

Fact Sheet

Long-Term Services and Supports

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Long-term services and supports (LTSS) consist of a broad range of day-to-day help needed by people with long-term conditions, disabilities, or frailty. This can include personal care (bathing, dressing, toileting); complex care (medications, wound care); help with housekeeping, transportation, paying bills, and meals; and other ongoing social services. LTSS may be provided in the home, in assisted living and other supportive housing settings, in nursing facilities, and in integrated settings such as those that provide both health care and supportive services. LTSS also include supportive services provided to family members and other unpaid caregivers.¹

Who Needs LTSS

In 2018, 14 million adults in the United States needed long-term services and supports (figure 1). Of that population, 7.9 million (56 percent) were over age 65 and 6.1 million (44 percent) were ages 18 to 64.

Overwhelmingly, adults with LTSS needs reside in the community, where they may receive assistance at home or in another community setting, such as an assisted living facility or adult day program. In 2018, among adults with LTSS needs, 90 percent resided in the community, while the other 10 percent received care in nursing homes.

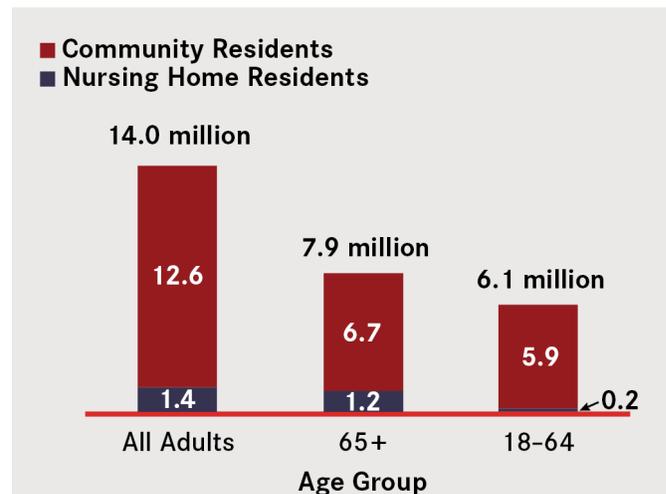
The frequency and intensity of the services needed vary by person. For example, an individual with advanced dementia or paralysis may require around-the-clock assistance, while another person may need only a few hours of assistance each week. Often, an individual's LTSS needs change over time.

While people with LTSS needs are of all ages, the likelihood of needing LTSS grows as people age. Among individuals ages 85 and older, about 42 percent had LTSS needs in 2018 (figure 2). In comparison, only 2 percent of people ages 18 to 49, and 5 percent of people ages 50 to 64, had LTSS needs.

Who Provides LTSS, and Where It's Provided

The vast majority of people with LTSS needs rely on unpaid assistance from family and friends. According to findings from AARP's Public Policy

FIGURE 1
United States Adults Who Need Long-Term Services and Supports, by Age, 2018



Source: AARP Public Policy Institute estimates based on data from the 2018 National Health Interview Survey and L. Harris-Kojetin et al., Long-Term Care Providers and Services Users in the United States, 2015–2016, *National Center for Health Statistics, Vital Health Statistics 3(43)*, 2019.

Note: Community residents with LTSS needs are people who, because of a physical, mental, or emotional condition, need the help of others with personal care needs (e.g., bathing, dressing) and/or handling routine needs (e.g., everyday household chores, shopping for necessities).

Institute, nearly 40 million family caregivers (defined to include relatives and friends) provided an estimated 37 billion hours of care to adults needing help with everyday activities in 2013.² The estimated economic value of the unpaid contributions of family caregivers was about \$470 billion in 2013.³ Unpaid family caregivers offer a full range of support, with many even providing complex medical care supports.⁴

