally use to denote "verified or partially verified" complaints.)

Page 2

Memorandum on Complaints and Complaint Handling

(3) Specific information on complaint issues reported to your agency during the above named time period regarding the following issues:

concerns about the financial viability of the CCRC;
problems related to level of care decisions;
transfer and discharge problems;
allegations of a lack of response by the administration to complaints; and
allegations of poor management.

Please describe as fully as possible (without breaching confidentiality requirements) the complaints which fall into any of the above categories, identify the frequency with which such problems occurred, the number of complaints in each category which were verified or partially verified, and how each complaint was resolved.

I would appreciate receiving a copy of the complaint information requested above, but it is not necessary to provide the information prior to the meeting. If you feel it is appropriate, you may invite another person from your agency to present the information.

Please call me at 225-3141, if you have any questions about this assignment. The agenda and additional information on the meeting will be forwarded to you shortly. Thank you very much for your help!

Enclosure

QUESTIONNAIRE FOR RESIDENTS
OF CONTINUING CARE RETIREMENT FACILITIES

*The names of persons responding to this questionnaire will be kept confidential. Only information which will not identify the respondent will be used.

1. What information did you receive prior to moving to the Continuing Care Retirement Community where you currently live? (PLEASE CHECK ALL THAT APPLY.)

Promotional material (brochure, flyer, booklet, etc.) _____
 A disclosure statement _____
 A contract _____
 Residents' rights statement _____
 Other _____

Please specify "Other": _____

2. Has your experience living in the Continuing Care Retirement Community been what you expected based on the information you received before entering the facility? (CIRCLE ONE.)

YES NO

3. A. If you circled NO in number 3: how has your experience differed from what you expected?

B. What information would have been more helpful to you?

4. What year did you enter the Continuing Care Retirement Community? _____

5. A. Did you receive a copy of the Continuing Care Retirement Communities' annual disclosure statement? (CIRCLE ONE.)

YES NO

B. If you answered YES: do you understand the information in the disclosure statement? (CIRCLE ONE.)

YES NO

C. If you answered NO: what do you not understand?

6. Have you ever had a problem with the care or service you receive at the Continuing Care Retirement Community where you live? (CHECK ONE.)

YES, OFTEN ___
YES, SOMETIMES ___
YES, BUT RARELY ___
NO, NEVER ___

If NO: go to question 10

7. Were you able to get the problem resolved to your satisfaction? (CIRCLE ONE.)

YES NO

8. If you answered NO to number 7: briefly describe the problem and how it was resolved.

9. To whom did you report the complaint? (CHECK ALL THAT APPLY.)

Administrator	_____	Resident Council	_____
Other Management Staff	_____	Outside organization*	_____
Board of Trustees	_____	Other**	_____

*Please specify the organization outside the Continuing Care Retirement Community to whom you reported a complaint: _____

**Please specify "other": _____

10. A. What would you do if you experienced a problem or complaint at the Continuing Care Retirement Community?

B. Please describe the complaint handling procedure used by your Continuing Care Retirement Community.

11. A. Do you understand how decisions are made concerning changes in your level of care? (CIRCLE ONE.)

YES NO

B. What criteria does the Continuing Care Retirement Community where you live use to make decisions about the level of care needed by residents?

C. Do you think these decisions are made fairly? (CIRCLE ONE.)

YES NO

If NO, please explain.

12. A. Have you experienced a problem related to a change in the level of care you receive, such as the need for assisted living or nursing home care? (CIRCLE ONE.)

YES NO

B. If YES: please describe the problem and how it was resolved.

C. How do you think this problem could have been handled better?

13. A. Have your monthly fees been raised more often than you expected when you first entered the Continuing Care Retirement Community? (CIRCLE ONE.)

YES NO

B. If YES: describe the problem and the way in which it was resolved.

14. Before you received this questionnaire, did you know about the Long-Term Care Ombudsman Program? (CIRCLE ONE.)

YES

NO

ADDITIONAL COMMENTS, CONCERNS, OR RECOMMENDATIONS:

OPTIONAL INFORMATION:

NAME _____

CONTINUING CARE RETIREMENT COMMUNITY WHERE YOU LIVE:

PLEASE RETURN COMPLETED QUESTIONNAIRE BY JULY 19, 1991, TO:

Virginia Dize, State Ombudsman
Virginia Department for the Aging
700 East Franklin Street
10th. Floor
Richmond, VA 23219

QUESTIONNAIRE FOR RESIDENT COUNCIL PRESIDENTS
OF CONTINUING CARE RETIREMENT FACILITIES

*The names of persons responding to this questionnaire will be kept confidential. Only information which will not identify the respondent will be used.

