

## **GRAY MATTERS: ‘An essential expense’**

Carol Harrison/For the Times-Standard  
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Independence for a lifetime is everyone's dream, but many older adults underestimate the cost and likelihood of needing help, according to a new poll from The SCAN Foundation and the Center for Health Policy Research at the University of California, Los Angeles.

The Department of Health and Human Services reports that 70 percent of Americans over the age of 65 will need help at some point with daily activities and personal care and more than 40 percent will receive care in a nursing home for a short period. But the SCAN/UCLA poll of 1,490 voters ages 40 and older revealed only 37 percent estimate the likelihood of needing assistance.

Sixty-six percent say they could not afford more than three months of care in a nursing home, with an average cost of \$6,000 a month. Forty-two percent said they could not afford a single month of care.

“With so many Californians struggling financially today, it is hard for them to think about the future, yet planning for future needs is an essential component of growing older,” SCAN President and Chief Executive Officer Dr. Bruce Chernof said in a media release. “It's necessary for one's personal health, as well as the state's fiscal health.”

But nearly half of the survey respondents said their household income has declined in the past 12 months and 50 percent said they had to take money out of savings to meet their expenses.

Forty-one percent have had to cut down on food expenses in the past year and 45 percent cut back on saving for retirement.

“People can cut back on movie tickets and trips to the mall, but long-term care is an essential expense,” said Steven Wallace, associate director of the UCLA Center for Health Policy Research. “Most Californians will need it during their life, yet unfortunately, most Californians are not planning for it and the government is cutting back on affordable options for help.”

Wallace pointed to state budget cuts that have put in jeopardy the network of home- and community-based services that enable elderly or disabled Californians to live on their own in their homes.

“The policy question moving forward has to be how to reorganize and sustain critical in-home programs that provide vital services and save the state from the far more expensive option of nursing homes,” Wallace said.

The California 2011-12 state budget cut several key services that help those with long-term care needs remain in the community. Core state funding for Adult Day Health Care centers was eliminated, and cuts were made to In-Home Supportive Services, which provides assistance to low-income adults and children who are blind or disabled.

The UCLA center estimates the average cost of in-home care is \$2,000 per month. Locally, an in-home caregiver from Visiting Angels costs \$22 per hour while a six-hour stay at the Alzheimer's Day Care and Resource Center in Eureka or Adult Day Health Care of Mad River in Arcata is \$88 for a private-pay client.

"People come here to talk about options for care and my first question is: 'Do you have savings?'" said Rachael Riggs, program manager for Alzheimer's Day Care and Resource Center in Eureka. "I tell them 'These are the options and this is what it is going to cost.' The ball drops. Silence. People are kind of shocked by that number."

The number equates to \$14 an hour for highly skilled care and, in some cases, transportation to get there, but Riggs said people aren't ready for it.

"People are in a pickle, and they don't even know they're in a pickle," she said. "It's not like they can live somewhere else without coming up with money."

Other alternatives include employing someone off the Caregiver Registry for \$8 to \$16 an hour. But the Area 1 Agency on Aging said budget cuts will force it to halve the training slots in the Caregiver Training program this year, much to the dismay of Cindy Denbo, executive director of A1AA.

Nearly four in 10 SCAN survey respondents said they had been a caregiver for a family member or friend in the past 12 months, and three in 10 caregivers faced a financial hardship because of it.

A woman who reduces work hours to care for a parent loses \$185,000 in wages and Social Security benefits while men take a \$165,000 hit, according to a MetLife Mature Market Institute survey of caregiving costs released this year.

It's worse for those who leave the workforce completely: \$274,000 for women and \$234,000 for men. The survey doesn't include lost revenue from private pensions.

"Californians need affordable options to age in their own homes with dignity and independence, but it's getting harder and harder to do that as state budget cuts shrink the safety net and the recession takes a toll on our ability to save for the future," Denbo said.

The SCAN Foundation survey also revealed that 90 percent of Californians are unaware of the CLASS Act, a self-funded and voluntary long-term care insurance choice introduced through the Patient Protection and Affordable Care Act passed last year.

It provides new options to finance long-term services and care to workers who opt to pay premiums for a disability benefit that can be used for a range of community support services from respite care to home care.

It's due to roll out next year -- unless Congress repeals the Obama health care reforms.

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Area 1 Agency on Aging commissions Carol Harrison to produce Gray Matters every two weeks. The SCAN Foundation funds A1AA's Project for Senior Action and is committed to creating a society in which seniors receive medical treatment and human services in a setting appropriate to their needs.