



Why COVID-19 Will Continue to Drive Higher Costs for Long-Term Care

Public health experts believe that the COVID-19 pandemic is transitioning to the endemic stage, throughout much of the Northern Hemisphere. Epidemiologists call a disease endemic when its presence becomes steady in a particular region, or at least predictable, as with seasonal influenza.¹ However, even as case counts and hospitalizations recede, COVID-19 will continue to have broad implications for long-term care in the United States, especially when it comes to costs.

As the country's aging population continues to grow, the demand for long-term care services and supports increases in kind. In fact, every day until 2030, 10,000 baby boomers will turn 65,² and 70% are expected to require long-term care services at some point.³ At the same time, the national labor shortage is making it increasingly difficult to hire and retain long-term care professionals, and the competition for qualified candidates is driving higher wages. COVID-19 has also contributed to higher costs through the increased use of personal protective equipment, enhanced safety training and additional management of regulatory compliance, especially at care facilities. Some of these costs will dissipate over time, while others will continue as part of a best-practices approach to caregiving.

These and other factors driving healthcare costs are addressed in a leading industry survey released in February 2022. According to the annual survey, the cost of long-term care services increased across all provider types last year and increased more substantially for certain settings, such as home health aides and homemaker services. The survey reports the median annual costs for the following long-term care services in the United States in 2021:⁴

- Home health aide: \$61,776
- Homemaker services: \$59,488
- Assisted living facility: \$54,000
- Semi-private room in nursing home: \$94,900
- Private room in a nursing home: \$108,405

Over the last five years, the average annual increase for these services has been in the 2% to 6% range. Keep in mind, these are the average costs nationwide. Actual costs can vary greatly by state or region. More importantly, Medicare does not pay for long-term care. That makes it critical to talk to your financial professional about the tools and resources that may be available to help you cover significant costs that Medicare doesn't, such as long-term care insurance or health savings plans (HSAs). If you have questions about how you will pay for healthcare costs in retirement, contact the office to schedule time to talk.

¹ <https://www.cfr.org/in-brief/when-will-covid-19-become-endemic>

² <https://www.census.gov/library/stories/2019/12/by-2030-all-baby-boomers-will-be-age-65-or-older.html>

³ <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>

⁴ Genworth Cost of Care Survey, conducted by CareScout®, June through October 2021.



5 Surprising Ways Hobbies Help Promote Good Health

Did you know that engaging in a hobby can have a positive impact on both your physical and mental health? Research shows that people who regularly engage in activities they enjoy are more likely to have lower stress levels, a lower heart rate and improved mood. They also report feeling more productive and less bored due to spending less time reflecting on the stressors in their lives.¹

A hobby is defined as anything you do regularly for pleasure or entertainment. That could be reading, cooking, gardening, yoga, hiking, fishing, restoring antique cars, volunteer work, and so on. Whatever you choose to do, the benefits to your health and well-being can be substantial. That's because as people age, health can decline, making activities you may have formerly enjoyed, such as running or cycling, more difficult or too hard on your joints. Other life changes, like no longer driving, can leave people feeling cut off from friends, family, social, religious or community groups and activities. For many, the inability to engage in activities they previously enjoyed can lead to mental and emotional withdrawal, which can precipitate an overall decline in health. That's where a hobby can help by inspiring joy, purpose and creativity at any age.

Below are five ways a hobby can benefit your health and well-being by:

1. **Introducing new experiences:** A hobby can challenge you to open yourself up to new people and experiences, as you create new memories. Don't be afraid to get a little outside your comfort zone.
2. **Stimulating intellectual growth:** Any activity that requires focus and concentration promotes brain health. However, if you're looking to push the envelope, consider joining a local trivia team, learning a new language, tutoring or mentoring.
3. **Counteracting boredom:** The transition from work to retirement can leave many people wondering how they will fill their days. Large amounts of unstructured time following decades of overscheduling can feel daunting. A hobby can help provide structure to your day or week, and you get to decide how much time you devote to it.
4. **Connecting with enthusiasts:** Hobbies can help you stay connected to others who share your interests. Seek out local groups, online forums or national organizations associated with your chosen hobby or pastime.
5. **Having more fun:** No matter what you choose to pursue, make sure you're having fun. There's a reason why laughter is considered the best medicine.

¹<https://link.springer.com/article/10.1007/s12160-015-9694-3>

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