

Study: Costs for Most Long-Term Care Keep Climbing

By Tom Murphy, AP Business Writer | May 10, 2016, 1:18 PM ET

Long-term care grew more expensive again this year, with the cost of the priciest option, a private nursing home room, edging closer to \$100,000 annually, according to a survey from Genworth Financial.

Americans also are paying more for other care options like home health aides and assisted living communities, while adult day care costs fell slightly compared to 2015, Genworth reported in a study released Tuesday.

Private nursing home rooms now come with a median annual bill of \$92,378, an increase of 1.2 percent from last year and nearly 19 percent since 2011. That's roughly twice the rate of overall inflation and breaks down to a monthly bill of \$7,698.

Genworth Financial Inc. sells long-term care coverage and didn't address that cost in its study, which was based on information from 15,000 long-term care providers.

Coverage costs also are rising, and many people don't understand these expenses until they face them, said Joe Caldwell of the National Council on Aging, which is not connected with the study.

"It's really becoming more and more difficult for the average family ... to even purchase long-term care insurance," said Caldwell, the nonprofit's director of long-term services and support policy.

Medicare doesn't cover long-term stays, so a large swath of people who need that coverage wind up spending down their assets until they qualify for the government's health insurance program for the poor, Medicaid.

There are no cheap options for those without long-term coverage. Semi-private nursing home rooms cost \$82,125 annually, a bill that has climbed nearly 17 percent over the past five years, according to Genworth.

Nursing home costs are rising largely because residents are more likely to arrive with chronic conditions like diabetes or emphysema that need more medical attention, said Greg Crist, a spokesman for the American Health Care Association, the country's largest trade group for nursing homes. He added that the average nursing home resident takes 11 prescription medications.

"They're living longer, they're not necessarily living healthier," he said.

Genworth found that the median annual cost for assisted living communities adds up to \$43,539 this year. In-home health aides, who help patients with non-medical tasks like bathing or dressing, cost \$46,332 annually.

The median annual cost for adult day care fell \$224 to \$17,680.