

# Spokane Estate Planning Council

Continuum of Care for Clients and Loved Ones

May 19, 2026

# For Discussion Today

- ▶ My background and Rockwood Retirement Communities
  - ▶ Life Plan Community aka Continuing Care Retirement Community
- ▶ State of Senior Living
- ▶ Senior Options - Housing and Services
- ▶ More about Life Plan Communities
- ▶ Questions

# Disclaimer

- ▶ Going to tell you the same thing I would tell my residents or families
  - ▶ I would be telling our resident to please consult with you.
  - ▶ I am no longer a CPA or Financial Advisor.
  - ▶ I am not an Attorney.
  - ▶ I am not here to give you planning advice!
- ▶ What I can do is share some of my knowledge and experiences from an industry and organization that I have a strong passion for.



## **MISSION STATEMENT**

*Rockwood Retirement Communities promotes independence, wellness, and lifelong vitality by providing housing and services to seniors, with a commitment to excellence.*

## **VISION STATEMENT**

*Creating caring places that enrich the lives of seniors.*

# Mission Success

- ▶ 65<sup>th</sup> Anniversary
- ▶ Multiple campuses
- ▶ Currently serve over 800+ people
- ▶ Occupancy has averaged over 95% the last two years
- ▶ We have strong waitlists at each of our campuses
  - ▶ 950+ RS, 170+ RW
  - ▶ Get on waitlist early
- ▶ Long-term master plans for each campus
- ▶ Looking at other ways to expand our mission

**Rockwood  
South Hill**

# Rockwood Retirement Communities Today



**Rockwood  
at  
Whitworth**

**Appleway  
Court**



South Hill Campus  
1960



The  
“Manor”  
(Ridge)





# South Hill Campus 2022

Original  
Building



# Rockwood at Hawthorne





# Rockwood at Whitworth Rendering





## Spokane's Only University Affiliated Community!

### **Resident Access Program**

- Take University Classes
- Attend Regular Season Sporting Events
- Library Access
- Aquatic Center Use
- University Performances
- And Many Other On-Campus Resources!

### **Speaker Series**

- Alumni Speaker Series
- Faculty Speaker Series

### **Intergenerational Opportunities**

- Mentorship Programming
- Intergenerational Classes
- Student-led Seminars
- First Hand Career Experience for Students





HUD side - 1<sup>st</sup> Phase



Tax Credit side - 2<sup>nd</sup> Phase

# State of Senior Living

- ▶ Important to know and have some understanding of what is happening in our industry

Note: I am utilizing slides and information from reports and publications in this presentation that were provided by the underwriters of our bonds - Ziegler Senior Living Finance Practice.



Sarkis Garabedian  
Managing Director and Regional Leader  
(312) 705-7232  
sgarabedian@ziegler.com

