

# MATURE MARKET NEWS

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## STEADY RISE IN NURSING HOME AND ASSISTED LIVING RATES CONTINUES IN 2010 ACCORDING TO ANNUAL METLIFE MARKET SURVEY

**Westport, CT – October 26, 2010** – Nursing home and assisted living rates rose significantly from 2009 to 2010, according to the [Market Survey of Long-Term Care Costs](#). Private room nursing home rates rose 4.6% to \$229 per day or \$83,585 per year, while assisted living rose 5.2% on average to \$3,293 per month, or \$39,516 per year. These increases come on top of increases from 2008 to 2009 when both nursing home and assisted living costs were up 3.3%.

Costs for home health aides and adult day services were unchanged in the past year. Home health aide costs remain at an average price of \$21 per hour, while adult day services costs are still \$67 per day.

The highest average daily rates for nursing homes continued to be in Alaska, where rates are now \$687 for a private room and \$610 for a semi-private room. Costs are lowest in Louisiana, outside the Baton Rouge and Shreveport Metropolitan Statistical Areas (MSA), at an average of \$138 per day for a private room.

For assisted living, the Washington, D.C. area had the highest average monthly base rate at \$5,231, while Arkansas, outside of the Little Rock MSA, had the lowest average monthly rate of \$2,073.

| Rate Type                        | Nursing Homes      |                    | Assisted Living Communities | Home Care            |                      | Adult Day Services   |
|----------------------------------|--------------------|--------------------|-----------------------------|----------------------|----------------------|----------------------|
|                                  | Semi-Private Room  | Private Room       |                             | Home Health Aide     | Homemaker            |                      |
|                                  | Daily              |                    | Monthly                     | Hourly               |                      | Daily                |
| <b>2010 Average Rate</b>         | \$205              | \$229              | \$3,293                     | \$21                 | \$19                 | \$67                 |
| <b>2009 Average Rate</b>         | \$198              | \$219              | \$3,131                     | \$21                 | \$19                 | \$67                 |
| <b>\$ Change from 2009</b>       | +\$7               | +\$10              | +\$162                      | \$0                  | \$0                  | \$0                  |
| <b>% Change from 2009</b>        | +3.5%              | +4.6%              | +5.2%                       | 0%                   | 0%                   | 0%                   |
| <b>2010 Median Rate</b>          | \$190              | \$213              | \$3,100                     | \$20                 | \$19                 | \$61                 |
| <b>2010 Highest Average Rate</b> | \$610              | \$687              | \$5,231                     | \$30                 | \$25                 | \$140                |
| <b>Location</b>                  | AK – Statewide     | AK – Statewide     | DC – Washington             | MN – Rochester Area  | MN – Rochester Area  | VT – Statewide       |
| <b>2010 Lowest Average Rate</b>  | \$123              | \$138              | \$2,073                     | \$14                 | \$13                 | \$31                 |
| <b>Location</b>                  | TX – Rest of State | LA – Rest of State | AR – Rest of State          | LA – Shreveport Area | LA – Shreveport Area | AL – Montgomery Area |

Click anywhere on chart to download study which contains state by state data.

“The cost of care in nursing homes and assisted living has been and continues to be high and, in the past year, the increases have even outpaced medical care inflation of about 3%,” said Sandra Timmermann, Ed.D., director of the MetLife Mature Market Institute. “As the population ages, there are more and more people among us who will need long-term care. While families continue to provide the lion’s share of care, paid care is commonly part of the equation and the costs can derail even the best financial plan. There is very good reason for individuals and families to look into savings plans, annuities and long-term care insurance to hedge the possibilities.”

According to the U.S. Census Bureau, in 2009, 68% of nursing home residents were women, and only 16% of all residents were under the age of 65. The median age of residents was 83 years.

Current estimates from the American Association of Homes and Services for the Aging indicate that nearly 1 million people live in approximately 39,500 assisted living residences in the U.S. The average age of an assisted living resident is 86.9 years old, and the median length of stay in assisted living is 29.3 months.

Adult day services centers are seeing increasing growth as a cost-effective key provider of long-term care services. According to the recent [\*MetLife National Study of Adult Day Services: Providing Support to Individuals and Their Family Caregivers\*](#), there are more than 4,600 adult day service centers nationwide, a 35% increase since 2002. Those served by these centers have increased by more than 100,000 in that time period.

The MetLife Mature Market Institute first pioneered its collection of national market survey data on nursing home, assisted living and home care costs in 2002. Since then, the data have been updated and released on an annual basis. In 2007, cost information on adult day services was included for the first time. This survey has become a benchmark in the long-term care industry.

### **Methodology**

The MetLife survey of nursing homes, assisted living communities, home care agencies and adult day services in all 50 states and the District of Columbia was conducted by telephone between May and August 2010, by LifePlans, Inc., for the MetLife Mature Market Institute.

The states were divided into three groups, according to the population—under 3 million, 3 to 10 million and over 10 million. These groupings were determined using data from the 2000 U.S. Census and updates. The cities/areas surveyed were chosen on the basis of population and the ability to obtain a representative sampling of facilities and providers. For the “rest of state” areas, a sample of service providers or facilities were randomly selected from all providers or facilities identified in the state not already identified in the Metropolitan Statistical Area (MSA) sample. Costs for this survey were calculated for each service provider in an area and were aggregated across all providers to compute a statewide average cost. All costs are rounded to the nearest whole dollar amount.

The [\*Market Survey of Long-Term Care Costs\*](#) can be downloaded from [www.MatureMarketInstitute.com](http://www.MatureMarketInstitute.com). It can also be ordered by e-mailing [MatureMarketInstitute@metlife.com](mailto:MatureMarketInstitute@metlife.com) or by writing to: MetLife Mature Market Institute, 57 Greens Farms Road, Westport, CT 06880. Consumer materials on these subjects are also available online.

### **LifePlans, Inc.**

LifePlans, Inc., a risk management and consulting firm, provides data analysis and information to the long-term care insurance industry. The firm works with insurers, the federal government, industry groups, and other organizations to conduct research that helps these groups monitor their business, understand industry trends, perform effective advocacy, and modify their strategic direction. [www.lifeplansinc.com](http://www.lifeplansinc.com)

### **The MetLife Mature Market Institute®**

Established in 1997, the Mature Market Institute (MMI) is MetLife’s research organization and a recognized thought leader on the multi-dimensional and multi-generational issues of aging and longevity. MMI’s groundbreaking research, gerontology expertise, national partnerships, and educational materials work to expand the knowledge and choices for those in, approaching, or caring for those in the mature market.

MMI supports MetLife’s long-standing commitment to identifying emerging issues and innovative solutions for

the challenges of life. MetLife, Inc. (NYSE: MET), through its subsidiaries and affiliates, is a leading provider of insurance, employee benefits and financial services with operations throughout the United States and the Latin American, Europe and Asia Pacific regions.

For more information about the MMI, please visit: [www.MatureMarketInstitute.com](http://www.MatureMarketInstitute.com).

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