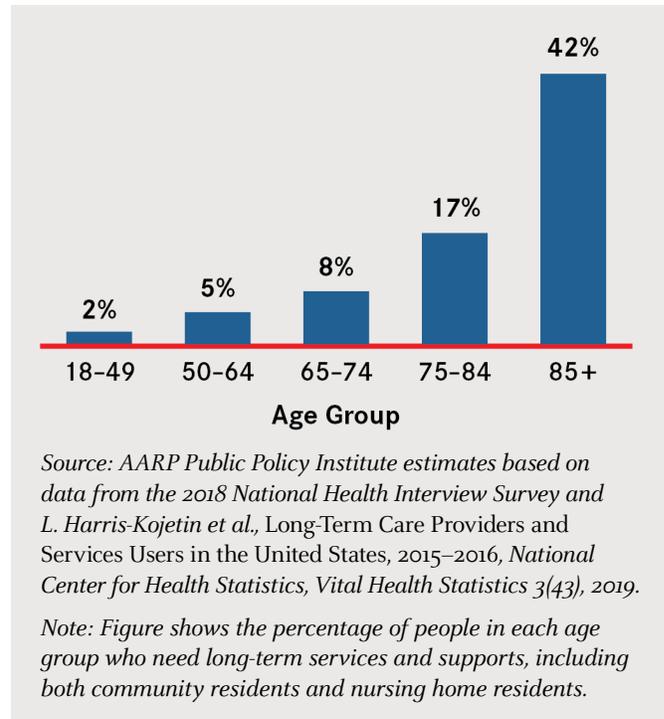
Most family caregivers caring for adults—60 percent—must juggle their caregiving responsibilities with either full- or part-time jobs.⁵ **Without family-provided help, many individuals with LTSS needs would lack the critical support they need to live in the community.**

LTSS recipients also may depend on paid caregiving by direct care workers, such as home care aides and personal care assistants, to fulfill or supplement their LTSS needs. The availability of paid caregiving is crucial, particularly in circumstances where family-provided care is not available or cannot address the types or amount of LTSS the person needs. In addition, aside from any availability issues, the cost of paid services often are an impediment to fully meeting needs, with some people foregoing necessary care because of the expense.

What Paid LTSS Costs

The cost of paid LTSS can vary widely depending on the type and amount of care a person needs

FIGURE 2
Percentage of People Who Need Long-Term Services and Supports, by Age Group, 2018



(table 1). In 2018, the national median annual private pay price of nursing home care was about \$100,400 for a private room.⁶ For assisted living care, the median annual cost was an estimated \$48,000, but individuals often pay higher amounts for higher levels of services, such as dementia care.

TABLE 1
National Median Prices for Paid Long-Term Services and Supports, by Type of Service, 2018

LTSS	Description	National Median Annual Private Pay Price, 2018
Nursing Home	Provides a higher level of care in a residential facility with 24-hour skilled nursing supervision	\$100,400 (Private room)
Assisted Living Facility	Provides personal care and limited health services in a residential setting; the level of care may not be as extensive as that in a nursing home	\$48,000 (Private, one-bedroom unit)
Home Health Aide	Provides assistance with personal care (e.g., bathing, dressing, eating) and other routine activities (e.g., preparing meals, doing laundry) in a person’s home	\$34,300 Based on 30 hours/week
Adult Day Care	Provides social and supportive services in a community-based setting, usually during typical weekday business hours	\$18,700 Based on 6 to 8 hours a day for 5 days/week

Source: Genworth, Cost of Care Survey 2018 (available at <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>).

Who Pays the Cost

A common consumer misperception is that Medicare, the nation's health insurance program for people ages 65 and older and some younger people with long-term disabilities, pays for LTSS. However, Medicare does not cover costs for extensive LTSS.⁷ Medicare only pays for short-term, rehabilitation-focused skilled nursing facility stays and for limited home health care services. Medicare's optional private health plans, known as Medicare Advantage plans, have new flexibility to offer supplemental benefits that could address some LTSS needs, but these benefits are limited and, as of 2019, few plans offer them.⁸

Of the \$235 billion spent on paid LTSS in 2017, about 57 percent came from Medicaid, the joint federal and state health insurance program for people of all ages with low incomes (figure 3). Medicaid covers a variety of LTSS, including nursing home care and community-based services; however, coverage of community-based care varies widely by state.⁹ To qualify for Medicaid assistance for LTSS, people must have limited income and savings as well as meet functional need requirements.