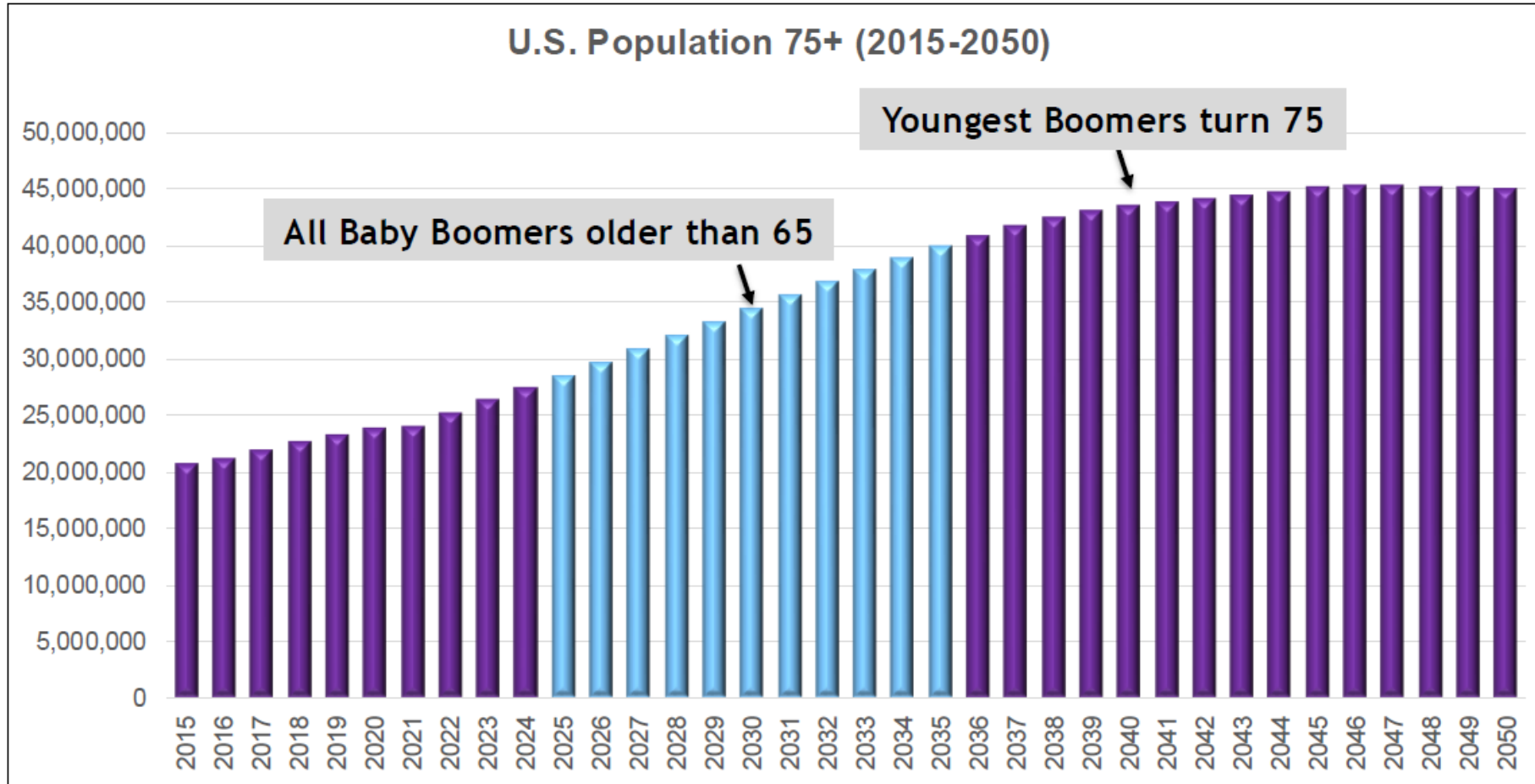
# DEMOGRAPHICS: SIGNIFICANT DECADE AHEAD

## Increase in 75+ Population by Decade

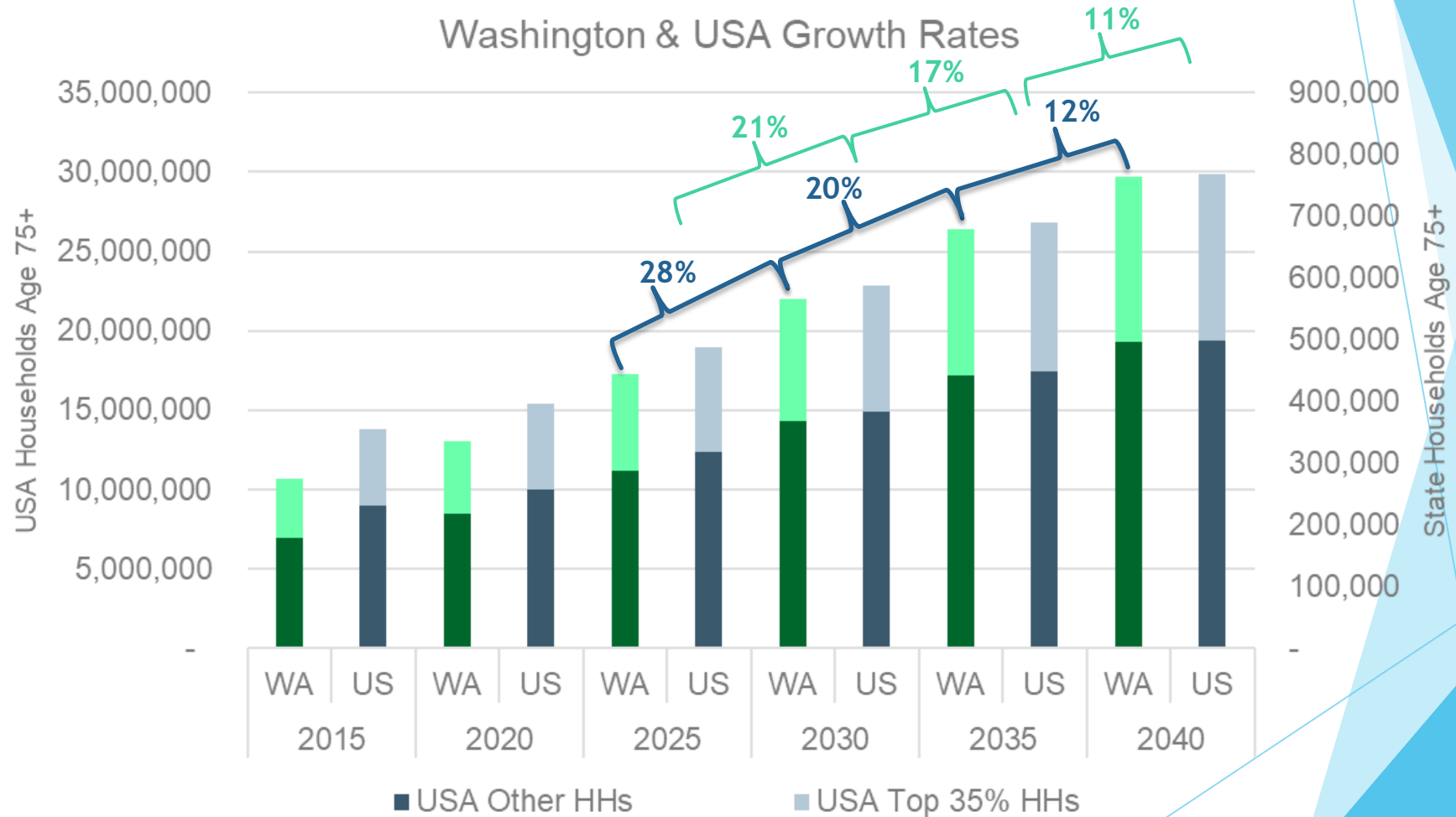
2015-2025: 7.2M

2025-2035: 11.5M

2035-2045: 5.9M



# Projected 75+ Households - USA & WA



Source: Washington Office of Financial Management

# Life Plan Communities

- ▶ Longevity
  - ▶ Life expectancy - studies have shown 7-year increase in life expectancy?
  - ▶ Benefits of socialization and wellness
  - ▶ AI to improve
    - ▶ Fall prevention
    - ▶ Gate changes or improvements
    - ▶ Activity monitoring
  - ▶ Modern technology/medicine - reducing SNF stays/need
  - ▶ Increasing need for memory care?
  - ▶ Increasing length of stay in assisted living?
  - ▶ 24-hour care in the home?

# Effects of Support

- **Senior adults who live in a supportive environment that offers...**
    - Financial Predictability
    - Maintenance-free homes
    - Comprehensive nutrition
    - Social engagement opportunities
    - Increased safety and personal security
    - Access to wellness programs
      - **Physical**
      - **Spiritual**
      - **Mental**
- ...will live 7 healthy years longer!**

Table 1.3

Individual Life Expectancies for 2026 Residents in  
Independent Living in Rockwood South Hill  
(Based on 05/31/2023 Decrements)

Current Age .....	Life Expectancy for Residents in Independ- ent Living .....	Portion of Lifetime in Independ- ent Living .....	Portion of Lifetime in Assisted Living .....	Portion of Lifetime in Nursing Care .....
FEMALE				
60	19.4 years	17.9 years	1.0 years	0.5 years
65	17.7	16.2	1.0	0.5
70	15.6	13.9	1.1	0.6
75	13.1	11.3	1.2	0.6
79 *	11.0	9.1	1.3	0.6
80	10.6	8.7	1.3	0.6
85	8.3	6.5	1.2	0.6
90	6.4	4.9	1.0	0.5
95	4.9	3.8	0.7	0.4
100	3.8	3.1	0.4	0.3

**MALE**

60	17.6 years	16.8 years	0.5 years	0.3 years
65	16.0	15.1	0.5	0.4
70	14.1	13.2	0.5	0.4
75	11.8	10.8	0.6	0.4
80	9.3	8.3	0.6	0.4
81 *	8.9	7.9	0.6	0.4
85	7.1	6.2	0.5	0.4
90	5.3	4.5	0.5	0.3
95	4.0	3.3	0.4	0.3
100	3.0	2.6	0.2	0.2

\* Average age at entry for residents of Independent Living.