1. What information is routinely given to new residents of your Continuing Care Retirement Community? (PLEASE CHECK ALL THAT APPLY.)

Promotional material (brochure, flyer, booklet, etc.) _____
A disclosure statement _____
A contract _____
Residents' rights statement _____
Other _____

Please specify "Other": _____

2. Do you think this information adequately prepares new residents to live in the Continuing Care Retirement Community? (CIRCLE ONE.)

YES NO

3. What information would have been more helpful to you?

4. What year did your Continuing Care Retirement Community first open to residents? _____

5. A. Is the Continuing Care Retirement Communities' annual disclosure statement given to residents? (CIRCLE ONE.)

YES NO

- B. Is the information in the disclosure statement easily understandable to most residents? (CIRCLE ONE.)

YES NO

- C. If you answered NO: what do they not understand?

6. Have residents reported to the Resident Council problems with the care or service they receive at the Continuing Care Retirement Community? (CHECK ONE.)

- YES, OFTEN _____
- YES, SOMETIMES _____
- YES, BUT RARELY _____
- NO, NEVER _____

If NO: go to question 10

7. Is the Resident Council usually able to get residents' problems resolved to their satisfaction? (CIRCLE ONE.)

YES NO

8. If you answered NO to number 7: briefly describe the barriers facing the Resident Council when trying to resolve problems.

9. Has the Resident Council ever reported residents' problems to: (CHECK ALL THAT APPLY.)

- | | |
|------------------------------|-----------------------------|
| Administrator _____ | Resident Council _____ |
| Other Management Staff _____ | Outside organization* _____ |
| Board of Trustees _____ | Other** _____ |

*Please specify the organization outside the Continuing Care Retirement Community to whom you reported a complaint: _____

**Please specify "other": _____

10. Please describe the complaint handling procedure used by your Continuing Care Retirement Community.

11. A. What criteria does the Continuing Care Retirement Community where you live use to make decisions about the level of care needed by residents?

B. Do you think these decisions are made fairly? (CIRCLE ONE.)

YES NO

If NO, please explain.

12. A. Have residents in your facility experienced a problem related to a change in the level of care they receive, such as the need for assisted living or nursing home care? (CIRCLE ONE.)

YES NO

B. If YES: please describe the problem and how it was resolved.

C. How do you think this problem could have been handled better?

13. A. Have residents in your facility reported a concern that their monthly fees have been raised more often than they expected when they entered the Continuing Care Retirement Community? (CIRCLE ONE.)

YES NO

B. If YES: describe the problem and the way in which it was resolved.

14. Before you received this questionnaire, did you know about the Long-Term Care Ombudsman Program? (CIRCLE ONE.)

YES NO

15. In your opinion, are residents of your facility adequately protected in matters of: (CHECK ONE)

	YES	NO
Health	_____	_____
Food	_____	_____
Safety	_____	_____
Financial soundness	_____	_____
Efficient use of revenues	_____	_____

ADDITIONAL COMMENTS, CONCERNS, OR RECOMMENDATIONS:

OPTIONAL INFORMATION:

NAME _____

CONTINUING CARE RETIREMENT COMMUNITY WHERE YOU LIVE:

PLEASE RETURN COMPLETED QUESTIONNAIRE BY JULY 19, 1991, TO:

Virginia Dize, State Ombudsman
Virginia Department for the Aging
700 East Franklin Street
10th. Floor
Richmond, VA 23219

July 11, 1991

MEMORANDUM

TO: Continuing Care Retirement Community Administrator

FROM: Virginia Dize

The Department for the Aging is requesting your assistance with its study of Continuing Care Retirement Communities. House Joint Resolution No. 372, passed by this year's General Assembly, requests the Department to study current consumer protections available to residents of Continuing Care Retirement Communities and to make recommendations on the need for additional consumer protections. To assist the Department with this study, an Advisory Committee whose members include Continuing Care Retirement Community providers and residents has been formed.

