

The MetLife Market Survey of Assisted Living Costs

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MetLife[®]

MetLife Mature Market Institute[®]
in conjunction with
LifePlans, Inc.

The MetLife Mature Market Institute®

The MetLife Mature Market Institute is the company's information and policy resource center on issues related to aging, retirement, long-term care and the mature market. The Institute, staffed by gerontologists, provides research training and education, consultation and information to support Metropolitan Life Insurance Company, its corporate customers and business partners. MetLife, a subsidiary of MetLife, Inc. (NYSE: MET), is a leading provider of insurance and other financial services to individuals and institutional customers.

MetLife Mature Market Institute
57 Greens Farms Road
Westport, CT 06880
(203) 221-6580
MatureMarketInstitute@metlife.com
www.maturemarketinstitute.com

LifePlans, Inc.

LifePlans, Inc., a risk management and consulting firm, provides data analysis and information to the long-term care insurance industry. The firm works with insurers, the Federal Government, industry groups and other organizations to conduct research that helps these groups monitor their business, understand industry trends, perform effective advocacy, and modify their strategic direction. For more information, contact:

LifePlans, Inc.
51 Sawyer Road
Suite 340
Waltham, MA 02453
(781) 810-2412
www.lifeplansinc.com

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Executive Summary

Each year, the MetLife Mature Market Institute conducts a market survey of assisted living costs in the United States. The 2006 survey was conducted by telephone in 87 major markets in all 50 states and the District of Columbia by LifePlans, Inc., a risk management and consulting services firm.

Monthly private pay base rates, which are defined as room and board and typically at least two meals per day, housekeeping and personal care assistance, were obtained for private rooms with private baths in assisted living facilities.

Rates ranged considerably by region, with North Dakota the lowest (\$1,742 monthly) and the Bridgewater, NJ area the highest (\$5,197 monthly).

National Findings*

- The national average, private pay monthly base rate for an individual residing in an assisted living facility is **\$2,968** or \$35,616 yearly.
- 48% of assisted living facilities provide dementia care, with 23% charging additional fees ranging from \$750 to \$2,200 monthly.

**All cost averages in this survey are rounded to the nearest dollar.*

Overview

In the continuum of care, assisted living bridges the gap between home care and nursing homes.

Residents of assisted living facilities may need assistance with meal preparation, Activities of Daily Living (bathing, dressing, eating, transferring in and out of chairs or beds, and continence), or household chores, or due to dementia or similar disorder, and are unable to live independently.

Assisted living facilities are appropriate housing for those who need help in day-to-day living, but who do not require the round-the-clock skilled care found in nursing homes. Many facilities have centers for medical care, but the care may not be as intensive as the care provided at a nursing home.

Most assisted living facilities create a service plan for each resident detailing the services required. This plan is usually updated regularly to assure that residents receive the proper care as their condition changes.

While the term assisted living is used in many parts of the country, other common terms include:

- ◆ Residential care
- ◆ Personal care
- ◆ Adult congregate living care
- ◆ Board and care
- ◆ Domiciliary care
- ◆ Adult living facility
- ◆ Supported care
- ◆ Enhanced care
- ◆ Community based retirement facility
- ◆ Adult foster care
- ◆ Adult homes
- ◆ Sheltered housing
- ◆ Retirement residence

Oversight of assisted living facilities is primarily in the hands of state governments rather than federal regulation. In 2005, several states strengthened existing standards or implemented new standards for those facilities with residents with Alzheimer's disease or other form of dementia. Some states increased training requirements for staff, or added disclosure requirements to prospective residents.¹

Residents in assisted living facilities can usually expect the following services to be offered as part of the base rate:

- ◆ Care management and monitoring
- ◆ Help with Activities of Daily Living
- ◆ Housekeeping and laundry
- ◆ Medication management
- ◆ Recreational activities
- ◆ Security
- ◆ Transportation

Some facilities also charge a one-time entrance fee, and assess additional fees for services such as having meals delivered to living quarters, for dementia care, or for extra transportation services. A growing number of states have begun covering assisted living costs for those low-income individuals who qualify through Medicaid waiver programs, although most residents pay privately or through a long-term care insurance policy.

It is currently estimated that more than a million Americans live in almost 33,000 licensed assisted living residences in the United States.² Another recent survey stated the median age of female residents is 87, and the median age of males is 85; on average residents needs assistance with two Activities of Daily Living.³

Methodology

This survey of assisted living facilities in all 50 states and the District of Columbia was conducted by telephone during June and July 2006 by LifePlans, Inc. for the MetLife Mature Market Institute.

As with any research, readers should exercise caution when generalizing results in this market survey. It should be used as a guide to assist individuals in making long-term care decisions. While we are confident in the research, it is prudent to understand that the results presented in this report are only truly representative of the sampling of assisted living facilities in the areas surveyed.

