



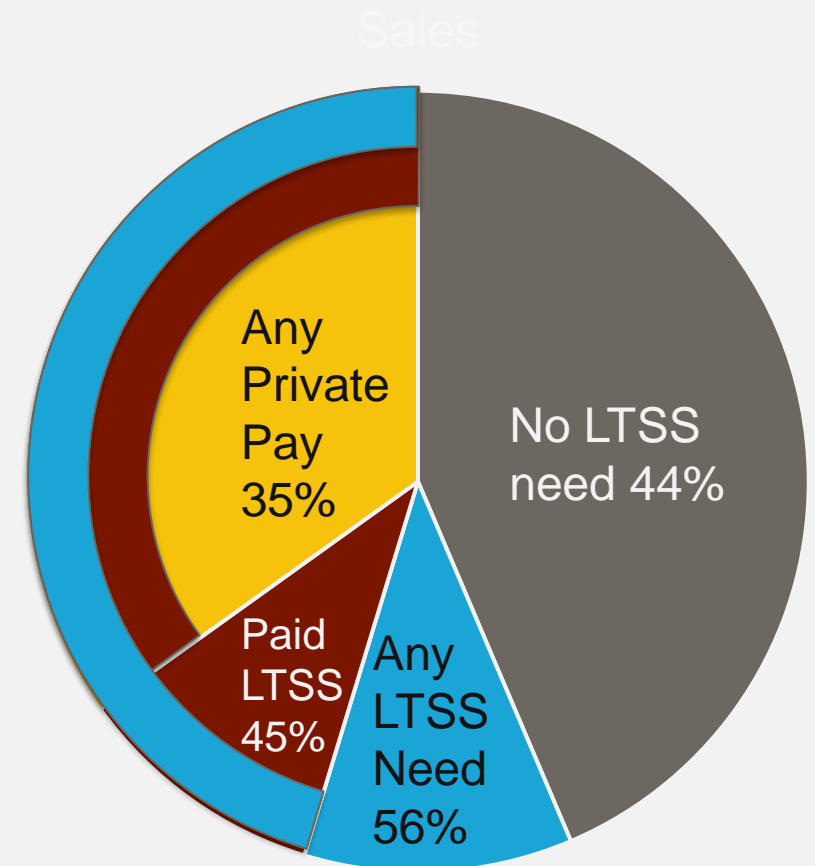
Long Term Services and Supports:

Who needs it? What does it cost? And why does it matter?

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Most people will need LTSS in their lifetime

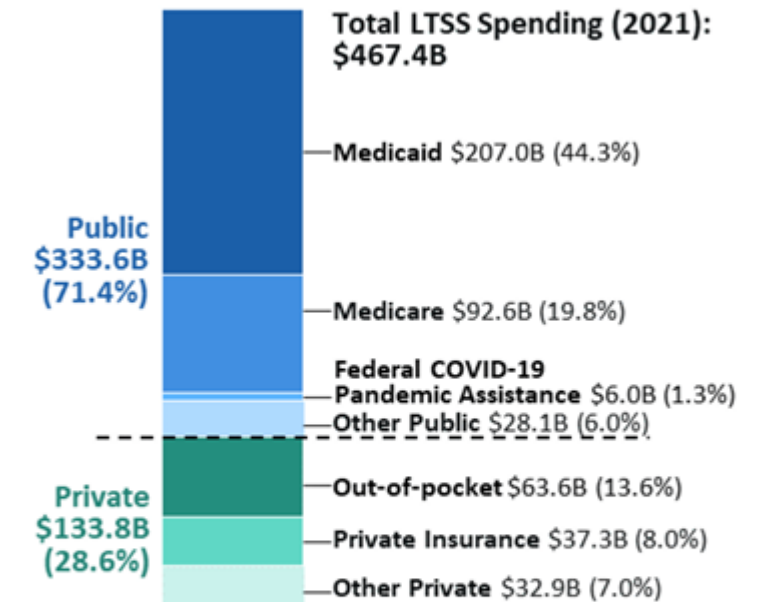
- Johnson and Dey (2022) estimate that 56% of people turning 65 in 2021-25 will need LTSS, for an average of 5.4 years.
- Most LTSS is provided by family caregivers, but nearly half (45%) will need formal (paid) LTSS, for an average of about 1.8 years, and about a third (35%) will pay out of pocket for LTSS.
- Paid services may be expensive.
 - The average lifetime cost is estimated at \$245,000 for those needing any paid services. Public sources (Medicaid and Medicare) account for 57% of the total, and private pay 43%.
 - For those with any private pay costs, the average lifetime expenditure is about \$128,000.
 - 8 percent will have private pay cost of \$200,000 or more.