As we study these issues, we feel it is important to receive input from as many Continuing Care Retirement Community residents as possible, recognizing that there may be a diversity of opinions. Therefore, we are requesting that you take a few moments to send us any comments, concerns or recommendations which you feel would be helpful to the Department as it completes this study. In addition, we are requesting that you provide us with the following information:

1. What are your facility's philosophy, guidelines and process for determining the need for a resident to move from one level of care to another in the Continuing Care Retirement Community? (Please enclose the information you provide residents on your philosophy, guidelines and process for making level of care decisions.)
2. What is the financial impact on residents of transfers to a higher level of care? On the Continuing Care Retirement Community?
3. What is your facility's process for handling residents' complaints? (Please enclose the information you provide residents describing what they should do if they have a complaint.)

Continuing Care Retirement Community Administrator
July 11, 1991
Page Two

4. Do you utilize the services of a management company or do you manage the Continuing Care Retirement Community directly?
5. What relationship, if any, does your facility have with the Ombudsman Program?

Also enclosed are copies of the letters and questionnaires being sent to residents and other interested persons identified through this Study and to the Resident Council Presidents of all Continuing Care Retirement Communities. Please check with the Resident Council President in your facility to assure that s/he received this information. If your Resident Council President will not be available to complete the questionnaire, I am requesting that you give this information to another Resident Council Officer, or call me so that this information can be sent promptly to the appropriate person.

Please send me your comments and response to the questions no later than July 23. In addition, please contact me at the Ombudsman Program's toll-free number, 1-800-552-3402, if you have any questions or you want additional information on the Study. For your information, I am enclosing a brochure describing the Ombudsman Program. Thank you very much for your assistance!

VD/ jt

Enclosures

APPENDIX D

Summary of Survey Responses

A survey questionnaire method was used because of its suitability for obtaining information about attitudes and perceptions of respondents in a cost effective manner and was consistent with the time frame of the study. The survey responses should be viewed cautiously. First, the respondents were selected through the intervention of the resident council presidents and thus are not a valid sample of the CCRC resident population. Therefore the responses may not be representative of the larger population of CCRC residents. Second, the questions on the survey have not been validated so there is the possibility of inherent bias within the questions. Third, self-reported data is deficient in that the responses can represent the respondents' wishes relative to the inquiry rather than the objective reality of a situation.

Resident survey responses. Letters were sent to Resident Council Presidents in the 38 identified Continuing Care Retirement Communities in Virginia. Enclosed with the letter were 10 copies of the Resident Questionnaire for each facility. Of the total 380 surveys mailed, 308 responses were received from residents. Residents were asked to specify the year they entered the continuing care community and resident council presidents were asked the year their community began operation. (The continuing care statute was amended in 1986, resulting in more stringent requirements for continuing care providers, including specifying the information to be given to prospective residents and standard contract terms. Therefore, it might be assumed that persons who entered CCRCs before 1986 have experienced different kinds of concerns than those who have entered since the statutory changes. Responses to the surveys were collated separately. Sixty-two came from residents who entered the CCRC before 1986; the remaining 246 came from residents who moved to the CCRC since 1986.)

Question 1: What information did you receive prior to moving to the Continuing Care Retirement Community where you currently live? (Please check all that apply.)

	Pre 1986	1986 -
Promotional material	48 (77%)	224 (91%)
Disclosure statement	24 (39%)	183 (74%)
Contract	54 (87%)	191 (78%)
Resident rights statement	34 (55%)	135 (55%)

Question 2: Has your experience living in the Continuing Care Retirement Community been what you expected based on the information you received before entering the facility? (Circle one.)

Pre-1986			1986-		
Yes	No	NoResp *	Yes	No	NoResp
54 (87%)	6 (10%)	2 (3%)	213 (87%)	30 (12%)	3 (1%)

* Indicates the number of non responses received on the question.

Question 5A: Did you receive a copy of the Continuing Care Retirement Community's annual disclosure statement?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
35 (56%)	21 (34%)	6 (10%)	215 (87%)	24 (10%)	7 (3%)

Question 5B: If you answered YES: do you understand the information in the disclosure statement?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
37 (105%)	1 (2%)	---	173 (80%)	30 (14%)	12 (6%)

Question 6: Have you ever had a problem with the care or service you receive at the Continuing Care Retirement Community where you live? (Check one.)

Pre- 1986				1986 -			
Yes, often	Yes, some	Yes, rarely	No, never	Yes, often	Yes, some	Yes, rarely	No, never
1 (1%)	6 (10%)	19 (31%)	36 (58%)	8 (3%)	34 (14%)	66 (27%)	134 (55%)

* 4 non responses account for remaining 1%.