The states were divided into three groups according to population—under 3 million, 3 to 10 million, and over 10 million. These groupings were determined using data from the 2000 U.S. Census. The cities/areas surveyed within the states were chosen on the basis of population and the ability to obtain a reasonably balanced sampling.

In each city/area, a minimum of 10 assisted living facilities or 15%, whichever was greater, were surveyed. In some areas, in order to meet the criteria, it was necessary to expand the survey statewide.

In the 2006 market survey, Baton Rouge replaced New Orleans.

Assisted Living State Criteria		
Population Under Three Million	Population Three to Ten Million	Population Over Ten Million
States Surveyed – 22 Areas - 22 One city or area surveyed: capital or most populated city (District of Columbia also surveyed)	States Surveyed – 22 Areas – 44 Two cities or areas surveyed: most populated cities and/or areas from representative locations in the state	States Surveyed – 7 Areas — 21 Three cities or areas surveyed: most populated cities and/or areas from representative locations in the state

Callers to the assisted living facilities asked for the Director of Admissions or a comparable professional.

Facilities were called at random and had to meet the following criteria:

- ◆ Must be licensed according to each state's standards for licensure
- ◆ Must provide personal care assistance
- ◆ Must provide private pay rate

Of those facilities that met the criteria, monthly base rates were obtained for a one-bedroom apartment with a private bath or a private room with a private bath.

Facilities were also asked if care for dementia was provided. If the facilities could accommodate a resident with dementia, they were also asked if any additional fee would be assessed.

Facilities that assessed entrance or move in fees were excluded from the sample. Most of those that assessed fees were part of a continuing care community.

Data from 850 assisted living facilities, ranging in size from 5 to 500 beds, were included in the sample; the average number of beds per facility was 64 and the median number of beds was 60.

RESULTS

- The 2006 national average, private pay monthly rate for a private room with a private bath in an assisted living facility is \$2,968 or \$35,616 annually, a \$63 or 2.2% increase from 2005.
- In 2005, the national average, private pay monthly rate for a private room with a private bath in an assisted living facility was \$2,905 or \$34,860.
- In 2004, the national average, private pay monthly rate for a private room with a private bath in an assisted living facility was \$2,524 or \$30,288 annually.
- Almost half, or 48% of facilities surveyed provided dementia care for residents. Of those charging an additional fee (23%), the extra charges ranged from an additional \$750 to an additional \$2,200 monthly.

Assisted Living Costs 2006

Region	State	First 3 Numbers in Zip Code(s)	Base Rate High	Base Rate Low	Base Rate Average
Statewide	AK	All	\$4,729	\$1,161	\$3,332
Birmingham	AL	352	\$3,519	\$1,600	\$2,642
Montgomery	AL	361	\$3,255	\$1,850	\$2,352
Little Rock	AR	722	\$7,997	\$1,300	\$2,565
Phoenix	AZ	850	\$5,000	\$1,502	\$2,719
Tucson	AZ	857	\$4,000	\$1,500	\$2,718
Los Angeles	CA	900	\$4,800	\$1,300	\$2,426
San Diego	CA	921	\$2,500	\$1,700	\$2,066
San Francisco	CA	940 & 941	\$5,500	\$2,260	\$3,636
Denver	CO	800 & 802	\$4,215	\$1,900	\$2,814
Colorado Springs	CO	809	\$4,500	\$2,130	\$2,967
Hartford Area	CT	060 & 061	\$3,954	\$2,175	\$3,303
Stamford Area	CT	068 & 069	\$8,200	\$2,424	\$4,802
Washington	DC	200	\$5,400	\$1,600	\$4,154
Wilmington	DE	198	\$5,100	\$2,700	\$4,043
Jacksonville	FL	322	\$3,547	\$1,250	\$2,567
Orlando	FL	328	\$3,632	\$1,200	\$2,379
Miami	FL	331	\$4,000	\$1,850	\$3,060
Alpharetta	GA	300	\$3,540	\$2,250	\$2,826
Atlanta	GA	303	\$3,995	\$1,800	\$2,985
Statewide	HI	All	\$5,450	\$1,850	\$3,406
Des Moines Area	IA	500-503	\$4,125	\$1,300	\$2,597
Boise	ID	837	\$3,500	\$1,950	\$2,807
Des Plaines Area	IL	600	\$5,675	\$3,675	\$4,479
Chicago	IL	606	\$4,500	\$1,988	\$3,127
Peoria Area	IL	615-616	\$3,450	\$1,950	\$2,555
Indianapolis	IN	462	\$2,865	\$1,095	\$2,305
Fort Wayne Area	IN	465-468	\$3,375	\$1,350	\$2,395
Wichita	KS	672	\$4,500	\$1,890	\$2,793
Louisville	KY	402	\$4,500	\$2,206	\$2,808
Lexington Area	KY	403 & 405	\$4,000	\$1,675	\$2,610