TABLE 1.3 Continued

Last Survivor Life Expectancies for 2026 Residents in  
Independent Living in Rockwood South Hill  
(Based on 05/31/2023 Decrements)

	M 60	M 65	M 70	M 75	M 80	M 85	M 90	M 95	M100
F 60	25.0	24.0	22.9	21.9	21.0	20.3	19.9	19.7	19.6
F 62	24.5	23.5	22.4	21.2	20.3	19.7	19.3	19.1	18.9
F 64	24.0	22.9	21.7	20.6	19.7	19.0	18.6	18.4	18.2
F 66	23.4	22.3	21.1	19.9	18.9	18.3	17.9	17.6	17.5
F 68	22.9	21.7	20.5	19.2	18.2	17.5	17.1	16.8	16.7
F 70	22.3	21.1	19.8	18.4	17.3	16.6	16.2	15.9	15.8
F 72	21.8	20.5	19.1	17.6	16.5	15.7	15.2	15.0	14.8
F 74	21.2	19.9	18.4	16.9	15.6	14.7	14.2	14.0	13.8
F 76	20.7	19.3	17.8	16.1	14.7	13.8	13.2	12.9	12.8
F 78	20.2	18.8	17.2	15.4	13.9	12.9	12.3	11.9	11.8
F 80	19.8	18.4	16.7	14.8	13.2	12.1	11.4	11.0	10.8
F 82	19.4	18.0	16.3	14.3	12.6	11.3	10.5	10.1	9.9
F 84	19.1	17.7	15.9	13.9	12.0	10.6	9.8	9.3	9.0
F 86	18.9	17.4	15.6	13.5	11.5	10.0	9.1	8.5	8.2
F 88	18.6	17.1	15.3	13.2	11.1	9.5	8.5	7.9	7.5
F 90	18.4	16.9	15.1	12.9	10.8	9.1	7.9	7.3	6.9
F 92	18.3	16.8	14.9	12.7	10.5	8.7	7.5	6.8	6.3
F 94	18.2	16.6	14.8	12.5	10.3	8.4	7.1	6.3	5.8
F 96	18.1	16.5	14.7	12.4	10.1	8.2	6.8	5.9	5.4
F 98	18.0	16.4	14.6	12.3	9.9	8.0	6.5	5.6	5.0
F100	17.9	16.4	14.5	12.2	9.8	7.8	6.3	5.3	4.7

# They are Coming but Boomers are Different

- ▶ Recent survey of 7,300 Baby Boomers reported that <sup>(1)</sup>
  - ▶ 22% have **no children**
  - ▶ 37% have **no grandchildren**
  - ▶ Middle and high-income Boomers are less likely to live with or near their children
- ▶ Working longer: 49% expect to or are already **working past age 70** <sup>(2)</sup>
- ▶ Roughly 35% of American **divorcees** in 2021 were 55+, more than twice the rate of other age groups <sup>(3)</sup>
- ▶ Baby Boomers have a greater number of **chronic health conditions** than previous generations <sup>(4)</sup>
- ▶ 48 states are projected to have double-digit percentage increase in the number of those 65+ with **Alzheimer's Dementia** between 2020-2025 <sup>(5)</sup>

(1) Boomers and the Future of Senior Living, ProMatura Group, AHSA 2023.

(2) Transamerica Center for Retirement Studies, 23<sup>rd</sup> Annual Retirement Survey, 2023.

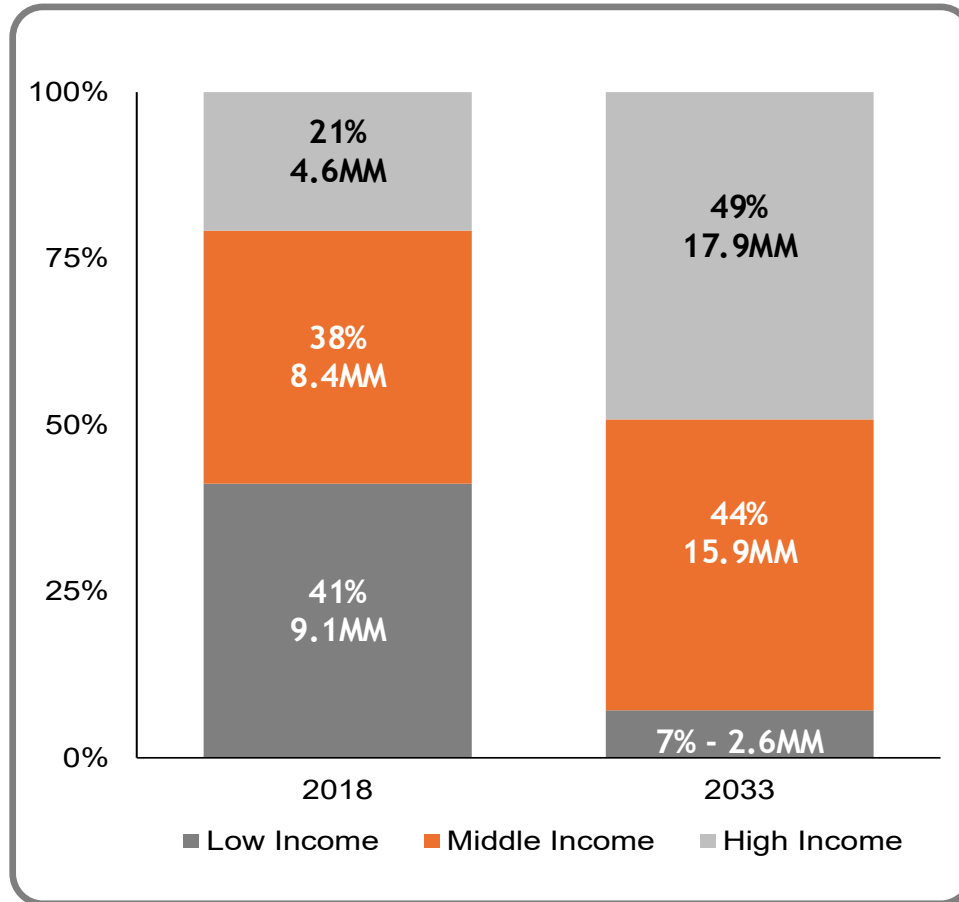
(3) Why Are So Many Baby Boomers Getting Divorced Right Now?, 03/22.

