

Continuing Care Contract Types

Kendal at Ithaca offers three Continuing Care Contracts. A brief summary of each one follows, but **this is not a substitute for reading the contracts themselves**. Copies of individual contracts can be requested from the Admissions Office at any time.

OPTION I- Type "A" **ALL-INCLUSIVE LIFE CARE CONTRACT**

General Description

This contract provides for care for life at Kendal at Ithaca, with medical services provided through our Resident Care Clinic, our Adult Home and our skilled nursing facility. Prescription drugs on our formulary are provided as part of the monthly fee, as are medical insurance co-payments. There is a declining refund of entry fee. If a person should die or leave Kendal within the first 4 years of residency, there is a partial refund. At the end of 4 years of residency, there is no longer a refund.

Who Selects This Contract

This contract is all-inclusive, and is the selection of over 90% of the people living at Kendal at Ithaca. They prefer the security of knowing that there will be no financial surprises, that their prescription drugs will be included, and that it is simple and easily administered.

Tax Implications

A portion of the entry fee is an allowable medical expense on federal income taxes. New residents can deduct a portion of their entry fee. A portion of monthly fees each year can also be deducted by all Kendal residents. Information about previous year's deductions is available from the Admissions Office.

OPTION II- Type "A" **50% RETURN OF CAPITAL LIFE CARE CONTRACT**

General Description

This contract provides all the same services as the All-Inclusive Contract. The only difference is the entry fee refund policy. Persons choosing this contract pay a higher entry fee based on age at entry, and the entry fee refund amount declines over the first two years of residency until it reaches one-half of the amount paid. After that two year period of residency, a refund of one-half of the entry fee is returned to the resident if they leave the community or to their estate if they die.

Kendal at Ithaca

Phone: (607) 266-5300 Fax: (607) 257-2592 Web: www.kai.kendal.org

Kendal at Ithaca is a not-for-profit life care retirement community affiliated with Kendal New York, a not-for-profit organization governed in accordance with the principles of the Religious Society of Friends (Quakers)

Who Selects This Contract

People who select this contract are interested in retaining some flexibility. Some want to preserve a financial legacy for family or charity. Others regard this as contingency planning. For example, if a couple married late in life, and one has moved from another area of the country to be married, it is possible he or she might want to return to their previous location when widowed. The refund provides an amount to begin anew elsewhere. Note there is no interest accrued.

Tax Implications

The allowable deductions for entry and monthly fees are the same as in the All-Inclusive Contract.

**OPTION III
MODIFIED CONTINUING CARE CONTRACT**

General description

This contract provides for medical care at Kendal, but the difference comes in how that care is financed. People receive services of our Resident Care Clinic and unlimited use of our Enhanced Assisted Living Residence services, just as in the contracts above.

However, instead of unlimited skilled nursing care, Kendal provides residents with the Modified Contract 100 days of skilled nursing care at the same monthly fee they have been paying, excluding Medicare covered days.

When they have exhausted these 100 days, they are charged our per diem rate for skilled nursing services in addition to paying the monthly fee, as long as the independent living unit is occupied. If the residence is relinquished before the end of three years, only the per diem rate is charged for the balance of the three years.

If at the end of three years a resident still requires skilled nursing care, Kendal provides this care for the remainder of their lives, and they again pay the monthly fee associated with the last independent unit occupied.

In addition, people who have the Modified Contract do not receive their prescription drugs or medical insurance co-payments as part of the monthly fee. The entry fee refund policy is the same as in the All-Inclusive Contract, i.e., it declines over the first four years.

Who Selects This Contract

Most people who select this contract have long term care insurance in place. For a discount on the entry fee, they agree to finance three years of skilled nursing care here. Because prescription drugs are not included, people who select this contract have solid prescription coverage in place. They are also willing to accept the risk that a long term care insurance claim may be denied.

Tax Implications

When computing the allowable medical expense for the entry fee, the entry fee discount must be deducted from the allowable entry fee medical expense. The allowable deductions for monthly fees described for the All-Inclusive contract apply to the Modified Life Care Contract.

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