Continuing Care at Home: Should CCRCs Take the Plunge?

PUBLISHED ON
October 18, 2018

Pennsylvania leads most states in licensing continuing care at home programs. As a result, more Pennsylvania continuing care retirement communities (CCRCs) are announcing their intentions to enter this market.

Sometimes called "virtual care" or "continuing care without walls," continuing care at home (CCaH) allows seniors to remain in their homes while obtaining services from a CCRC. Services can include care coordination, home health and assistance with transportation, meals and daily living. In some cases, at-home care programs also allow seniors to participate in recreational activities and social events at the CCRC campus. This is particularly well-received in rural markets where there are less opportunities for socialization.

For the CCRC, offering at-home care allows it to expand life care services beyond its physical campus. This increases the facility's presence in the community while creating a feeder system to attract new residents. By adding at-home services, the CCRC hopes to achieve more revenues and a competitive advantage in the market.

While offering at-home care is a tempting proposition, it doesn't mean that every CCRC should be jumping into this new trend. The CCRC may offer a market for new residents, but it poses potential legal issues and its recruitment potential is yet unproven. Still, the trend toward at-home care cannot be ignored.

Examining the Risks

At-home arrangements are generally structured like life-care contracts, with upfront membership fees similar to traditional CCRC resident agreements. Because the long-term costs of at-home programs are untested, some have criticized them as unregulated insurance products. While long-term care insurance is highly regulated, most states like Pennsylvania do not regulate at-home programs as such. The actuarial soundness of these programs remains a question.

It also remains to be seen whether at-home programs will result in attracting more full-time residents. In many cases, the seniors who choose at-home care are different consumers than those shopping for a residential CCRC. Many are committed to staying in their home, with no real intention of transitioning to a retirement community. Early indications are that at-home consumers do not transition to CCRC housing until they are in need of full-time assisted living or nursing care. As a result, combining programs for at-home seniors with those of full-time residents may not fully satisfy the needs of either group. So the question remains whether

at-home programs really expand or complement a CCRC's mission?

There are legal concerns as well. At its core, at-home care involves the delivery of home care services licensed by the Pennsylvania Department of Health. The services must be provided by direct care workers who are adequately trained to assist the consumer with daily living, medications, bowel/bladder routines, skin and wound care, and other non-nursing care. If nursing care is offered as well, it must be provided by a Medicare-certified home health agency with licensed nurses. There are many risks involved, including patient injuries, patient abuse, theft and other worker misconduct. In addition, while new technology devices allow for better at-home monitoring, they also increase the risks to patient data and privacy.

So the challenge for CCaH programs is to assemble an at-home workforce that is trained and reliable to perform their jobs without direct supervision. A retirement community that enters this market must decide between hiring and managing its own workforce, or outsourcing this task to a third party. If outsourced, how will the CCRC contractually ensure performance while limiting its liabilities? More importantly, will its contracted workforce reflect the quality and values of the retirement community?

Will CCaH Work for My Retirement Community?

Regardless of the risks, it appears that Continuing Care at Home is here to stay. In numerous surveys, seniors have indicated a strong desire to remain in their homes. In a mobile society where children often move to other parts of the country, it becomes more difficult for seniors to make a long-term commitment to a residential CCRC.

Also, there have been demonstrated health benefits with the at-home model. Seniors with at-home support appear to have below-average hospital readmission rates. With the drive to keep health care costs down through accountable care organizations and bundled payment arrangements, the at-home model may have even greater demand in the future.

So the question may not be *whether* a retirement community should enter the CCaH market, but rather *how* to enter this market in a way that is actuarially sound, minimizes liabilities and most importantly, enhances - rather than detracts from - the CCRC's strategic plans and mission.

If you have questions about entering the CCaH market, or would like to discuss, please contact me or any member of the Barley Snyder Senior Living Industry Group.

:

Christopher J. Churchill

Partner

Tel: (717) 399-1571

Email: cchurchill@barley.com