(4) "Cohort Trends in the Burden of Multiple Chronic Conditions Among Aging U.S. Adults," Journals of Gerontology 06/22.

(5) "Alzheimer's Disease Facts and Figures 2020," Alzheimer's Association, 2020.

# Seniors are Coming...and They're Wealthy!

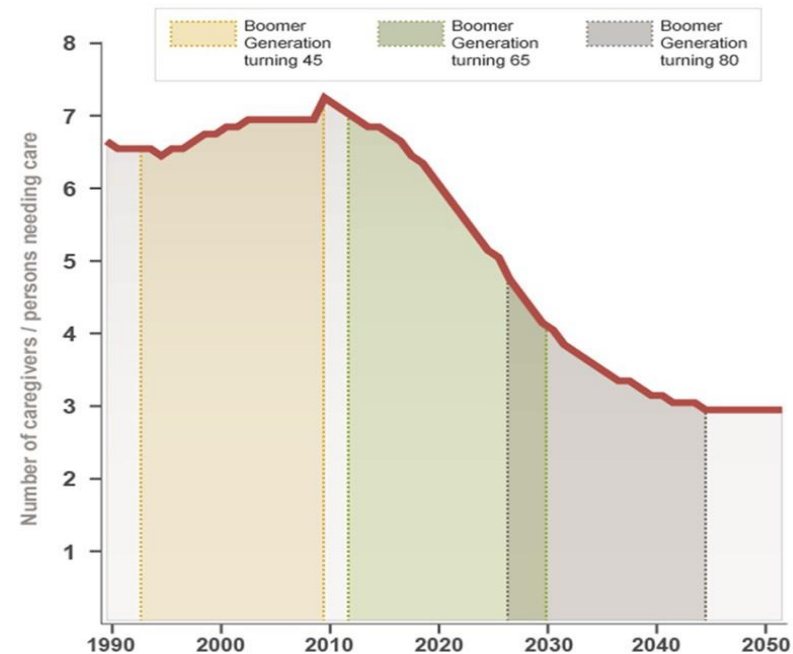
**Size of the 75+ Senior Population  
(2018 and 2033)**



- Largest growth is projected in the high-income group with an increase of 13.3 million seniors, an increase of nearly 290%!
- The middle-income group is projected to increase by 7.5 million seniors, an increase of 89%

# Workforce: The Need

- By 2030, seniors will make up 21% of the population. For the first time in American history, our nation's population will include **more seniors than children**.
- By 2040, when the senior population reaches its peak, the United States will need **more than 20 million new healthcare staff** to care for our seniors.
- Caregiver support ratio:
  - 6:1 today
  - 4:1 by 2030
  - 3:1 by 2050
- Two sides to the story:
  - Increased demand and need housing and service
  - Labor challenges



