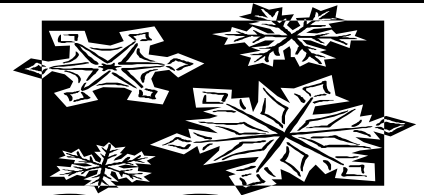


February 2008



**DCSD**

**Debt Counsel for Seniors & the Disabled**

**DCSD clients should know the facts about nursing homes so as to prepare for the future.**

The American Society on Aging recently reported on the status of nursing homes in the U.S. following are excerpts from their report:

The basic rate for a private nursing home room in the United States rose to a whopping annual average of \$77,745 this year, up 3% from 2006, and a semi-private room hit \$68,985 a year, according to the latest survey conducted by the MetLife Mature Market Institute in conjunction with LifePlans Inc., a consulting and data analysis firm.

The MetLife Market Survey of Nursing Home and Assisted Living Costs also found that growth in assisted living base rates remained flat during the last year, with a national average private-pay rate of \$35,628 annually.

The 2007 survey was conducted by telephone last June and July in 87 major markets in all 50 states and the District of Columbia. The study includes data from 1,239 nursing homes and 881 assisted living facilities.

Daily private-room nursing home rates ranged from a low of \$123 in the Baton Rouge, LA., area to a high of \$510 in Alaska. Assisted living rates also ranged considerably by region, with Indianapolis, proving to be the lowest (\$1,963 per month) and the Washington, DC., area topping the list (\$5,031 monthly). The study reports that base are often affected by facilities providing more services in the base price.

The study also determined that more assisted living facilities are providing dementia care (59% vs. 48% in 2006) and that the additional costs for those services average \$1,110 per month. The average monthly rate for facilities charging an extra fee for Alzheimer's care is \$4,270 or \$51,240 annually. The 18 - page survey report provides cost averages for each market.

### **GROWING NUMBERS**

The MetLife study notes that the population of those age 85 or older in the United States grew from 4,240,000 in 2000 to 5,096,000 in 2005, a 20% increase. It reports that although the number of nursing homes increased only 10.2% from 1974 through 2004, to 17,300 facilities, the number of beds grew 46.9% from 1,177,300 to 1,730,000, suggesting a greater number of beds per home. In 1974, 55.4% of nursing homes had from 50 to 199 beds. In 2004, 79.8% fit into that range. The number of residents grew 38.7% during this same period, from 1,075,800 to 1,492,200.

The report adds that the American Association of Homes and Services for the Aging estimates that more than 900,000 Americans live in almost 39,500 licensed assisted living residences in the United States. Although nursing homes are regulated under extensive federal rules, says the report, oversight of assisted living communities is primarily in the hands of state governments. It continues, "In 2005, several states strengthened existing standards for communities with residents with Alzheimer's disease or other forms of dementia. Some states increased training requirements to prospective residents."

The report is available at [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com) under "What's New?"; two MetLife booklets, *Making the Nursing Home Choice* and *Choosing an Assisted Living Facility* can be found on the website under "Since You Care Guides."

All DCSD clients should know facts about nursing homes so as to plan for the future. A DCSD Caregivers agreement may help you make sure your assets are protected in case you need to apply for Medicaid to pay for these homes. Call DCSD for more information.

Following is an article that appeared in December Milestone Senior newspaper.

### **Older Americans have lost 40% of their buying power since 2000**

It's been a common complaint for years: "My month outlasts my money." It's said in jest, but there's serious concern behind those words. As incomes remain the same, outgo continues to rise.

The resulting financial squeeze hits the elderly, many living on fixed incomes, particularly hard. A study by the Senior Citizens League, a nonpartisan organization representing 1.3 million older Americans, concludes that seniors have lost 40 percent of their buying power since the decade began.

For example, since 2000, the change in your Social Security checks each year, has gone up an average of 22 percent; but that is more than offset by annual hikes totaling 105.49 percent for Medicare Part B premiums.

The Social Security Administration has announced that your checks next year will go up by 2.3 percent, down from this year's 3.3 percent increase. It's the smallest increase since 2001, according to the Centers for Medicare and Medicaid Services. Medicare premiums, however, will rise about 3.1 percent.

The Senior Citizens League is lobbying for a change in how the Consumer Price Index, used in determining the cost-of-living adjustment, is applied. Currently, the index is based on the spending habits of younger wage earners, who usually spend less on health care than older people do.

The government uses those figures to track older Americans' spending in its Consumer Price Index for Elderly Consumers, and wants those figures used in determining the size of your Social Security check. However, some who oppose changing the formula say this index does not count those under 62 who receive Social Security, and that the sample is too small.

In determining its figures, the League tracked seniors' spending on food, housing, medical costs, transportation and recreation. The difference in the indexes could make quite a difference in the size of Social Security checks.

It will also cost more to keep warm this winter, especially for those with oil heat. The annual winter price forecast of the Energy Information Agency, a unit of the U.S. Department of Energy, predicts a 9.5 percent increase in the cost of natural gas, bringing the average home heating bill nationally to \$891 for the winter. Oil heat, it forecasts, will go up 16.3 percent for an average of \$1,570.

For more information:

- The Senior Citizens League: [www.seniorsleague.org](http://www.seniorsleague.org)
- Centers for Medicare and Medicaid: [www.cms.hhs.gov](http://www.cms.hhs.gov)
- Energy Information Agency: [www.eia.doe.gov](http://www.eia.doe.gov)
- Henry J. Kaiser Family Foundation: [www.kff.org](http://www.kff.org)

### **Are you moving? Do you have a new phone number? Did you let DCSD know? Have you already moved and forgot to tell us?**

If you forgot to let the DCSD office know that you have moved, will be moving or that you have a new phone number, we may not be able to find you. If we cannot find you we will be unable to continue to work with you. Please let us know as soon as possible if your address and/or telephone number changes!

**Client's Name:** \_\_\_\_\_

**New Address:** \_\_\_\_\_

Street Address

City & State

Zip Code

**New Phone Number:** \_\_\_\_\_