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For the 70 percent of people older than 65 who the experts say will need long term care at some point in their lives¹, the costs just notched up again.

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- Home health aide services, up 6.17% to \$21.50/hour
- Homemaker services, up 4.75% to \$21/hour
- Adult day health care services, up 2.94% to \$70/day
- Assisted living facilities, up 3.36% to \$123/day or \$3,750/month
- Semi-private room nursing home care, up 4.44% to \$235/day or \$7,148/month
- Private room nursing home care, up 5.50% to \$267/day or \$8,121/month.

“The purpose of the study is to raise awareness about the cost of aging and help start the conversation about planning for long term care,” said David O’Leary, president and CEO of Genworth’s US Life Division. “We know that most people prefer to begin receiving long term care in their homes and the good news is that home care is still more affordable than nursing home care.”

Labor shortage, tighter Medicare rules contribute to rising care costs

After remaining flat for some time, the cost of care at home has been escalating over the past two to three years. “That’s due to an increase in labor costs, caused by a shortage of caregivers, increases in minimum wages in some states, and new health insurance and overtime requirements on the part of some providers,” said Noreen Guanci, CEO and co-founder of Long Term Solutions, which provides care coordination services and nurse assessments for Genworth long term care insurance claimants.

Nursing home costs are increasing due to a combination of higher labor costs and tightened Medicare rules, which have resulted in shortened hospital stays and sicker patients being sent to rehab nursing homes for shorter stays, where costs have risen to cover those chronic medical conditions, she said.

Labor costs also figure into the rising cost of assisted living facilities. Room and board also has increased to accommodate residents who are sicker, but not sick

enough to require nursing home care, and the luxurious accommodations that

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Medicaid, the largest payer of long-term care costs, has strict income and functionality requirements.³ Medicare will pay for limited nursing home care following a three-day hospital stay, but only if the patient has been formally admitted to a Medicare-certified nursing facility as an in-patient and not for observation, as is increasingly the case. Medicare also does not pay for home care, if skilled nursing care is not needed.

“Our population is aging, living longer, and not prepared,” O’Leary said. “At Genworth we are focused on this issue every day and know first-hand how aging impacts families. Our hope is that people will take the first step by checking out our [Cost of Care website](#) or app to start the conversation about planning for their own long term care needs.”

Resources for Understanding Care Financing Options

As costs continue to rise and traditional sources of government funding become more restrictive, consumers can take advantage of the following resources to educate themselves about the cost of care and alternative funding options:

- Download Genworth’s [Cost of Care App from iTunes](#).
- To explore long term care financing options, please visit genworth.com/longtermcare
- Beyond traditional insurance products, an underwritten single premium immediate need annuity can be purchased by older, less healthy Americans or their families to provide a guaranteed lifetime source of income that can be used for any purpose including, to pay for care or other expenses. Learn more here: www.genworth.com/products/immediate-need-annuity.html.

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