# Senior Options - Housing and Services

# More options than ever before:

**Standalone  
vs.  
continuum  
of support**

**For profit vs. not for profit**

Life Plan  
Community

Senior  
Apartments

55 plus

**Assisted Living**

At home  
health care

**Memory  
Support**

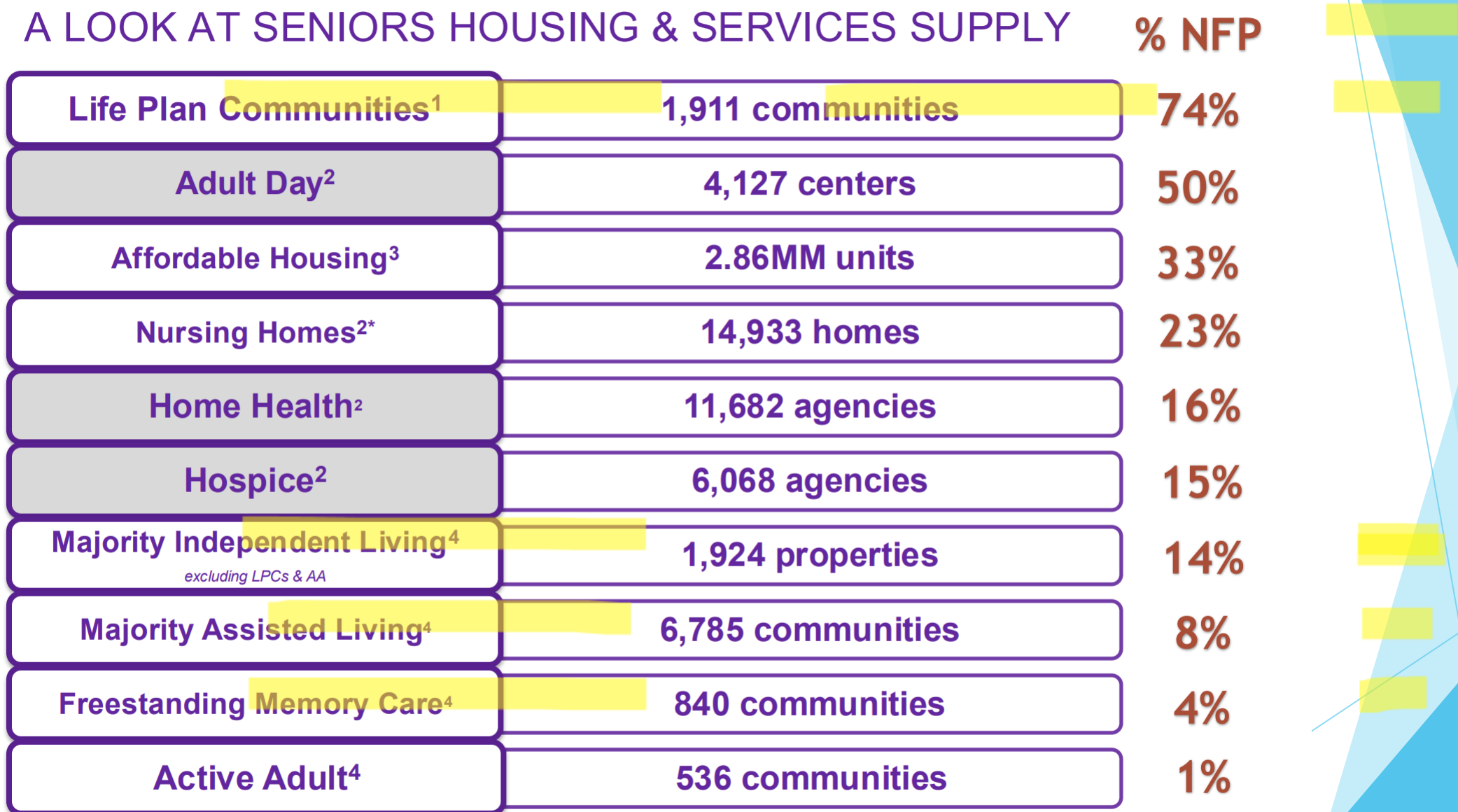
**And...Everyone's favorite...**



...moving  
in with  
the kids

# TODAY'S RETIREMENT OPTIONS

## A LOOK AT SENIORS HOUSING & SERVICES SUPPLY



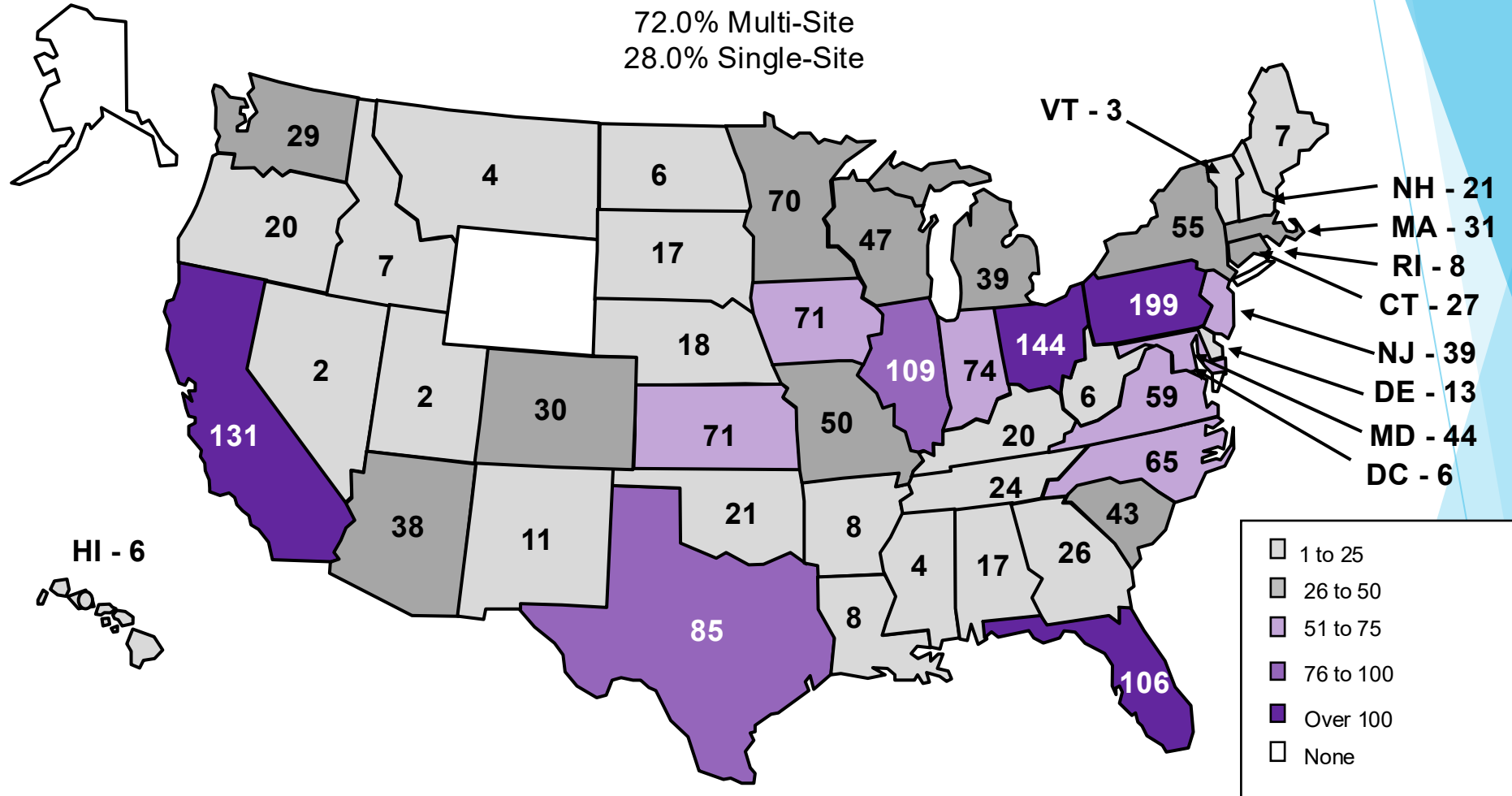
\*Nursing Home data includes both freestanding SN and those within a larger continuum

Sources: <sup>1</sup>Ziegler National LPC/CCRC Listing & Profile, Sept. 2023; <sup>2</sup>Centers for Medicare and Medicaid Services, Aug. 2023; <sup>3</sup>The Public and Affordable Housing Research Corp.-2020 Housing Impact Report: Seniors, 2020; <sup>4</sup>National Investment Center for Seniors Housing & Care (99 primary and secondary markets), Q2 2023

