

Elder care costs keep climbing; Alaska's highest in nation

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NEW YORK - The steep cost of caring for the elderly continues to climb.

The median bill for a private room in a nursing home is now \$91,250 a year, according to an industry survey out Thursday.

The annual "**Cost of Care**" report from **Genworth Financial** tracks the staggering rise in expenses for long-term care, a growing financial burden for families, governments and insurers like Genworth. The cost of staying in a nursing home has increased 4 percent every year over the last five years, the report says. Last year, the median bill was \$87,600.

"Most people don't realize how expensive this care can be until a parent or family member needs it," said Joe Caldwell, director of long-term services at the National Council on Aging. "And then it's a real shock."

The annual report from Genworth, which sells policies to cover long-term care, looks at costs for a variety of services, including adult daycare, and home health aides.

And it's nursing home bills that are rising at the fastest pace, double the rate of U.S. inflation over the last five years.

One year in a nursing home now costs nearly as much as three years of tuition at a private college.

For its report, Genworth **surveyed 15,000 nursing homes, assisted living facilities** and other providers across the country in January and February.

It found wide differences from state to state. In Oklahoma, for instance, the median cost for a year in a nursing home came out to \$60,225. In Connecticut, it was \$158,775.

Alaska had the highest costs by far, with one year at \$281,415.

So, who pays the nursing-home bill? "A lot of people believe Medicare will step in and cover them, but that's just not true," said Bruce Chernoff, president and CEO of The Scan Foundation, a charitable organization. Medicare will cover some short visits for recovery after a surgery, for instance, not long-term stays.

Often enough, people wind up spending their savings until the last \$2,000, and at that point Medicaid, the government's health insurance for the poor, starts covering the bill.

Less-intensive care remains much cheaper than staying at a nursing home, according to Genworth's survey. One year in in an assisted-living facility runs \$43,200.

A year of visits from an agency's home health aides runs \$45,760.