

EXECUTIVE SUMMARY
GENWORTH 2010
COST OF CARE SURVEY

APRIL 2010

Home Care Providers,
Adult Day Health Care Facilities,
Assisted Living Facilities and
Nursing Homes

SUMMARY OF 2010 FINDINGS

HOME

Homemaker Services (Licensed) Provides “hands-off” care such as helping with cooking and running errands. Often referred to as “Personal Care Assistants” or “Companions.” This is the rate charged by a non-Medicare certified, licensed agency.

| NATIONAL MEDIAN HOURLY RATE | INCREASE OVER 2009 | FIVE-YEAR ANNUAL GROWTH |
|-----------------------------------|--------------------------|-------------------------------|
| \$18 | 3.0% | 2.4% ¹ |

Home Health Aide Services (Licensed) Provides “hands-on” personal care, but not medical care, in the home, with activities such as bathing, dressing and transferring. This is the rate charged by a non-Medicare certified, licensed agency.

| NATIONAL MEDIAN HOURLY RATE | INCREASE OVER 2009 | FIVE-YEAR ANNUAL GROWTH |
|-----------------------------------|--------------------------|-------------------------------|
| \$19 | 2.7% | 1.7% ² |

Adult Day Health Care

Provides social and other related support services in a community-based, protective setting during any part of a day, but less than 24-hour care.

| NATIONAL MEDIAN DAILY RATE | INCREASE OVER 2009 | FIVE-YEAR ANNUAL GROWTH |
|----------------------------------|--------------------------|-------------------------------|
| \$60 | 12.0% | N/A ³ |

Assisted Living Facility (One Bedroom/Single Occupancy)

Provides “hands-on” personal care as well as medical care for those who are not able to live by themselves, but do not require constant care provided by a nursing home.

| NATIONAL MEDIAN MONTHLY RATE | INCREASE OVER 2009 | FIVE-YEAR ANNUAL GROWTH |
|------------------------------------|---------------------------|-------------------------------|
| \$3,185 | 12.0% ⁴ | 6.7% ⁵ |

Nursing Home (Semi-Private Room)

Provides skilled nursing care 24 hours a day.

| NATIONAL MEDIAN DAILY RATE | INCREASE OVER 2009 | FIVE-YEAR ANNUAL GROWTH |
|----------------------------------|--------------------------|-------------------------------|
| \$185 | 5.7% | 4.6% ⁶ |

Nursing Home (Private Room)

Provides skilled nursing care 24 hours a day.

| NATIONAL MEDIAN DAILY RATE | INCREASE OVER 2009 | FIVE-YEAR ANNUAL GROWTH |
|----------------------------------|--------------------------|-------------------------------|
| \$206 | 5.1% | 4.5% ⁷ |

EMERGING TRENDS AND FINDINGS



For the seventh consecutive year, Genworth has surveyed long term care service providers across the country. This year, Genworth expanded the survey to 436 regions, to include all Metropolitan

Statistical Areas defined for the 2010 U.S. census – offering an additional 105 regions to our 2009 survey.

Looking back at the past five years of survey results, Genworth recognizes emerging trends across the long term care services landscape. Overall, the cost of care among facility-based providers has steadily increased, while “non-skilled care”-related home care costs have remained relatively flat. For example, in 2005 the median annual rate for a private nursing home room was \$60,225, compared with the 2010 median annual rate of \$75,190. This means that Americans can expect to pay approximately \$14,965 more per year today for a nursing home than they had to pay in 2005. This increase represents a 4.5 percent compound annual growth rate over that period.

In contrast to facility-based care, rates charged by home care providers for “non-skilled” services have remained relatively flat over the past five years. For example, whereas the national hourly private pay median rate charged by a licensed home health agency for a home health aide was \$17.50 in 2005, the 2010 hourly rate has only slowly crept up to \$19. The historical compound annual growth rate for this type of care service has been only 1.7 percent over a five-year period. Home care rates have remained flat in part because of increased competition

among agencies and the availability of unskilled labor, and by avoiding costs associated with maintaining stand-alone health care facilities.

The trend in pricing among Assisted Living Facilities has changed considerably. Over the last decade, Assisted Living Facilities have continued to adapt to the wide range of care needs presented by our growing elder population. Many facilities now provide services to residents who need continual care or supervision – while still providing a lower level of care to healthier individuals. As the range of services becomes broader, so does the range of monthly costs. In 2010, we asked our assisted living survey participants to provide their monthly rates for both the lowest level of care and the highest level of care. Our aggregated survey results use the average of these ranges. We feel this average is the most reliable indicator of the true cost of assisted living care in the surveyed



regions. Given this change in methodology, a comparison to survey results from five years would overstate the compound annual growth rate. However, we do not see any indication in the base data that the increase rate for Assisted Living Facility care would be dramatically different from the 4.5 percent compound annual growth rate for nursing homes.

END NOTES

¹ Percentage increase represents the compound annual inflation rate for surveys conducted from 2005 to 2010.

² Ibid

³ Genworth began collecting Adult Day Health Care data in 2008; data is not yet available to determine a five-year compound annual growth rate.

⁴ Over the last decade, ALFs have continued to adapt to the wide range of care needs presented by our growing elder population. As the range of services becomes broader, so does the range of monthly costs. In 2010, our aggregated survey results use the average of these ranges. We feel this average is the most reliable indicator of the true cost of assisted living care in the surveyed regions. Given this change in methodology, a comparison to survey results from five years would overstate the compound annual growth rate. However, we do not see any indication in the base data that the growth rate for ALF care would be dramatically different from the 4.5 percent compound annual growth rate for nursing homes.

⁵ Percentage increase represents the compound annual inflation rate for surveys conducted from 2005 to 2010.

⁶ Ibid

⁷ Ibid

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Headquartered in Waltham, Massachusetts, CareScout helps Americans across the United States find quality care providers for their long term care needs. As an objective source for this provider information, CareScout, now part of the Genworth Financial family of companies, developed the nation's first quality-of-care ratings system for certified nursing homes and home care providers. Large employers, risk underwriters and families rely on CareScout's proprietary ratings system, the CareScout network and its database of more than 90,000 providers including nursing homes, assisted living facilities and home care agencies to help find and arrange the most appropriate care for loved ones. For more information, visit carescout.com.

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Genworth operates through three segments: Retirement and Protection, U.S. Mortgage Insurance and International. Its products and services are offered through financial intermediaries, advisors, independent distributors and sales specialists.

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