# Ziegler National LPC Database - All Providers

**1,911 Total LPCs**

72.0% Multi-Site  
28.0% Single-Site

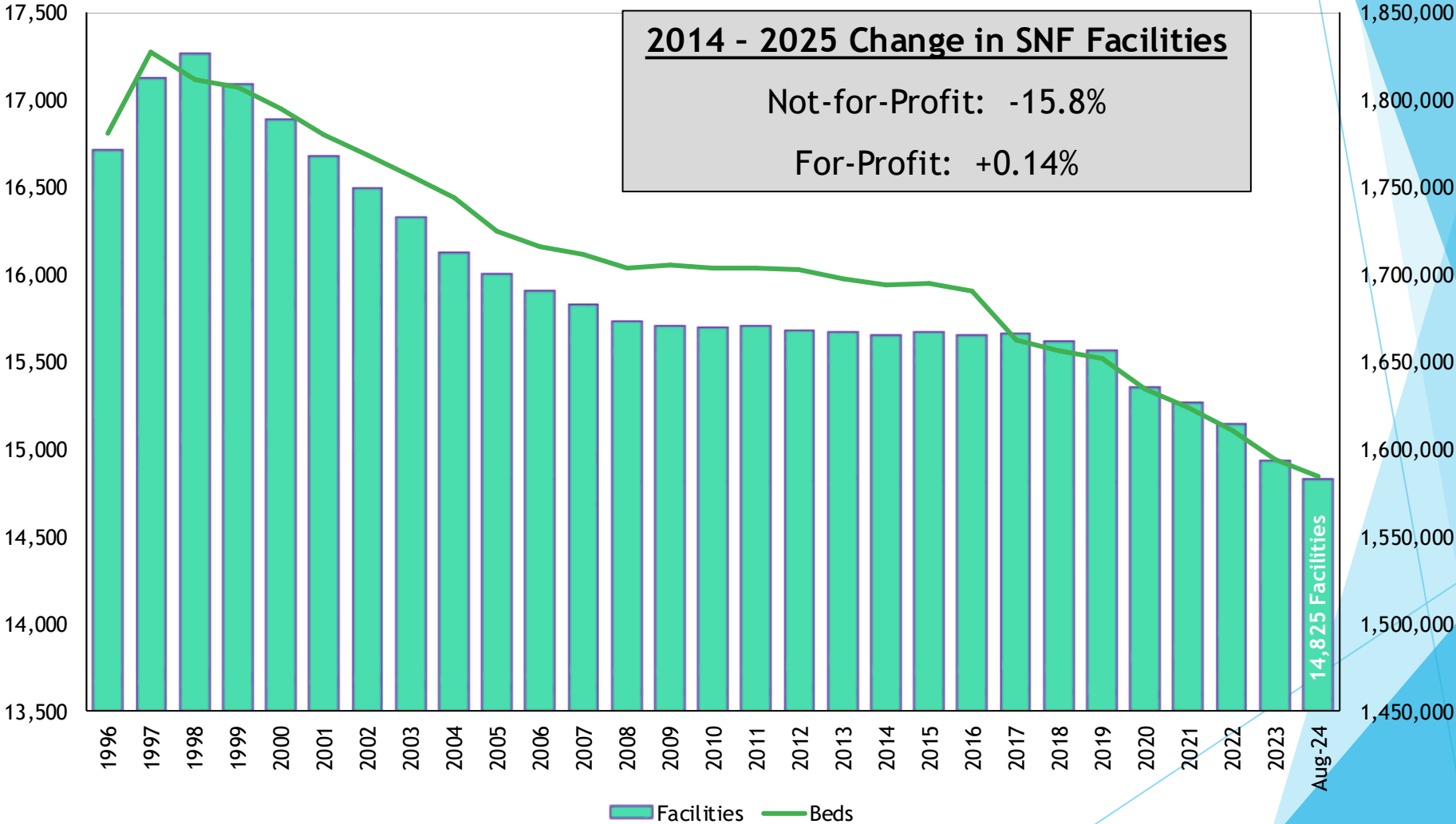


Source: Ziegler Investment Banking.

# Skilled Nursing Facilities

- ▶ Number of SNF's decreasing dramatically
- ▶ Communities restructuring or building new are not adding SNF
- ▶ Communities are providing a heavier level of care in assisted living and memory care
- ▶ Reimbursements
  - ▶ Medicare and Medicare Advantage plans - certified - possible up to 100 days
  - ▶ Medicaid
  - ▶ Long-term Care Policies
  - ▶ Private pay

# Total Number of Skilled Nursing Properties & Certified Beds



Source: CMS.gov.data (1996-2016); Data Finder – Health, United States (cdc.gov) (2017-2024)

# More about Life Plan Communities

# Life Plan Communities - Agreements

- ▶ Resident Agreements
- ▶ Entry Fee and Service Fees
- ▶ Types of Residency Agreements
  - ▶ Type A - Comprehensive - Life Care
  - ▶ Type B - Modified Fee for Service
  - ▶ Type C - Fee for Service
  - ▶ Rental - Short-term - Month-to-Month

# Life Plan Communities - Agreements

- ▶ Residency Agreements - options
  - ▶ Refundable (50% - 100%)
    - ▶ Amortized nonrefundable portion?
  - ▶ Amortized (50-month)
  - ▶ Direct Admit (Administrative Fee)
- ▶ Decision of which one?
- ▶ Refund planning - where should it go?
- ▶ Recission Period?

# Life Plan Communities - Agreements

- ▶ Resident Qualifications
  - ▶ Financial Application
  - ▶ Actuarial Software - Monte Carlo simulations
    - ▶ Risk
  - ▶ Guarantees
  - ▶ Foundation
- ▶ Medicare/Medicaid
- ▶ What happens if resident runs out of money?
- ▶ Transitions
  - ▶ Downsizing
  - ▶ Full continuum of support without an additional move

# Life Plan Communities - Agreements

- ▶ Long-term Care Insurance
  - ▶ Great Insurance
    - ▶ Treated as an asset in financial qualification
    - ▶ Spreads risk
  - ▶ Challenges with policies
    - ▶ Old contracts - terms and definitions
      - ▶ “licensed facility”
      - ▶ Negotiate with insurance company?
      - ▶ “Assisted Living”

# Life Plan Communities - Agreements

- ▶ Service Fees
  - ▶ Increases in service fees
  - ▶ Affected recently by
    - ▶ Nurse and Nurse Aide Certified - pressures to increase
    - ▶ Agency - low supply of Nurses and NAC's
    - ▶ Minimum Wage increases - State of WA
    - ▶ Exempt employee wage increasing
    - ▶ Inflation
    - ▶ Decrease in occupancy in SNF's

# Pricing Power - Monthly Service Fee Increases

Percentage Increase to Independent Living Monthly Fees (Table 1)											
	<i>2026 (Proj.)</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Minimum</b>	0.00%	0.00%	-4.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>1<sup>st</sup> Quartile</b>	3.50%	4.00%	4.23%	5.00%	3.50%	2.71%	2.90%	3.00%	3.00%	2.90%	2.80%
<b>Median</b>	4.00%	4.40%	5.00%	6.00%	4.48%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>3<sup>rd</sup> Quartile</b>	5.00%	5.00%	5.95%	7.50%	5.50%	3.75%	3.90%	3.80%	3.50%	3.50%	3.50%
<b>Maximum</b>	10.00%	13.00%	15.00%	15.00%	15.00%	12.00%	10.00%	6.88%	6.00%	8.00%	5.50%
<b>Average</b>	4.32%	4.69%	5.19%	6.24%	4.70%	2.98%	3.26%	3.14%	3.17%	3.12%	3.09%