Who pays for formal LTSS

- In 2021, total spending on post-acute care and LTSS was \$467 billion (CRS, 2023)
- AARP estimates the value of economic value of family caregiving in 2021 to be \$600 billion.
- Medicaid is the single largest payer
- But most people **don't** have Medicaid (and those that may not get the care they want or need)
- Most people **do** have Medicare, but there is only a limited benefit, not for long durations
- Private pay is not affordable for people with average incomes (few have private LTC insurance)

Figure 1. Long-Term Services and Supports (LTSS) Spending, by Payer, 2021 (in billions)



Source: CRS analysis of National Health Expenditure Account (NHEA) data obtained from the Centers for Medicare & Medicaid Services (CMS), Office of the Actuary, prepared November 2022.

Notes: Analysis includes Medicare post-acute care spending in an expanded definition of LTSS spending. Percentages may not sum to 100% due to rounding.

Source: CRS, Who Pays for Long-Term Services and Supports?

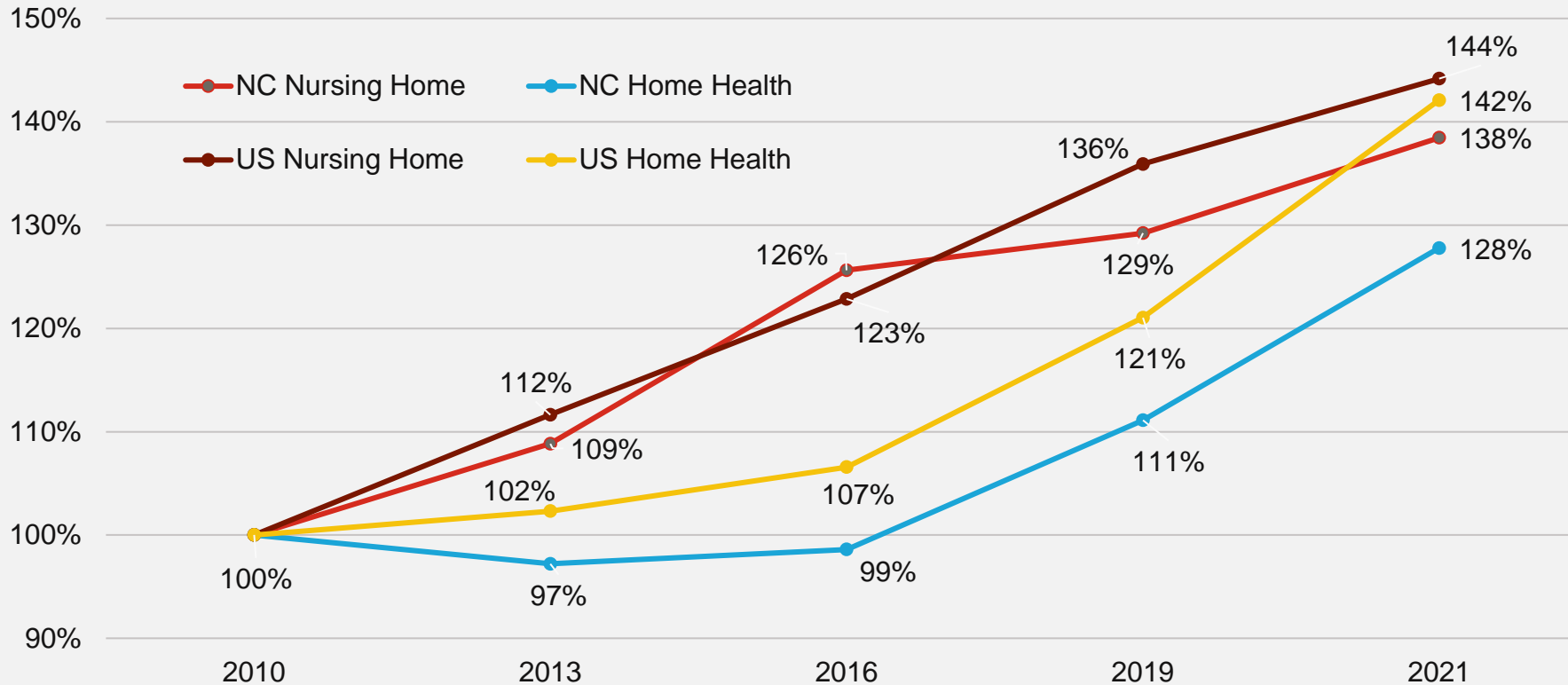
Annual LTSS Private Pay Costs, 2021

Type of Service	NC	US
Nursing home private room	\$98,550	\$108,405
Nursing home “semi-private” room	\$89,790	\$94,900
Assisted living	\$48,120	\$54,000
Adult day services	\$14,365	\$20,280
Home health services	\$52,624	\$61,776
Homemaker services	\$52,624	\$59,488

Source: Genworth Cost of Care Survey

LTSS Costs are Rising

Private Pay Costs in NC and US, as a Percent of 2010 Costs



The bottom line

- Most people can't easily afford LTSS (or can't at all) and still don't qualify for Medicaid.
- Paying out of pocket for LTSS can have significant financial consequences for people who need services, their spouses/partners, and their children.
 - Lost money
 - Lost opportunity
- States are a natural unit of action. Much of our LTSS system is designed, regulated, and funded at the state level.