Question 7: Were you able to get the problem resolved to your satisfaction?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
22 (85%)	4 (15%)	0	63 (58%)	38 (36%)	7 (6%)

Question 11A: Do you understand how decisions are made concerning changes in your level of care?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
49 (79%)	8 (13%)	5 (8%)	148 (60%)	71 (29%)	27(11%)

Question 11B: Do you think these decisions are made fairly?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
54 (87%)	2 (3%)	6 (10%)	145 (59%)	8 (3%)	93(38%)

Question 12A: Have you experienced a problem related to a change in the level of care you receive, such as the need for assisted living or nursing home care?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
3 (5%)	56 (90%)	3 (5%)	12 (5%)	203 (83%)	31(12%)

Question 13A. Have your monthly fees been raised more often than you expected when you first entered the Continuing Care Retirement Community?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
27 (44%)	32 (52%)	3 (5%)	77 (31%)	152 (62%)	17 (7%)

Resident council presidents survey responses. Twenty-nine (29) responses were received from 18 continuing care facilities. (Some resident councils distributed the surveys to members of the council or former officers, rather than sending one response from the council). Twenty-five responses were received relative to 1985 and before and four responses were received relative to CCRC's which opened after 1985.

Question 1: What information is routinely given to new residents of your Continuing Care Retirement Community (Please check all that apply.)

	Pre 1986	1986 -
Promotional material	24 (96%)	4 (100%)
Disclosure statement	17 (68%)	4 (100%)
Contract	25(100%)	4 (100%)
Resident rights statement	23 (92%)	4 (100%)

Question 2: Do you think this information adequately prepares new residents to live in the Continuing Care Retirement Community?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
25 (100%)			4 (100%)		

Question 5B: Is the information in the disclosure statement easily understandable to most residents?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
19 (76%)	3 (12%)	3 (12%)	4 (100%)		

Question 6: Have residents reported to the Resident Council problems with the care or service they receive at the Continuing Care Retirement Community?

Pre- 1986 *				1986 -			
Yes, often	Yes, some	Yes, rarely	No, never	Yes, often	Yes, some	Yes, rarely	No, never
6 (24%)	11 (44%)	4 (16%)	3 (12%)	1 (25%)	2 (50%)	1 (25%)	

* 1 non response.

Question 7: Is the Resident Council usually able to get residents' problems resolved to their satisfaction?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
22 (88%)	0	3 (12%)	4 (100%)		

Question 11B: Do you think decisions about the level of care needed by residents are made fairly?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
22 (88%)	0	3 (12%)	4 (100%)		

Question 12A: Have residents in your facility experienced a problem related to a change in the level of care they receive, such as the need for assisted living or nursing home care?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
7 (28%)	16 (64%)	2 (8%)	0	3 (75%)	1 (25%)

Question 13A: Have residents in your facility reported a concern that their monthly fees have been raised more often than they expected when they entered the Continuing Care Retirement Community?

Pre-1986			1986-		
Yes	No	NoResp	Yes	No	NoResp
13 (52%)	8 (32%)	4 (16%)	1 (25%)	1 (25%)	2(50%)

Administrators survey responses. Surveys were sent to administrators of all 38 continuing care communities. 17 CCRCs responded to the survey.

Level of Care Decisions: The guidelines used to make level of care decisions in these communities include a process for determining if the resident is able to continue living independently or needs additional care. Residents may be assessed by a multi-disciplinary team or by a nurse. In the information given to residents by these communities, it is not always clear what role the resident, his/her family, or the resident's personal physician play in the process. The outcome of the level of care decision process is usually nursing home placement; it is not clear how these decisions are made when the issue is whether the resident needs to move to the assisted living level of care.

Financial Impact of a Change in Level of Care: The financial impact of the move from one level of care to another varies among CCRCs. Some communities require residents to maintain health insurance policies, others accept Medicaid or Medicare reimbursement in their nursing home sections, and others will continue to provide care when residents' funds are depleted. The financial impact of increasing service needs depends on the type of contract the resident has.

Complaint Handling: Continuing care communities handle complaints in a variety of ways, offering residents several options by which they can get complaints resolved. Typically, complainants may approach either the appropriate department supervisor, the administrator or the resident council. Usually, reporting a complaint to the board of directors is not given as an option. Residents who live in the independent living section may be given the same information as that given to residents of one of the licensed sections of the community, or they may not be given information on who to contact outside the CCRC if they have a complaint.