

Presentation to CCRC Council

Proposed Life Care at Home

June 14, 2018



*The Summit
at Brighton*

Life Care Senior Living

Table of Contents

- | | |
|---|---------------------------------|
| 1. Introduction | Susan Bussey |
| 2. Financial Overview & Update | Debbie McIlveen |
| 3. Overview of Life Care at Home Services | Susan Bussey
Debbie McIlveen |
| 4. Next Steps | Debbie McIlveen |

The Summit at Brighton CCRC

The Summit at Brighton opened in 1998 and is a Life Care CCRC that offers 3 levels of care; 90 units of Independent Living apartments, 60 units of Assisted Living, and 16 units (18 beds) of Assisted Living Memory Care.

Current occupancy levels in the CCRC as of

	2015	2016	2017	2018*
Summit	91%	97%	97%	95%
Wolk Manor	95%	94%	94%	94%
Lodge at Wolk Manor	90%	96%	97%	97%

* As of 4.30.2018

Financial Statistics

	2015	2016	2017
Gain/(Loss)	\$ (559,705)	\$ 249,087	\$723,257
Days Cash on Hand	169	158	187
Debt Service Ratio	2.02	2.49	2.68

2017 Actuarial Highlights

A. V. Powell found the Summit to be in satisfactory actuarial balance and that the Summit meets the NYS Funding Requirements as of 12.31.2017

Summit as of the valuation date has a funded status of 106%. A significant improvement over 12.31.2014 when the funded status was 84%.

The liquid reserve ratio as of 12.31.2017 was 40.5 as compared to 19.5 three years ago.

Concept Evolution – Life Care at Home (LCaH) CCRC Without Walls

Began in 1990 in Pennsylvania, as a Type A life care pricing model: entry fee and monthly fees for guarantee of future care

Programs offer a package of services designed to provide a continuum of care for people who want the same security that a CCRC offers, but want to remain in their homes for as long as possible

Life Care at Home Communities

Currently there are approximately 30 Life Care (LCaH) at Home Programs in operation across the country

The Summit at Brighton reached out to the following communities to learn about their Life Care at Home Programs:

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

Member Eligibility

- Proposed Minimum Age for Entry – same as CCRC at age 62
- Just as in the CCRC model, in order to be approved for a LCaH contract, each member will have to complete a medical application and have a thorough physical prior to being approved. The CCRC's Medical Director would use similar criteria for approval, in determining whether the applicant would be able to live independently for at least three years prior to approving the member for LCaH.
- It should be noted that members would also have to complete a financial application indicating their ability to make the entrance fee commitment as well as the ongoing monthly fee.

Life Care at Home – Overview

Members enroll when they are healthy and well; they pay fees (typically an entrance fee paid either up front or over a period of time and a monthly or annual fee) in exchange for a promise of future care similar to that of a CCRC.

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

Typical Member Utilization

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

Care Coordination

Programs at the CCRC

Companion Care

Transportation Coordination

Handy Man Services

Housekeeping

Typical Member Utilization

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

Adult Day Care – Medical Model

House Calls (physician services)

Skilled Nursing Care

Transitional Care (Short Term Rehab)

Assisted Living including Enhanced level

Outpatient Rehab Therapy

Memory Care

Typical Member Utilization

If the LCaH Member determines that they no longer wish to live in their home, but would like to move to the CCRC on campus, the Member would then have the option to apply for admission to the CCRC or purchase the appropriate level of service from any provider they choose.

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

Life Care at Home Member Profile Example

John is 75 year old widower and is in relatively good health. He lives in his own home and is able care for himself.

John became a LCAH member and chose the All Inclusive plan; 100% Coverage, with 0% co-pay. John required a hip replacement and was immediately discharge from the hospital (without a 3 day hospital stay) following the surgery. John then went to rehab services at JSL followed by home care and therapy in his own home until he fully recovered.

All of the care and therapy he received post surgery was covered by the Life Care at Home option he selected when he joined the program.

Life Care at Home – A Strategic Initiative

Life Care at Home was approved by the New York State Department of Health in 2014 for Continuing Care Retirement Communities.

The Summit at Brighton, in an effort to expand our campus services to the community, initiated a feasibility study regarding LCaH in January of 2017.

The feasibility study included a market study completed by Clifton Larson Allen and a preliminary financial analysis that indicates this service would be beneficial to both the community, Summit and JSL.

Summit is requesting approval for 150 LCaH Member slots

Marketing Analysis

In the preliminary market, within certain income levels, membership in LCaH could range from 55 – 173 members.

In addition within those same income levels the secondary market could add between 20 and 119 additional members. This indicates that the Rochester community would be able to support a LCaH program without causing any noticeable reduction in the CCRC occupancy.

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

Overview of JSL's Current Capacity

Summit at Brighton	Independent Living	90 Apartments
Wolk Manor	Assisted Living	60 Apartments
Lodge at Wolk Manor	Memory Care	18 Beds
Jewish Home of Rochester	Skilled Nursing	328 beds

Services available at JSL for Life Care at Home

In addition the affiliation with Jewish Home of Rochester and Jewish Senior Life also allows LCaH to offer access to the following services:

Outpatient Rehab

Physician House Calls

Transitional Care

Companion Services

Long Term Care

Adult Day Care Programs

Proposed Three Types of Contracts

- All Inclusive – No co-pay required and 100% coverage of specified and authorized services including home health aides, companion care, assisted living, nursing home services, etc.
- Security Plan – there would be a 15% co-pay required for specific and authorized services with a 30% co-pay for facility services such as assisted living and nursing home care.
- Co-Pay Plan – there would be a 50% copay for all specified and authorized services under the contract.

Fees for these contracts would be established as part of the actuarial study.

Possible Fee Schedule

Until the actuarial study is completed it is difficult to determine the exact fee schedule but given discussions with other LCaHs, possible ranges are outlined below. Please note that the fees are based on age and the contract type selected.

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

Ways to Minimize the Risk

- Application process for Members will be similar to that of the CCRC
 - Medical evaluation
 - Financial application
- Reserve Requirement established by DFS will have to be met
- Actuarial reviews/updates will be completed on the same schedule as the CCRC
- Members will have to provide proof of Medicare coverage, property and auto insurance

Favorable Impact on Summit CCRC

- Offering LCaH will strengthen the financial viability of the Summit.
 - Overhead costs are not expected to increase significantly with the addition of this program.
 - The addition of 150 LCaH slots to allocate existing overhead too will improve the bottom line of the Summit.
 - The addition of these LCaH members will also contribute to continued higher occupancy in all levels of care and services on the JSL campus.
- As mentioned above, Summit currently has a waiting list of over 55 people and while we believe that some of those people on the waiting list may choose to use the LCaH program instead, the CLA market study showed that the LCaH members are those people that want to remain in their own home and not move to the CCRC.

Next Steps

- Once a favorable response is received from CCRC to proceed with exploration, Summit will engage an actuary to complete the analysis (July 2018.)
- Summit to submit the application, actuarial report and a draft of the LCaH contract to DOH and DFS (August, 2018)
- Summit meets with the CCRC Council to obtain Certificate of Authority (December, 2018)
- Inform the Summit Residents (November, 2018)
- Summit rolls out the LCaH program to the public (first quarter 2019)

QUESTIONS



*The Summit
at Brighton*

Life Care Senior Living