

### FEATURED ARTICLE

## CONTINUING CARE AT HOME PROGRAMS STILL EVOLVING

The recent announcement by The Kendal Corporation to expand its Kendal at Home platform to each of its Life Plan Community locations demonstrates that the Continuing Care at Home (CCaH) model continues to grow and evolve. This model, initially labeled as a “CCRC without walls,” has grown to more than 30 such programs across 17 states. Pennsylvania not only has the largest program (Friends Life Care), but is also home to the largest number of certified programs.

### Why CCaH?

For provider organizations who offer CCaH programs, or those exploring the model, there are a number of benefits to consider with diversifying into this service line.

- **Middle-Market Consumer:** This type of program is much less costly than an entrance fee into a Life Plan Community. The CCaH programs are generally geared to the older adult who may never wish to move into a community or may not be a candidate because of eligibility. These programs serve as a great alternative.
- **Future Resident Base:** With the exception of the Friends Life Care program, all of the other CCaH programs are affiliated with a Life Plan Community(ies). In some cases, there are members of the CCaH program who elect to move into the community after a few years in the program. With some of the CCaH programs, this number is significant, and has actually been a part of the strategy for developing the program -- to serve as a feeder for the community. Each program varies in terms of the exposure to on-campus activities and amenities.
- **Diversification:** Senior living organizations continue to explore ways to expand their missions and diversify business lines and revenue streams. This is an additional way to do that. While the revenues are not often as significant compared to housing offerings, the secondary benefits of brand exposure in the community and having increased options for older adults in the area is notable.

### Consult the Experts

It is important when considering a CCaH program, that providers partner with external experts on these types of programs, including consultant and actuarial experts. There are several existing providers who offer consulting services to others and in some cases, will partner with you to co-brand programs in your market. It is important to understand how this type of program fits into your organization and can complement existing offerings. Providers do not want to develop a CCaH program and have constituents (internal and external) feel it is competing with the housing alternatives. These consultants can assist in working through those common issues among new adopters.

The importance of sound actuarial science cannot be emphasized enough. The early founders of the CCaH programs learned a number of lessons over the years and the importance of risk management is key to the success of these programs. The overall goal is to keep members healthy and to focus on prevention and healthy aging philosophies. Programs that do not plan accordingly and are comprised of members with significant chronic health issues that require long-term care in a skilled facility can place significant financial pressures on the organization.

We anticipate that the number of programs will continue to grow as the number of older adults grows and individuals look for alternatives. There are a number of states who still do not allow for licensed CCaH programs, which has impacted growth in those areas. It is anticipated that those laws may loosen in future years to allow for ongoing growth and more options for the growing number of older adults.

To read further about The Kendal Corporation's plans for Kendal at Home, [click here](#). LeadingAge also has a number of resources available on its website to educate others on the CCaH programs and what to consider if exploring such a program.

If you have questions related to information presented in this article or other related matters, please reach out to the Ziegler banker in your region.

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**NOT-FOR-PROFIT SENIOR LIVING RATINGS ACTIONS**

JUNE 20 - 26, 2018

ORGANIZATION	RATING AGENCY	RATING/ OUTLOOK	TYPE OF ACTION	DATE
MRC Crestview dba Crestview Retirement Community (TX)	Fitch	BB+ Stable	Affirmed Rating	6/20/18
Haverland Carter Lifestyle Group Obligated Group (NM)	Fitch	BBB Stable	Affirmed Rating	6/26/18
Westminster at Lake Ridge (VA)	Fitch	BBB Stable	Assigned Rating	6/26/18

*This ratings table represents review of the reports released by Fitch Ratings, Standard & Poor's, and Moody's Investors Service and has been compiled by Ziegler Investment Banking.*

**INTEREST RATES/YIELDS**

(AS OF JUNE 22, 2018)

	CURRENT	LAST WEEK	52-WK AVG
30-Yr MMD	2.95%	3.01%	2.83%
Senior Living 30-Yr "A"	3.70%	3.76%	3.68%
Senior Living 30-Yr "BBB"	3.90%	3.96%	3.99%
Senior Living Unrated	4.70%	4.76%	4.68%
Senior Living New Campus	6.50%	6.50%	6.56%
SIFMA Muni Swap Index	1.50%	1.33%	1.12%

  

	CURRENT	WEEKLY AVERAGE	SPREAD TO MMD
*ZSLMLB Index	4.66%	4.66%	1.70%

*\*Ziegler Senior Living Municipal Long Bond Index  
Source: Ziegler Capital Markets*