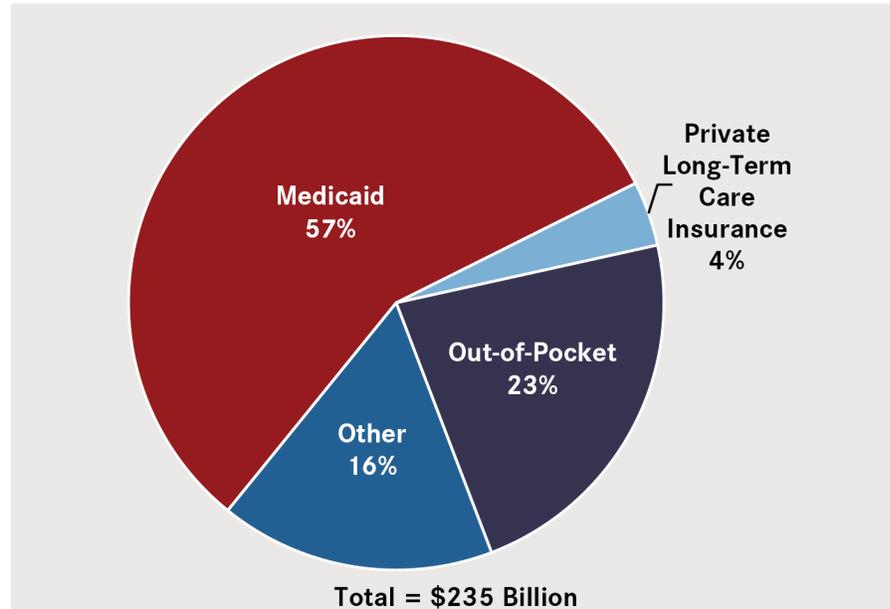
Most people do not have Medicaid or other insurance for LTSS (although some may deplete their savings paying for LTSS and rely on Medicaid once their income and assets are low enough to qualify). If they use paid services, they have to pay for them out of pocket. As shown in figure 3, out-of-pocket spending accounted for 23 percent of the total national expenditures for LTSS in 2017. However, out-of-pocket spending for LTSS is understated in the available data, as spending for home-based care reflects only

agency-provided services and does not include spending for privately hired individuals.

Private long-term care insurance plays a small role in paying for LTSS, accounting for only 4 percent of national LTSS spending in 2017. Other public and private sources, such as private health insurance and health programs for veterans, represented 16 percent of the national spending for LTSS.

Finally, in addition to the care recipient, the family caregiver must be considered. Given

FIGURE 3
National Spending for Long-Term Services and Supports, by Payer, 2017



Source: AARP Public Policy Institute estimates based on data from three sources: spending for nursing homes and home health care are from Center for Medicare & Medicaid Services, National Health Expenditure Accounts (available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html>); Medicaid spending for home- and community-based services waiver programs from S. Eiken et al., Medicaid Expenditures for Long-Term Services and Supports in FY 2016 (IBM Watson Health, May 2018); and 2017 private long-term care insurance claims from the American Association for Long-Term Care Insurance (available at <https://www.aaltci.org/news/long-term-care-insurance-association-news/long-term-care-insurance-industry-paid-10-3-billion-in-claims-in-2018>).

Notes: Data reflect spending for free-standing nursing home and home health agencies and do not include hospital-based facilities. Data do not include out-of-pocket spending for home-based care purchased from sources other than home health or home care agencies. "Other" consists of private health insurance and other public and private sources, such as the Veterans Health Administration, the Indian Health Service, state and local programs, and donations.

the costliness of services and the often-limited financial resources of many people who need them, it is common for family caregivers to incur direct costs. In 2016, family caregivers spent an average of about \$7,000 on caregiving expenses, with costs even higher—averaging \$12,000—for long-distance caregivers (defined as those living more than an hour away).¹⁰ The 2015 *Caregiving in the U.S.* study found that nearly one in five

caregivers experienced a high level of financial strain from providing care.¹¹ Some examples of costs family caregivers incur include paying for medications and paid LTSS, and traveling to a care recipient. In addition, the report found that family caregivers also experienced reduced income. Among working caregivers, 20 percent reported that they reduced their work hours, took a less demanding job, or gave up work entirely.¹²

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- 12 AARP and National Alliance of Caregivers, *Caregiving in the U.S.*

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