

# Increase in Long-Term Care Costs in Pennsylvania Mirror National Trends; Labor Market Shifts and Continued COVID-19 Pressure Affect Future Costs

RICHMOND, Va.--(BUSINESS WIRE)-- The cost of long-term care services in Pennsylvania increased year-over-year, reflecting national trends, as labor market shifts drove increased wages and COVID-19 intensified providers' existing challenges to meet the increasing demand for long-term care services, according to [Genworth's 2021 Cost of Care Survey](#).

National 2021 data shows a continuation of the upward trajectory in long-term care costs, though this year presented unique challenges as patients and providers adjusted to broader economic shifts and the effects of [COVID-19](#). This year's Cost of Care Survey shows national annual median costs increased across all provider types and increased more substantially for certain settings – assisted living facilities (4.65%), home health aides (12.5%), homemaker services (10.64%), and skilled nursing facilities (1.96% for a semi-private room and 2.41% for a private room).

While labor costs are likely to remain a significant driver of future cost increases, providers indicated that elevated costs associated with PPE and other COVID-19 protocols such as testing, vaccination status tracking, and quarantining are likely to subside as we make continued progress on reducing COVID-19 case numbers.

The chart below shows how the cost of care in Pennsylvania compares with national trends and the previous year. To see how costs have risen over a 5- or 10-year period, see the trend charts on [www.genworth.com/costofcare](http://www.genworth.com/costofcare).

**Annual Median Cost of Long-Term Care Support Services for Pennsylvania**

Care Category	Pennsylvania			National	
	2021 Annual Cost	Change Since 2020 <sup>6</sup>	State Rank (High/Low) <sup>7</sup>	2021 Annual Cost	Change Since 2020 <sup>6</sup>
Homemaker Services	\$59,488 <sup>2</sup>	8%	33 <sup>rd</sup>	\$59,488 <sup>2</sup>	10.64%
Home Health Aide	\$59,488 <sup>2</sup>	8%	33 <sup>rd</sup>	\$61,776 <sup>2</sup>	12.5%
Adult Day Health Care	\$19,500 <sup>3</sup>	7%	38 <sup>th</sup>	\$20,280 <sup>3</sup>	5.41%
Assisted Living Facilities <sup>1</sup>	\$49,200 <sup>4</sup>	4%	32 <sup>nd</sup>	\$54,000 <sup>4</sup>	4.65%
Nursing Home Semi-Private Room	\$124,841 <sup>5</sup>	4%	15 <sup>th</sup>	\$94,900 <sup>5</sup>	1.96%
Nursing Home Private Room	\$133,882 <sup>5</sup>	3%	15 <sup>th</sup>	\$108,405 <sup>5</sup>	2.41%

<sup>1-7</sup> Genworth Cost of Care Survey, conducted by CareScout®. Represents the year-over-year growth rate based on Genworth Cost of Care Surveys conducted from 2020 to 2021. The rate can be influenced by a number of factors such as random variation in samples, different sample sizes and new surveyed providers.

<sup>1-7</sup> Additional Genworth Cost of Care Survey supporting table footnotes located at the end of the release.

“The Cost of Care Survey has once again underscored the importance of planning ahead for long-term care costs and highlighted the need to consider where and how a person wants to receive care,” said Brian Haendiges, President and CEO, Genworth U.S. Life Insurance. “Further, our [Beyond Dollars](#) research shows that having a long-term care plan can help alleviate some of the emotional, financial, and physical stress of finding care for a loved one. Genworth is working to provide people with the products, services, and solutions to help navigate the challenges of aging—and our annual Cost of Care Survey and the accompanying interactive website are incredibly useful tools to help families assess care options as well as the costs associated with those options. It is a great first step to making a plan in advance of when you will need it.”

### **Why Costs Are on the Rise**

Since Genworth started tracking the cost of care in 2004, the cost for long-term care services has been on the rise driven by supply and demand. Every day until 2030, 10,000 Baby Boomers will turn 65<sup>8</sup> and seven out of ten of them will require long-term care services and support at some point<sup>9</sup>. The level of care needed by this rapidly aging population has itself increased over the years<sup>10</sup>. The high turnover rate and insufficient supply of professionals to meet this growing demand pre-date the COVID-19 pandemic<sup>11</sup>, but are now amplified as those providing care on the frontline must consider their own risk of exposure against increasing opportunities for competitive salaries, training, and advancement in alternative lines of work.

