

CCRC Resident Demographics and Health Care Utilization: An Analysis

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Over the last 18 years, A.V. Powell & Associates has developed the largest database on CCRC residents in the industry. This database tracks resident movements from entry in a CCRC until death or move-out. The firm recently analyzed this CCRC data in order to provide demographic and utilization statistics to the industry.

Demographic Statistics

Age and gender of CCRC entrants have been the primary factors associated with, and considered a predictor for, the timing and duration of service utilization. The tables of Exhibit A summarize the findings about entrants to CCRCs.

Age at entry has shown an increasing trend

EXHIBIT A	% of Entrants	
	Male	29%
Female	71%	
	Singles	57%
	Couples	43%
Average Age At Entry		
	Independent Living	Assisted Living
1975-79	76.0	na
1980-84	77.5	na
1985-89	78.2	na
1990-94	78.9	83.6

EXHIBIT B	Probability of Permanent Transfer	Probability of Temporary Transfer
	Assisted Living	24%
Nursing Care	54%	51%
Entry Age	Lifetime Probability of Some Health Care Usage	Average Number of Health Care Days
< 65	62%	599
65-69	77%	666
70-74	77%	793
75-79	82%	947
80-84	86%	973
85+	87%	1091

Entry Age	Average Length of Stay		
	Permanent Nursing Care	Permanent Assisted Living	Temporary Nursing Care (all stays)
< 65	1275	1090	62
65-69	1068	914	57
70-74	1100	951	57
75-79	1169	792	62
80-84	1088	864	60
85+	1066	1040	71

over time, which is consistent with informal observation. Also found was some variation in average age at entry by contact type, where Type C entrants were older than Type B, who were older than Type A. This observation is consistent with the fact that Type A entrants are subject to more screening on health conditions, so older, frailer residents are more likely to enter a CCRC with a contract that provides less health care coverage.

Health Care Utilization

Valid statistics relating to health care utilization by CCRC residents requires the observation of a closed cohort on a longitudinal basis. For CCRC entrants, a cohort may not be closed for 25 years or more, until everyone in the group has died or moved out, and

therefore completed their utilization or potential utilization of health care.

Through the use of actuarial mathematical modeling techniques, experience can be collected over shorter periods of time to develop reliable estimates for assumptions about life expectancies and health care usage. The tables of Exhibit B summarize our findings about utilization of assisted living and nursing care by CCRC residents.

Life Expectancy

In analyzing a female cohort of entrants prior to 1980, 30% have survived in their communities for more than 20 years.

The average length of stay to date (life expectancy) is 11.5 years. It is estimated that

Percentage Surviving	Number of Years
75%	6
50%	11
30%	20

when all the current survivors expire, the ultimate life expectancy will be 15.2 years.

Summary

Actuarial science provides techniques for evaluating recent experience at a CCRC and using that data, in conjunction with a larger data base, to project utilization for a particular facility. It is essential for CCRCs to use the most accurate demographics and utilization assumptions for strategic planning, financial projections and contract pricing.

This article is a summary of a research project which includes more in-depth analyses of demographic and utilization statistics for CCRC residents. A copy of the entire paper is available by contacting A.V. Powell & Associates at 800-828-6309.

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