- Western Region leading in MSF increases: 2025 (6.23%) and Proj. 2026 (4.60%)

# Life Plan Communities

- ▶ Tax notes
  - ▶ Medical Expense Deduction - Court Case
    - ▶ Per capita vs Percentage
  - ▶ Some communities more aggressive



LE MASTER &  
DANIELS PLLC

700 BANK OF AMERICA  
FINANCIAL CENTER  
601 W. RIVERSIDE  
SPOKANE, WA 99201-0622  
(509) 624-4315  
FAX (509) 624-8874

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## Medical Expense Deduction for Independent Living Residents

The United States Tax Court recently issued a case called *Delbert L. Baker*, 122 TC No. 8 (2004), that addresses the proper method for allocating medical expenses to independent living residents. As a result, many independent living residents will have a significant change in the amount of their medical expense deduction for income tax purposes compared to prior years.

In the past, Rockwood Retirement Communities provided all of the independent living residents with a medical expense percentage. This percentage was multiplied by each of the residents' maintenance fees for the year and entrance fees/unit purchase price to calculate their individual medical expense deduction. As such, the medical expense deduction varied per resident.

For example, assume the facility provided all of the residents with a medical expense deduction of 10%. "Resident A", who paid total annual maintenance fees of \$10,000, would receive a medical expense deduction of \$1,000 (10% x \$10,000). However, "Resident B", who paid total annual maintenance fees of \$30,000, would receive a medical expense deduction of \$3,000 (10% x \$30,000).

The same situation applied to entrance fees and unit purchase amounts.

However, the tax court has recently disallowed the above method. In making its decision, the court found no relationship existed between the health care expenses of residents and the size and cost of their living units. For example, a single occupant of a living unit would get the same medical deduction as two or more persons sharing living units. Moreover, residents of units that are larger than the average and thus pay higher monthly service fees and entrance fees would get a correspondingly higher medical expense deduction. Consequently, the court concluded that the facility should calculate a "weighted average" of medical expenses per resident.

For example, assume the medical expenses of a retirement facility divided by its total costs yields an allocation percentage of 32%. The facility had 600 residents and they paid total annual maintenance fees of \$8 million, or a weighted annual maintenance fee of \$13,333, (\$8 million divided by 600 residents). Applying the allocation percentage of 32% results in a medical expense deduction of \$4,267 per resident.

Rockwood Retirement Communities is now applying the weighted average method to calculate the medical expense deduction for independent living residents.

We are providing you with this overview since the change in method may cause a significant increase or decrease in the deduction for many residents.

# Life Plan Communities

- ▶ Tax notes - continued
  - ▶ Imputed interest - entrance fee acting as loan?
    - ▶ Tax Relief and Health Care Act of 2006, H.R. 6111 which permanently ended the imputed interest tax for residents of continuing care retirement communities (CCRCs).
- ▶ Entry Fees - cash flow
  - ▶ When paid - ½ signing and ½ move in
    - ▶ Most utilize proceeds from sale of home
    - ▶ Concerns with sale of assets/investments - taxes

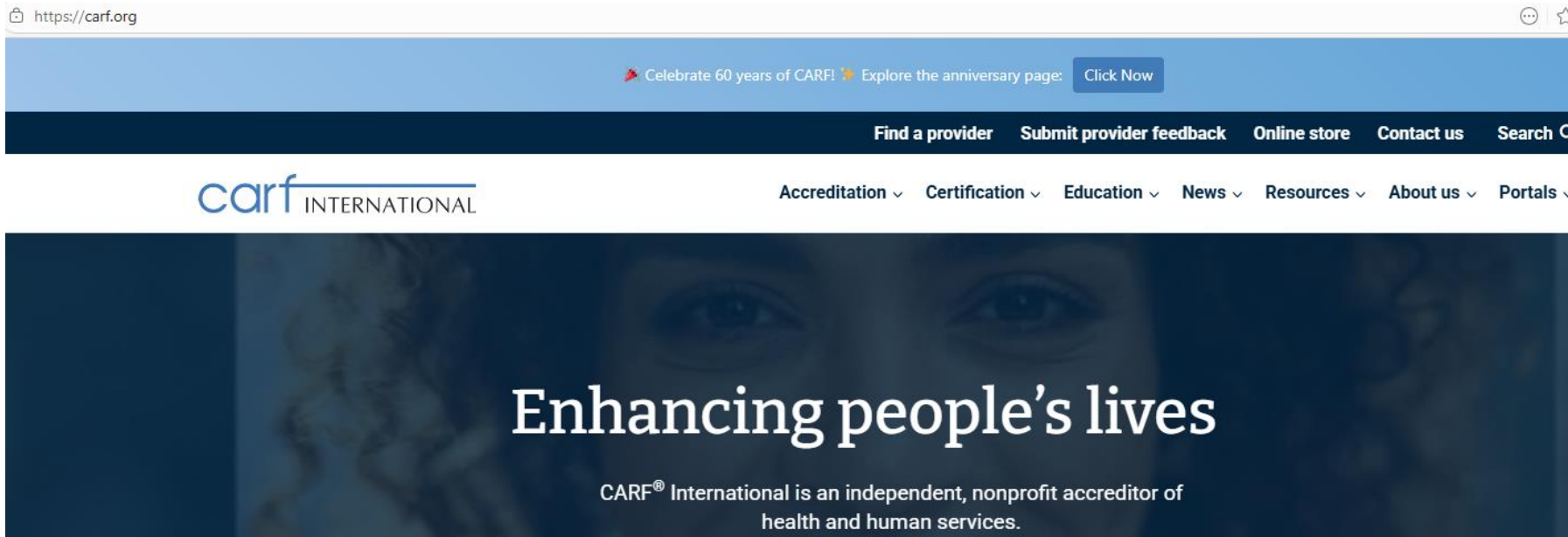
# Family Dynamics

- ▶ Resident Estate Planning - Challenges seen
  - ▶ Resident passing or losing cognitive abilities
    - ▶ Seen a lot of painful situations
    - ▶ Kids fighting over assets
    - ▶ Kids/others taking advantage of parents
    - ▶ Kids taking assets from homes
    - ▶ Kids refusing proper placement/care to save money
    - ▶ Kids taking their parents out of community to save inheritance
    - ▶ Parents with opinion that kids do not need their money
    - ▶ Parents with charitable giving - kids trying to influence
  - ▶ Residents without directives, POA's, Family, trustees, etc.

