

The News&Observer

Plans must be made for the increasing cost of aging

As Baby Boomers age, the cost of elder care is skyrocketing.

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The Great Recession took many Americans out of their jobs and into their savings. That's not a good omen for the security of their retirements – and especially for their ability to pay for their care when they no longer can stay in their own homes.

Yes, there is a crisis in elder care that isn't just on the horizon– it's here.

Genworth Financial, a company that sells long-term-care insurance, conducts an annual "Cost of Care" report on the expenses of nursing homes, adult day care, home health aides and the like. It should be noted, as it was by Joe Caldwell of the National Council on Aging, that Genworth is in the business of selling insurance, often expensive insurance, for people to protect themselves against bankruptcy.

"What they're not telling you," Caldwell said, "is that the long-term-care coverage is becoming more and more unaffordable for middle-class families." Such coverage also doesn't necessarily cover all expenses in a nursing home, although it can prevent or at least delay the point at which people are out of money and qualify for Medicaid, the federal-state health insurance program for the poor and disabled.

But that program, as noted in an Associated Press report, is going to be burdened more and more as Baby Boomers age into elder care. And even now, Medicaid has to cover more than half of long-term-care bills, and that expense represents more than a quarter of all Medicaid spending.

And just how high are the bills?

According to the Genworth report, the median bill for a private room in a nursing home, a facility where there is full-time and often intense medical care, is over \$91,000 a year. For all but a relatively small number of individuals and families, that's a back-breaker that eventually will put someone in the Medicaid category.

For Caldwell, the most important reason for a crisis in elder care is that, "Most people don't realize how expensive this care can be until a parent or family member needs it. And then it's a real shock."

The United States is going to have to take a look at the issue to find ways in which to help people protect themselves against back-breaking expenses in old age and to stem the pattern of letting people go through a lifetime of savings.

Part of the problem is cultural. In many foreign cultures, it's accepted that the elderly are to be cared for by their families, in their own homes or in those of family members. But in the United States, nursing homes and assisted-living facilities are becoming the norm.

Yes, it's true in this country that living expenses necessitate two breadwinners in a household, which doesn't leave much time for elder care. And many elderly people don't want to be a "burden" on their families. But is this a culture that is sustainable, given the increasing expense?

Taking on big challenges has been successful before. Medicare prevented middle-class elderly people from spending all they had on health care. Social Security has been an economic safety net for people who otherwise would have been entirely dependent on public-assistance programs or relatives.

Yes, these "entitlement programs" are expensive to maintain and sometimes attacked by conservatives who have no memory of the Great Depression and its soup lines and families constantly on the move with no permanent homes. Talking about "privatization" of such programs is the worst alternative of all. One stock market crash, and millions of people would be wiped out.

Rather, there needs to be a national push, a task force, a joint effort from Congress and leaders of the private sector, to address the issue of long-term care as Medicare and Social Security were created long ago. It can be done. Because it has been done.

