

RESIDENTIAL ASSISTED LIVING

In a Nutshell: Assisted Living in Colorado

by Sonja Wood

Assisted living comprises one of the fastest growing segments of Senior Housing, both nationally and in Colorado. The assisted living industry in Colorado consists of a variety of facility types.

In Colorado, all assisted living facilities, large or small, fall under the category of "Assisted Living Residence", otherwise known as an "ALR." This is the national equivalent of "Assisted Living Facility" or "ALF". For the purpose of this article, and in order to align with the Colorado assisted living regulations, **assisted living facilities/communities may be referred to as "Assisted Living Residence" or as "ALR's".**

Currently in Colorado, there are nearly 600 licensed assisted living residences representing approximately 18,000 licensed beds. Though the majority of the licensed beds are located in large communities, offering private and semi-private suites in an apartment-like setting, facilities with twenty beds or less, represent more than half of the licensed ALR's in the state.

State regulations require that all facilities providing service to more than two unrelated residents, are subject to licensing requirements. Whether a small facility, defined as having less than 17 beds, or a large facility (17 or more beds), the assisted living licensing process and regulations for New or Change of Ownership licensing are essentially equivalent and they are governed by the Colorado Department of Public Health and Environment.

The mid to large-sized communities that dot the Colorado Front Range are highly visible and they offer service and amenities that can rival the nicest of resorts. However, what most people may not be aware of is that tucked away, discreetly within their own neighborhoods are numerous single family homes modified and licensed for assisted living use for up to 12 residents.

These smaller residential assisted living facilities are often a great convenience for loved ones living nearby and, as well, they are often better suited for residents who have changing or fluctuating behaviors and needs. Not surprisingly, studies show that a home-like setting in combination with properly trained staff, adequate staffing ratios, medication management, proper nutrition and appropriate resident centered activities, can be highly beneficial to managing behaviors and improving the quality of life and length of stay of the residents.

In addition to the differing sizes of facilities, another lesser known fact is that assisted living in Colorado represents a much more diverse population of people than just the elderly. In fact, a significant number of licensed facilities provide for the needs of differing populations of people such as those challenged with dementia, traumatic brain injury, Parkinson's, MS, slight mental illness, or other needs which prevent residents from functioning successfully on their own in the community.

The industry in general focuses on providing a caring and supportive environment for seniors, and other populations of people who need support, guidance and supervision with their activities of daily living. In addition to room and board, residents are provided with meals and support as needed with bathing, dressing, grooming, laundry service, and medication management. Most facilities will also either provide or arrange for transportation services for the residents.

Now that a broad foundation has been laid for what assisted living is in Colorado, it is important to distinguish what assisted living is not. Though many assisted living facilities will provide for care and support until end of life, by partnering with home health care and hospice providers, ALR's do not themselves provide for skilled medical services nor do they require a nurse on staff, unlike skilled nursing facilities.

Regardless of the population served or the community type, assisted living facilities all generate revenue in the form of monthly payments from one of three sources: private pay, long term care insurance or Medicaid, for those who qualify.

Though a qualified resident in assisted living may receive Medicare covered services (e.g. medical home health care and hospice service), the housing and service provided by an assisted living provider is not, at this time, covered under the Medicare benefit.

In summary, whether it is a residential assisted living home, a stand-alone memory care, a large apartment style community, or a continuum of care community, assisted living residences fall under one type of license with the state, are heavily regulated, and they provide for a varying number of needs and populations.

In addition to considering regulatory requirements, demographics, and feasibility of a project, understanding the basic elements of the assisted living industry in Colorado (e.g. types of assisted living residences, populations which they serve, market rates for varying service, and the options for payment) are all important considerations for evaluating potential acquisitions, community developments, or even the purchase, renovation and licensing of a residential assisted living facility.

Sonja Wood, Certified Senior Housing Specialist (CSHP) and franchise owner of Nextage Legacy Realty, and her team of Senior Housing Specialists are passionate about serving the needs of industry. They facilitate numerous confidential Senior Housing acquisitions, ranging from eight to more than one hundred beds each year in Colorado. Sonja is a Certified Business Intermediary, a business sale and mergers and acquisitions specialist and she currently serves on the board of the Colorado Association of Business Intermediaries (CABI). Sonja also recently served for four years as the Vice President of the Colorado Assisted Living Association. Sonja is actively involved in the assisted living industry, is a Certified Assisted Living Administrator and has a personal experience with dementia, as she personally cared for her grandmother with Alzheimer's for six years. As a Certified Business Intermediary (CBI) and Exit Planner, Sonja has represented and advised buyers and sellers within the Senior Housing Industry throughout the entire real estate and business sale process. Nextage Legacy Realty has a Senior Housing division with a team who is skilled and experienced in assisted living resale, community development and residential conversion. Currently the company advisors are involved in multiple confidential ALR sales and acquisitions for large and small facilities, as well as the design and development of the first of its kind senior community. More information is available at the company website www.NextageLegacyRealty.com or by contacting Sonja at 303.667.8030.