**FEATURED FINANCINGS**


**KENDAL AT HANOVER**  
Hanover, New Hampshire

New Hampshire Health and Educational Facilities Authority

**\$39,229,319**  
New Money/Refunding  
Bank Direct Purchase

**\$7,080,000**  
LOC Replacement

## MARKET REVIEW

## MONEY MARKET RATES

	6/22/18	1 WEEK AGO	1 MONTH AGO	1 YEAR AGO
Prime Rate	5.00	5.00	4.75	4.25
Federal Funds (weekly average)	1.90	1.74	1.69	1.16
90 Day T-Bills	1.91	1.93	1.85	0.96
30-Day Commercial Paper (taxable)	1.95	1.97	1.84	1.09
Libor (30-day)	2.09	2.08	1.97	1.21
7 Day Tax-Exempt VRDB	1.50	1.33	1.20	0.87
Daily Rate Average	1.44	1.40	0.97	0.82

## COMPARATIVE YIELDS

## TAXABLE REVENUE

	GOVT	A		MMD	NR**	NR*	BB	BBB	A	AAA
1 Year	2.32	2.77	1 Year	1.47	2.72	2.82	2.57	2.17	1.87	1.67
5 Year	2.77	3.62	5 Year	1.99	3.39	3.49	3.19	2.84	2.54	2.34
7 Year	2.86	3.91	7 Year	2.23	3.83	3.98	3.48	3.18	2.98	2.68
10 Year	2.90	4.20	10 Year	2.47	4.22	4.47	3.82	3.42	3.22	2.92
30 Year	3.04	4.54	30 Year	2.95	4.70	4.95	4.30	3.90	3.70	3.40

(\* Representative of retail sales.); (\*\* Representative of institutional sales.)

## TAX-EXEMPT MARKET INDICATORS

	THIS WEEK	LAST WEEK	CHANGE	2018 HIGH	LOW
Bond Buyer					
20 Bond Index	3.87	3.92	-0.05	3.97	3.44
11 Bond Index	3.35	3.40	-0.05	3.45	2.94
Revenue Bond Index	4.36	4.41	-0.05	4.46	2.92
30 Year MMD	2.95	3.01	-0.06	3.14	2.56
Weekly Tax-Exempt Volume (Bil)	4.77	3.99	+0.78	6.62	0.71
30 Day T/E Visible Supply (Bil)	4.75	5.29	-0.54	8.29	4.00
30 year "A" Rated Hospitals as a % of 30 Year Treasuries	121.71	124.50	-2.79	126.26%	118.68%

## INTEREST RATE COMPARISON

DATE	7-DAY T/E VRDB	PRIME RATE	FED FUNDS WEEKLY AVG.	13-WEEK T-BILL RATE	C.P.RATE TAXABLE	LIBOR (30-DAY)	30-YEAR T/E BONDS (A-AAA)		
06/22/18	1.50	5.00	1.90	1.91	1.95	2.09	3.70	-	3.40
06/15/18	1.33	5.00	1.74	1.93	1.97	2.08	3.76	-	3.46
06/08/18	1.05	4.75	1.69	1.92	1.92	2.02	3.73	-	3.43
06/01/18	1.06	4.75	1.69	1.91	1.86	1.98	3.62	-	3.32
05/24/18	1.20	4.75	1.69	1.85	1.84	1.97	3.74	-	3.44
05/18/18	1.38	4.75	1.69	1.89	1.82	1.94	3.87	-	3.57
05/11/18	1.50	4.75	1.69	1.89	1.79	1.92	3.77	-	3.47
05/04/18	1.61	4.75	1.68	1.83	1.85	1.92	3.80	-	3.50
04/27/18	1.75	4.75	1.68	1.77	1.83	1.90	3.94	-	3.64
04/20/18	1.81	4.75	1.68	1.80	1.87	1.89	3.80	-	3.50
04/13/18	1.70	4.75	1.68	1.75	1.81	1.89	3.74	-	3.44
04/06/18	1.60	4.75	1.68	1.71	1.82	1.89	3.78	-	3.48
03/02/18	1.09	4.50	1.38	1.63	1.65	1.67	3.82	-	3.52
02/02/18	1.08	4.50	1.39	1.48	1.49	1.57	3.73	-	3.43
01/05/18	1.47	4.50	1.41	1.40	1.50	1.55	3.36	-	3.06
12/01/17	0.97	4.25	1.13	1.26	1.18	1.37	3.59	-	3.29
11/03/17	0.92	4.25	1.14	1.17	1.13	1.24	3.65	-	3.30
10/06/17	0.92	4.25	1.16	1.04	1.10	1.23	3.73	-	3.43
09/01/17	0.79	4.25	1.14	0.99	1.11	1.23	3.60	-	3.30
08/04/17	0.79	4.25	1.14	1.07	1.12	1.23	3.61	-	3.31
07/07/17	0.86	4.25	1.16	1.03	1.08	1.22	3.82	-	3.42
06/02/17	0.76	4.00	0.89	0.95	0.86	1.08	3.75	-	3.35

*Market and other data within this report derived from Bloomberg and other sources deemed to be reliable.*