# Family Dynamics

- ▶ Resident Estate Planning
  - ▶ See so many different stories and degrees of planning
  - ▶ It is so important!
    - ▶ Transitions group at Rockwood
      - ▶ Estate planning, directives, etc.
- ▶ Recommendation - Do what you can to get family involved so clients wishes are honored

# Resources Available - <https://carf.org/>



Resources Available - <https://carf.org/>

**CONSUMER GUIDE  
TO LIFE PLAN COMMUNITIES:  
QUALITY AND FINANCIAL VIABILITY**

carf INTERNATIONAL



# Resources Available - <https://leadingage.org/>

https://leadingage.org



ABOUT MEMBERSHIP WHAT'S NEW GET INVOLVED FIND INFORMATION ACCESS SOLUTIONS SEARCH

JOIN

LOGIN

MAY 13, 2026

## National Advocacy: Targeting Fraud, CMS Issues Six-Month Home Health And Hospice Moratorium

Moratorium doesn't affect existing providers who will continue to participate in Medicare, retain existing appeal rights.

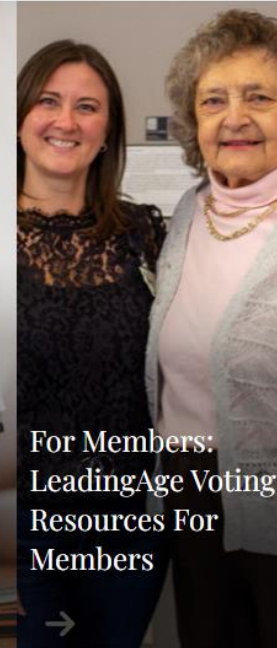
LEARN MORE



What's New: CMS: Early E-Prior Auth Adopters Announced



Workforce: USCIS Tightens Immigration Signature Enforcement



For Members: LeadingAge Voting Resources For Members

## LeadingAge's Story

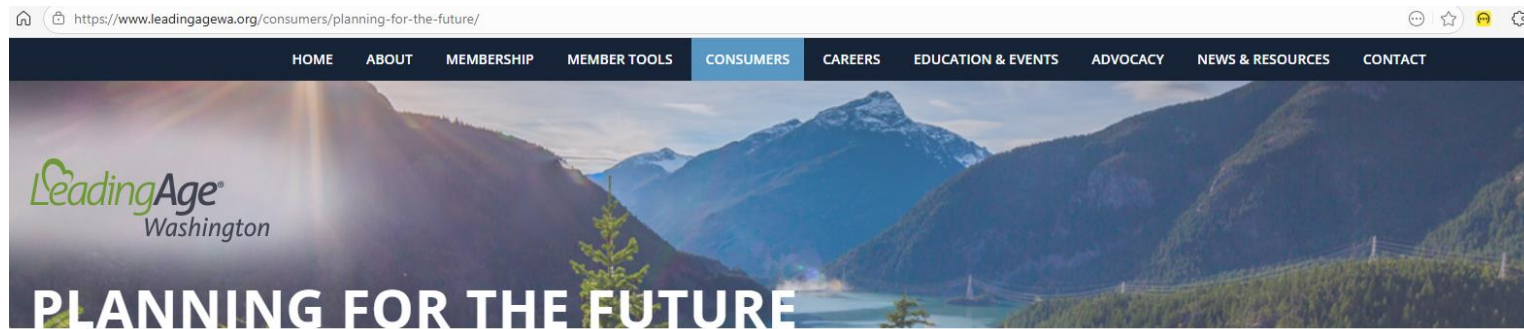
LEARN MORE →

LeadingAge is the trusted voice for aging. We are a community of over 5,300 nonprofit aging services providers and other mission-driven organizations serving older adults in states across the country.

# Resources Available - <https://www.leadingagewa.org/>



# Resources Available - <https://www.leadingagewa.org/>



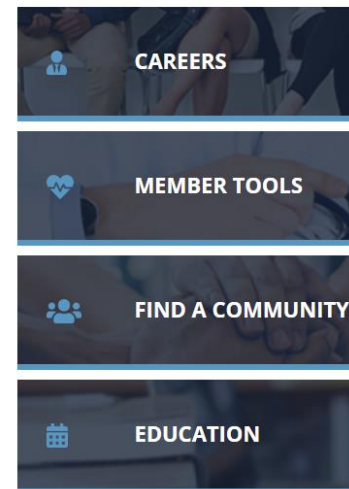
## RESOURCES FOR OLDER ADULTS & THEIR FAMILIES

Whether it is physical or mental wellness, paying for services, wills and estate planning, or medical directives, we're here to help.

### Understanding Terminology

Getting older is a fact of life. But how and where you do it is not. There are a variety of aging services available to you or your loved one to help them stay at home, meet new people, take part in activities and, most importantly, live an enriching and fulfilling life. The brief descriptions below may help you navigate the terminology and types of services available for older adults in Washington State.

- **Home and Community-Based Services:** Like most people you probably want to stay in your home for as long as possible. But you may also need help and support to stay there. That's where Home and Community-Based Services (HCBS) can help you. HCBS providers can offer everything from help with the chores to health care services, or even just someone to call and check in on you. Also, if you are taking care of a family member or friend, these services can give you the help and support that you need as well.  
While there are many different services available, not every community has them. Check with your local area agency on aging for what services are in your area.
- **Adult Day Care:** Provides a variety of health, social and related support services in a safe setting during the day. Some daycare programs are designed especially for people with Alzheimer's disease.
- **Care Managers:** Helps people figure out what services are needed and what services. Together, managers and their clients come up with a care plan that best fits an individual's lifestyle and arranges the services.



Resources Available -  
<https://www.naccra.com/>



**Consumer Guide**  
to  
**Continuing Care**  
**Retirement Communities**  
and  
**Life Plan Communities**

**in Washington State**

The Fourth Edition - 2026

# Questions