“Even more than in prior years, the increased demand for labor and the current national labor shortage have made it more difficult to hire and retain long-term care professionals,” said Brian Haendiges, President and CEO, Genworth U.S. Life Insurance. “Those challenges are coupled with the broader trend of growing wages and increases in the cost of doing business associated with regulatory, employee certification, and equipment costs, which have all been exacerbated by the pandemic.”

“There is fierce competition for a limited number of care professionals, and many are leaving the industry in pursuit of higher paying jobs or because of concerns about potential exposure to COVID-19 while on the job. The costs of recruiting, retaining, and training new care professionals is likely to remain high as we approach 2023,” Haendiges said.

While labor costs are likely to remain high, conversations with care services providers indicate that elevated costs associated with PPE and other COVID-19 protocols such as testing, vaccination status tracking, and quarantining may subside as we make continued progress on reducing COVID-19 case numbers. However, it is likely that wide variability in care costs for markets across the U.S. will continue due to state and local regulations, demographics, and population shifts.

### **Genworth’s Cost of Care Planning Resources**

Genworth is committed to helping people learn about, understand the challenges, and appropriately plan for the cost of long-term care services. The following are resources that can help with the planning process:

- [Cost of Care Survey tool](#) to help calculate the median cost of long-term care services in your area, as well as [trend charts](#) and [tables ranking states](#) from the highest to lowest cost in each care category.

- [Beyond Dollars](#) research, which highlights how caregiving impacts families, communities, and society.
- Guides to understanding [Medicare and Medicaid](#).
- [Conversation starters](#) to help begin the discussion with your loved ones about potential long-term care needs and issues with aging.
- In-person and online [simulations and videos](#) to help people understand the potential physical effects of aging.
- Information about [paying for long-term care services](#) for yourself or a loved one.
- [Stories from real families](#) about their experiences with long term care.

### **About Genworth's 18<sup>th</sup> Annual Cost of Care Survey**

Genworth's annual Cost of Care Survey, one of the most comprehensive studies of its kind, contacted more than 67,000 long term care providers nationwide to complete almost 15,000 surveys for nursing homes, assisted living facilities, adult day health facilities and home care providers from June to November 2021. The survey includes 437 regions based on the Metropolitan Statistical Areas, defined by the Office of Management and Budget as a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core. However, due to statistical variance actual costs for long-term care services may differ from the projected cost based on ZIP Code or location. CareScout®, part of the Genworth Financial family of companies, has conducted the survey since 2004. Located in Waltham, Massachusetts, CareScout has specialized in helping families find long term care providers nationwide since 1997.

### **About Genworth Financial**

Genworth Financial, Inc. (NYSE: GNW) is a Fortune 500 provider of products, services and solutions that help families address the financial challenges of aging. Headquartered in Richmond, Virginia, we apply our nearly 150 years of experience each day to helping people navigate caregiving options and fund their long term care needs. Genworth is also the parent company of publicly traded Enact Holdings, Inc. (Nasdaq: ACT), a leading U.S. mortgage insurance provider. For more information on Genworth, please visit <https://www.genworth.com/>. From time to time Enact separately releases financial and other information about its operations. This information can be found at <https://ir.enactmi.com/>.

#### Footnotes:

<sup>1</sup> Referred to as Residential Care facilities in California.

<sup>2</sup> Based on 44 hours per week by 52 weeks.

<sup>3</sup> Based on 5 days per week by 52 weeks.

<sup>4</sup> Based on 12 months of care, private, one bedroom.

<sup>5</sup> Based on 365 days of care.

<sup>6</sup> Based on 2020 and 2021 Annual Percentage Change.

<sup>7</sup> Ranking based on the highest to lowest cost per state for each care category.

<sup>8</sup> "2020 Census Will Help Policymakers Prepare for the Incoming Wave of Aging Boomers" (<https://www.census.gov/library/stories/2019/12/by-2030-all-baby-boomers-will-be-age-65-or-older.html>), site accessed 1/25/22.

<sup>9</sup> 2021 U.S. Department of Health and Human Services (<https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>), site accessed 1/25/22.

<sup>10</sup> Genworth Beyond Dollars 2021

(<https://pro.genworth.com/riiproweb/productinfo/pdf/682801BRO.pdf>), site accessed 1/25/22.  
11 2020 “The Ballooning Costs of Long Term Care,” American Action Forum,  
(<https://www.americanactionforum.org/research/the-ballooning-costs-of-long-term-care/>), site  
accessed 1/25/22.

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