



Financial Gerontology

LONG-TERM CARE CHOICES: WHAT ABOUT ASSISTED LIVING?

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Most of us would agree that if we need care at some point in our lives, we would want to remain in our home and not be plucked out of familiar surroundings. As professionals who work with or advise older people on their options, we can do our best to help them meet this objective. Yet there may come a time when a move to assisted living may be the most viable choice. And, in fact, it could be a better alternative depending on the circumstances.

What Is Assisted Living?

Assisted living is a relatively new concept developed in the mid 1980s. A generally accepted definition of assisted living is “a residential care alternative to a nursing home that allows people to age in place while receiving services to help them retain their dignity and preserve and enhance their autonomy”.¹ There are about 39,500 assisted-living facilities in the United States.² They are called by a variety of names such as residential care, personal care homes, and board-and-care homes, and can range from small mom-and-pop operations to large facilities that look more like luxury hotels.

A typical resident is female between

the ages of 75 and 85.³ Most residents need help with activities of daily living (ADLs)—ADLs are defined as transferring, bathing, dressing, toileting, eating, and continence—and 64% have Alzheimer’s disease or some form of dementia.⁴ The average stay in assisted living is approximately three years.⁵

Any decision to move to a new location can be difficult. Deciding to move to assisted living is perhaps more complex and involves evaluating several factors—physical and cognitive health, the social environment, availability of family and other caregivers, and financial resources. Some people move by choice, viewing it as a place where they can socialize with other people and leave the problems of home maintenance behind. Others may move because they are no longer able to care for themselves, and assisted living can serve as a bridge between their own home and a nursing facility.

Most often, family members (usually adult children) are integrally involved in the decision-making process. Sometimes they meet with resistance from their loved one and must weigh the desire he or she has for independence with the need for safety and well-being. Other times, cost becomes a deciding factor. It may be more cost effective to keep a loved one at home, but this can’t be done without help from family and/or paid caregivers.

Five Considerations

How does a person go about making a decision about moving into assisted living? Is it a better option than

remaining at home? How can quality of care be assured? What are the keys to selecting the right facility? Following are five suggestions for individuals and for family members when considering and choosing an assisted-living facility.

1. Evaluate Needs

The first thing that needs to be done is to make an honest appraisal of the physical, financial, and emotional condition of the person considering the move, and the proximity and involvement of the family. Although every circumstance and situation is different, there are certain factors that will help determine the correct path. If individuals are unable to function independently and cannot perform ADLs such as dressing and eating, they will need help at home or in a facility. Others may be in good physical shape but have a cognitive impairment and can’t be left alone without supervision. Still others might be in relatively good physical and mental health, but may be isolated and lonely at home. An elderly widow, for example, may find herself alone in the house where she raised her family, no longer able to drive and lacking a community support network. Or perhaps an elderly couple may reach a point where one spouse is becoming frail and the other cannot provide the care needed.

While all may be candidates for assisted living, there are other things to think about. Would the person be happier at home? Are there community agencies and paid caregivers available to meet the care needs? Does the person

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have children or other family members nearby? Are financial resources sufficient to pay for care? Does the person have long-term care insurance that would cover the costs of assisted living?

Often, the right path is difficult to determine. It might be a time for the family to call in a geriatric care manager, a professional (usually a social worker or nurse by training) who can assess the health and circumstances of the individual and make recommendations on a care plan.

2. Weigh Staying at Home versus Moving to Assisted Living

As mentioned earlier, most people would prefer to stay in their homes if they need care. The phrase “there’s no place like home” comes to mind. Also, home care can be a less costly alternative to assisted living if family caregivers are available to provide or supplement the care that is needed. On the downside, it is often difficult to find reliable paid help and if round-the-clock care is needed, costs can soar. In addition, if family members are the primary “unpaid” caregivers, they often find themselves emotionally and physically spent, or unable to keep on track on their jobs.

Adult day centers—community-based programs for frail or cognitively impaired elders—can be a solution for many family caregivers who work during the day or need respite and renewal time away from caregiving responsibilities. They provide opportunities for social interaction for the person needing care. Because they

cost less than the average rate charged by a home health aide or companion, they can help the family save money and can maximize long-term care insurance home care benefits.

On the other side of the equation, assisted living becomes a viable option if a person needs more care than the family and home care aides can provide, such as dementia care. It also is a viable choice for individuals whose children live at a distance, or who have no children or other family members nearby.

Many people choose assisted living if they want services such as housekeeping and meals, and prefer a more social setting with on-site activities and friends to eat with. The cost of assisted living is also a factor in the decision-making process.

3. Consider the Cost

Assisted living can be expensive. The national average monthly base rate (which includes room, board and some personal care) is \$2,379, or \$28,548 per year.⁶ With an average three-year stay, the base cost could be close to \$90,000. If assisted living is followed by a nursing home stay, the potential cost of care could soar.

The other important thing to note is that there may be other charges beyond the base rate that are not calculated into the monthly fee. This can come as a surprise to many families. For example, facilities may charge an additional fee for personal care services above the base level of care. Others may charge a fee for administering

medications. There may also be charges for transportation to and from doctors’ visits, personal laundry services, and special dietary needs.

