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HEALTH

Nursing-Home Costs Are Climbing

Staying in a Private Room Averages \$181.24 Per Day, and Home Care Costs \$18 an Hour

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The cost of staying in a nursing home is rising at nearly four times the rate of inflation.

The average cost of a private room in a nursing home has jumped to \$181.24 a day, up 8% from a survey 15 months ago, according to **MetLife** Inc. People who enter a nursing home stay there 2.4 years on average, according to government estimates, which means the typical bill would cost \$158,766. There are wide ranges in average prices from place to place. Alaska had the highest rates, at \$420 a day, and Shreveport, La., had the lowest, at \$96.

The average cost of home care is also going up, but at a more modest pace. Based on a MetLife survey being released Tuesday, home care costs \$18 an hour, up 3% from the prior survey. Fort Worth, Texas, home-care agencies are the most expensive, at \$27 an hour on average, and New Orleans agencies are the cheapest, at \$12.

The smaller uptick in home-care costs may be tougher on some pocketbooks, since people are more likely to pay those costs themselves, rather than relying on insurance or government assistance. Plus, "it's hard to predict how many hours of help you would need," said Sandra Timmermann, director of the MetLife Mature Market Institute, a research unit that started tracking long-term-care rates on the local level years ago for its own insurance customers.

• [See a map](#)⁰ of average long-term costs for private nursing-home rooms and health-care aides around the nation.

"You might just need help bathing, or to prepare meals. But then as time goes on, you may need somebody around the clock," she said.

Fees for both types of long-term care for the elderly climbed more quickly than the Consumer Price Index, which rose 2.1% during the 12 months ended in June, according to the U.S. Bureau of Labor Statistics. Overall medical-care prices rose 4.1%.

This year's MetLife survey, conducted in June, includes results from 476 nursing homes and 513 home-care agencies in 87 areas. The findings were compared with results from the 2002 survey, which was conducted in February and March and released in April of that year.

The findings are in line with those released by **General Electric** Co.'s GE Financial unit. That study put the national average cost of a year in a nursing home at \$57,700, a 7% increase from December 2001.

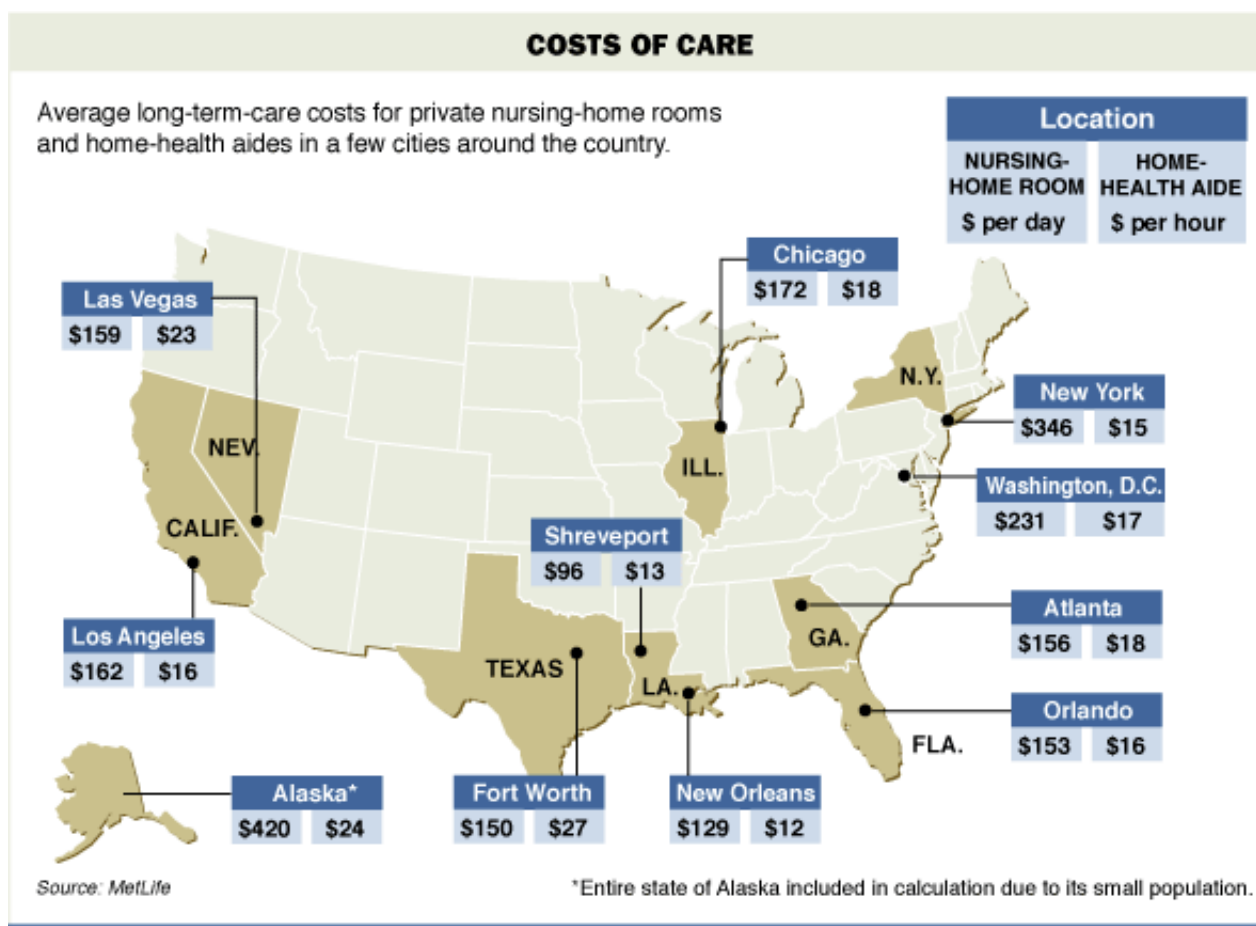
One factor driving costs upward: Pressure on nursing homes to provide increasingly complex medical care for frail patients, said Larry Minnix, president of American Association of Homes and Services for the Aging, a Washington trade group for nonprofit long-term-care facilities.

Sharing the blame are rising labor costs, largely resulting from rampant turnover. "You have to compete for labor and you have to compete with McDonald's, Home Depot and Wal-Mart, not just the local hospital system," he said.

Liability and malpractice-insurance costs are rising as well, Dr. Timmermann said. As government reimbursement falters, "the private-pay rate may become the place where nursing homes make up their Medicaid losses," she said.

MetLife surveyed prices at nursing homes and home-care agencies in all 50 states and Washington, D.C., including one geographic cluster in each of the 22 states with populations of less than three million, two areas in the 22 states with three million to 10 million people, and three areas, including a suburb, in the seven states with more than 10 million people. The entire state of Alaska was considered one region because its population is so small.

The study used the same areas as in its last survey, released in April 2002.



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