

## OPINION COLUMN

## The Questionable Lure Of Free Long-Term Care Placement Services (Guest Opinion)

By David Spiegel • JULY 28, 2011

They have enticing names that communicate understanding in regard to finding a home for an aging parent — names that use words like “mom,” “help” and “care.” They advertise expertise in the field of elder care, promising the assistance of “senior care specialists” or “personal family consultants.” Best of all, they promise “FREE” advice in selecting appropriate long-term care arrangements, particularly for people whose needs are less than those of nursing home residents.

These companies, which fall under the catch-all category of long-term care referral services, are the cyberspace era’s quick fix solution for the growing number of Americans seeking non-nursing home institutional care for their aging parents, relatives and significant others. Unfortunately, this purported expert assistance in navigating this bewildering world of assisted living is, at best, a hit-or-miss proposition.

Unlike nursing, social work and psychology, there are no formal education, training, regulatory or professional ethics standards for people hired as “long term care specialists” by Internet placement services. Granted, a small number of universities — the University of Southern California’s Davis School of Gerontology and the University of Florida’s College of Public Health are two examples — offer certification programs in geriatric care management. However, even this impressive title is not yet subject to formal state licensing or regulation. As a result, referral services are free to hire whomever they

choose, irrespective of training and prior job experience. The primary job requirement — to use industry lingo — may simply be the marketing skill of “putting a head in the bed.”

Meanwhile, the services these Internet agencies provide may not be violating any laws, but their advice should be viewed with caution. Beyond the questionable expertise of the employees, their financial allegiances also can raise issues for consumers. For example, a company’s assistance often may be free to the consumer, but the placement agency typically receives a handsome payment from assisted living facilities for each successful referral. This amount can be 50 percent or more of the resident’s first monthly rent payment. According to the most recent MetLife Market Survey of Long-Term Care Costs, the 2010 national average monthly base rate for assisted living facilities was \$3,293. High-end facilities charged upwards \$6,000. Thus, the commission for a single referral to one of these facilities may be \$3,000 or more. Since the salary of placement service employees often consists of a percentage of the employer’s compensation, there is an obvious incentive to steer consumers to the highest bidder. Or, at the very least, to refer only to those facilities with which the placement service has reimbursement contracts.

Because it is unlikely that the free placement agency’s employees will be a nurse or social worker — a professional who has ethical and regulatory strictures requiring the disclosure of third party fees — they will be under no obligation to reveal this fee structure. Some placement services do in fact disclose in their Internet advertising how they are paid. However, a casual Web search shows that many do not, preferring instead to use the word “free” as a lure.

The alternative to free referral services is to hire a brick-and-mortar geriatric care management agency. These agencies typically employ licensed professionals with training in geriatric issues who typically meet with both the prospective resident and his or her caregivers as part of a comprehensive multi-hour evaluation process. A listing of these agencies, arranged by region, agency name or zip code, can be found on the website of the National Association of Professional Geriatric Care Managers.

According to Kaaren Boothroyd, the NAPGCM's executive director, costs of this type of assessment will vary between \$300 and \$800. Unfortunately, many consumers may find the free and quick Internet fix more attractive than this more traditional approach.

“My advice about Internet placement services is ‘buyer beware,’” says Eric Carlson, the director of the Long Term Care Project of the Senior Citizens Law Center and the author of a legal treatise on institutional care issues. “Even though it’s tempting to delegate a decision to such a service, you can’t assume there’s quality control behind their recommendations. You have to understand that the service will have a motive to refer based on its agreements with facilities.”

In the end, hype notwithstanding, the services of free long-term care referral agencies are not unlike those of a real estate broker or an apartment locator service. Like these businesses, the referral agency provides choices to consumers. However, the existence of choices is only the first step in a long process. It is not an end in itself.

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