Most costs for assisted living are paid out of pocket or through long-term care insurance. Medicaid generally does cover assisted living, although some states are experimenting with assisted living through Medicaid waivers. Review the contract carefully to check other potential costs—policies regarding the return of deposit or down payment, costs involved if a person is in the hospital and is not occupying the space, and the possibility of unexpected rate increases.

4. Make Quality of Care a Priority

Some assisted-living facilities are architecturally appealing with the amenities of a fine hotel, but that is only one of many factors to consider. Looks aren’t everything. Some older and smaller facilities might in fact provide better care, with a more compassionate staff and more personal attention to the resident.

When seeking out a facility,⁷

- Ask about its history—How long has the facility been open? Are there any complaints against the facility? (Every state has a Long-Term Care Ombudsman who can be located through the State Office on Aging or the local Area Agency on Aging). What does the facility’s annual report show about its stability and financial health?
- Ask about staffing—Is there a nurse on staff who is on the prem-

ises in case of an emergency? What kinds of training do the aides receive? What is the resident/staff ratio per shift? How many staff people are available during the night? Are residents regularly reevaluated for their medical and medication needs?

- Consider your own instincts—When you visit the facility, do residents seem happy and engaged? Is the staff friendly? Does the food look appealing and taste good? Are there unpleasant odors? Is the facility clean and comfortable? Could you imagine someone you love actually living there?

Since assisted-living facilities are regulated on a state, not a federal level, standards and regulations vary from state to state. Look for accreditation from the Assisted Living Federation of America, the Joint Commission on Accreditation of Healthcare Organizations, or the Commission on Accreditation of Rehabilitation Facilities; these are not government agencies, however, and accreditation is voluntary.

It is also important to understand that if the individual requires more care than the assisted-living facility can provide, he or she can be discharged at the discretion of the facility with no contingency plan. This could leave the family in a crisis situation. Often it is difficult to find a bed in a nursing home of choice in a short time frame.

A national assisted-living study found that 90% of assisted-living residents believed that they could stay

in the facility as long as they wished. But about one-fourth needed to move out within the first year because they needed more care.⁸ This might be due to the fact that some families wait as long as they can—perhaps too long—before they move their loved ones from their own home into assisted living. Without the one-on-one attention received at home, it becomes clear that these individuals cannot function at a high enough level to remain in the facility. In other cases, the move itself may be so difficult and disruptive that it causes a more rapid decline in function than anticipated. The individual and family should ask for clarity on this policy and make sure there are relationships with nursing homes that assure placement if needed.

5. Involve All Family Members in the Decision

In an ideal situation, all family members—including the person who is considering the move—will work together to explore assisted-living options and make decisions. The decision-making process will be most successful when parents and adult children spend time planning and come to agreement about the best alternatives. Of course, in many cases, this doesn't happen. Advance planning is difficult, emotions may run high, and crises can occur that cause friction and uncertainty.

Sometimes adult children feel strongly that assisted living is the best option, and are exasperated that

their parents don't see it that way. But if the parents are relatively independent and mentally competent, the children have to recognize that the parents have the right to make their own decisions about how they want to live their lives.

On the other hand, if the home environment is no longer safe or if the parent is no longer able to function independently due to a physical or cognitive impairment, the family will need to be proactive in arranging for or providing care at home, or moving their loved one into an assisted-living facility that can offer care, support and supervision. Sometimes the siblings, due to geographic or other reasons, have different degrees of understanding of the needs of their parent or don't agree on the course of action.

Again, a geriatric care manager or family lawyer or adviser might be a good buffer and can provide a more neutral assessment for all to consider. It's important to remember that if families wait too long in making their decisions, a crisis might occur that will result in a less appealing alternative—an emergency move into a nursing home. Assisted living, with all the pros and cons, in many cases may be a better choice.

Wake-up Call

Dealing with parents who need care often is a “wake-up call” for adult children. This may be the perfect time for them to think through what they will do when they become older and need care themselves. Long-term care insurance

may be a good option for them as they consider where they want to live in their old age—whether at home or in an assisted living facility—and how they are going to pay for it. By preparing for their own care needs well in advance, they can spare their own children some of the difficult decisions that they are facing with their own parents. ■

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The viewpoints represented in this column belong to the author and are not necessarily those of MetLife.

(1) "Choosing an Assisted Living Facility," *Since You Care* guide series (Westport, CT: MetLife Mature Market Institute, 2002).

(2) Robert Mollica, *State Assisted Living Policy* 2002 (Portland, ME: National Academy for

Health Policy).

(3) *Facts and Trends: The Assisted Living Sourcebook* (Washington, DC: National Center for Assisted Living, 2002).

(4) *Positive Outcomes for Consumers of Assisted Living: Summary* (Falls Church, VA: Consumer Consortium of Assisted Living, 2002).

(5) *Facts and Trends: The Assisted Living Sourcebook*.

(6) *MetLife Market Survey of Assisted Living Costs* (Westport, CT: MetLife Mature Market Institute, 2003).

(7) Draws on material from "Choosing an Assisted Living Facility," *Since You Care*.

(8) *Choosing an Assisted Living Facility: Considerations for Making the Right Decision* (Falls Church, VA: Consumer Consortium on Assisted Living, 2001).