How much does long-term care cost?

The fact that you might need long-term care doesn't mean that you have to pay someone to provide it. Many people who need help get it for free from a relative or friend, usually at home. In a recent survey of people over 50, roughly 90 percent said they expect to be the primary caregiver if their spouse or partner needs long-term care.

But even unpaid caregivers need a break from time to time, or have full- or part-time jobs that prevent them from caregiving throughout the day. If you *do* pay someone to provide assistance with ADLs, the cost of long-term care depends on three factors – the general level of charges in your part of the country, the specific expense rate for the services you need, and how long the need for care lasts.

In August 2005, the average cost for a month in a semiprivate room in a nursing home ranged from a low of $3,000 in Shreveport, LA, to a high of $9,250 in New York City, according to a survey by the MetLife Mature Market Institute (MMI). A year-long stay translates to $36,850 in Shreveport and $112,400 in New York City.

The MMI also surveyed covered costs of Assisted Living and Home Health Care. In August 2005, the lowest average monthly base rate for an Assisted Living facility was $1,650 in Jackson, MS area and the highest was $4,300 in the Stamford, CT. area.

In August 2005, the lowest average hourly rate for a home health aide was $12 in Shreveport, and the highest was $23 in Rochester, MN. If you need a home health aide around-the-clock, these rates translate to a daily rate ranging from $288 to $552, or a monthly rate of $8,640 to $16,550.

Finally, don't forget that long-term care costs, like most health care costs, are rising faster than the general rate of inflation. The bottom line? A four-year-or-longer stay in a nursing home could cost $200,000 to $450,000 or more (in today's dollars). If you can't pay this out of your own pocket and aren't poor enough to qualify for Medicaid, you should consider buying long-term care insurance.

Source: *Insurance Information Institute, Inc. (www.iii.org)*