

Factors to Consider when Choosing a CCRC (Life Plan Community)



Choosing a Continuing Care Retirement Community, also referred to as a CCRC or life plan community, is a major decision and one that is unlike any other choice you have made before. Ultimately, it is a decision that impacts your lifestyle, finances, housing, and health care. That is why it is important to make an informed decision; one that can help secure your future, regardless of unforeseen health situations. As you weigh your options, here are some things to consider:

- All CCRCs are not created equal. There are five main types of residency contracts—and multiple variations of each. Research each type to determine which one is the best fit for your unique situation. Some communities may offer multiple contracts to choose from.
- Be sure that the community offers the type of setting, culture, and lifestyle that you feel best suits your personality and desires. Consider asking if you can stay for a night or two in the guest suite and talk with some of the residents. Also talk with staff to see if they seem happy and helpful.
- Most CCRCs require an entry fee, although some offer rental contracts. Almost all entry-fees are refundable to some extent. Under a traditional, “declining-balance” contract residents do not recoup any of the entry fee after the initial period of occupancy (typically 1 to 4 years). Other CCRCs offer refund options, often called “return-of-capital” contracts, whereby some portion of the entry fee is refunded if the resident moves out or at death, regardless of the length of occupancy. In general, a return-of-capital contract will require a higher entry fee than a traditional contract. If you are considering a refundable contract be sure you understand the stipulations for receiving the refund.
- The financial stability of a CCRC will play a large role in determining if it can fulfill its long-term commitment to provide lifetime housing and health care to residents. Do the appropriate research to learn about the community’s financial stability, history of operations, and the experience of its board and management.
- While there are many reasons why someone might choose a CCRC the distinguishing factor from other choices is the peace of mind that comes with knowing your future health care needs will be met. Therefore, confirm that the community provides the type of care you would expect to receive. Inquire about quality of care, awards and recognitions, ratings, any history of complaints, staff turnover, and other indicators.