Region	State	First 3 Numbers in Zip Code(s)	Base Rate High	Base Rate Low	Base Rate Average
Baton Rouge	LA	708	\$3,578	\$1,600	\$2,480
Shreveport Area	LA	711	\$2,500	\$1,700	\$2,033
Worcester Area	MA	014-016	\$4,650	\$3,100	\$3,860
Boston	MA	021	\$5,850	\$2,700	\$4,180
Silver Spring	MD	209	\$6,000	\$3,500	\$4,750
Baltimore	MD	212	\$6,950	\$1,950	\$3,380
Statewide	ME	All	\$5,280	\$3,000	\$4,040
Detroit Area	MI	481-483	\$5,747	\$1,000	\$3,029
Grand Rapids	MI	495	\$3,425	\$1,041	\$2,397
Minneapolis/St. Paul	MN	551 & 554	\$6,000	\$1,240	\$2,754
Rochester	MN	559	\$4,250	\$1,625	\$2,675
St. Louis	MO	631	\$6,960	\$2,246	\$3,405
Kansas City Area	MO	640 & 641	\$4,710	\$1,564	\$2,577
Jackson Area	MS	391 & 392	\$3,825	\$800	\$2,180
Billings	MT	591	\$3,850	\$2,106	\$2,779
Raleigh/Durham	NC	276-277	\$4,860	\$2,225	\$3,252
Charlotte	NC	282	\$3,893	\$1,118	\$2,696
Statewide	ND	All	\$2,250	\$1,100	\$1,742
Omaha	NE	681	\$4,300	\$1,853	\$2,693
Manchester Area	NH	031	\$6,450	\$2,230	\$3,620
Cherry Hill Area	NJ	080	\$4,365	\$2,880	\$3,563
Bridgewater Area	NJ	088	\$9,000	\$3,650	\$5,197
Albuquerque	NM	871	\$3,125	\$1,500	\$2,517
Las Vegas	NV	891	\$3,080	\$2,150	\$2,622
New York City	NY	100-114	\$4,798	\$1,000	\$3,371
Syracuse Area	NY	130-132	\$4,050	\$1,400	\$2,559
Rochester Area	NY	144-146	\$4,545	\$1,740	\$2,891
Columbus	OH	432	\$4,991	\$2,704	\$3,536
Cleveland	OH	441	\$4,140	\$2,075	\$2,697
Cincinnati	OH	452	\$4,300	\$2,100	\$2,879
Oklahoma City	OK	731	\$3,795	\$1,450	\$2,412

Assisted Living Costs 2006 (continued)

Region	State	First 3 Numbers in Zip Code(s)	Base Rate High	Base Rate Low	Base Rate Average
Tulsa	OK	741	\$3,550	\$1,800	\$2,538
Portland	OR	972	\$3,300	\$1,026	\$2,596
Eugene	OR	974	\$4,062	\$2,250	\$2,991
Pittsburgh	PA	152	\$3,450	\$1,995	\$2,582
Scranton Area	PA	185 & 186	\$3,555	\$1,300	\$2,177
Philadelphia	PA	191	\$4,710	\$1,800	\$3,211
Providence	RI	029	\$4,495	\$1,178	\$3,143
Columbia Area	SC	291 & 292	\$4,250	\$1,200	\$2,423
Charleston	SC	294	\$6,120	\$1,750	\$2,758
Rapid City Area	SD	577	\$2,500	\$1,400	\$1,966
Nashville	TN	372	\$5,280	\$2,311	\$3,264
Memphis	TN	381	\$3,480	\$1,000	\$2,678
Dallas/Fort Worth	TX	752 & 761	\$4,500	\$1,475	\$2,569
Houston	TX	770	\$4,300	\$1,500	\$2,995
Austin	TX	787	\$4,360	\$2,500	\$3,413
Salt Lake City	UT	841	\$3,300	\$1,530	\$2,356
Northern Virginia	VA	221-223	\$5,600	\$3,150	\$4,118
Richmond	VA	232	\$3,900	\$1,750	\$2,733
Statewide	VT	All	\$5,460	\$3,000	\$3,994
Seattle	WA	981	\$4,100	\$1,550	\$2,589
Spokane	WA	992	\$3,638	\$2,045	\$2,708
Milwaukee	WI	532	\$4,440	\$2,300	\$2,983
Madison	WI	537	\$4,086	\$2,400	\$3,116
Statewide	WV	253	\$3,600	\$2,200	\$2,916
Statewide	WY	All	\$3,325	\$1,700	\$2,424
National Average					\$2,968

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Metropolitan Life Insurance Company
New York, NY 10166
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