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Assisted Living Rates Increase Slightly in 2006 According to MetLife Market Survey

Nearly Half of Facilities Provide Dementia Care

Westport, CT – October 30, 2006 – Assisted living costs in the U.S. continue to rise, though moderately, according to a new report by the MetLife Mature Market Institute.

The private pay rate for an individual at an assisted living facility, according to the *2006 MetLife Market Survey of Assisted Living Costs*, averaged \$2,968 per month, or \$35,616 yearly. That's up 2.2% or \$63 from 2005 and 17.6% from 2004.

Rates range considerably by region with North Dakota the lowest (\$1,742 monthly) and the Bridgewater, New Jersey area the highest (\$5,197 monthly).

Almost half (43%) of the facilities in this survey indicated that they provide dementia care for residents, with 23% reporting that they charged an additional fee for this care, ranging from \$750 to \$2,200 monthly.

"While there was a relative stabilization of prices last year, assisted living continues to be costly since it is not covered by Medicare and most other medical insurance," said Sandra Timmermann, Ed.D., director of the MetLife Mature Market Institute. "For those in need of care and supervision who cannot manage at home, but who do not need the level of care provided in a nursing home, assisted living is becoming an increasingly popular option, especially for those with Alzheimer's disease. Assisted living provides a comfortable environment for independent living and, yet, meets the individual's need for some degree of care."

Monthly costs for various regions in the 50 states and the District of Columbia are:

Statewide, AK	\$3,332
Birmingham, AL	\$2,642
Montgomery, AL	\$2,352
Little Rock, AR	\$2,565
Phoenix, AZ	\$2,719
Tucson, AZ	\$2,718
Los Angeles, CA	\$2,426
San Diego, CA	\$2,066

San Francisco, CA	\$3,636
Denver, CO	\$2,814
Colorado Springs, CO	\$2,967
Hartford Area, CT	\$3,303
Stamford Area, CT	\$4,802
Washington, DC	\$4,154
Wilmington, DE	\$4,043
Jacksonville, FL	\$2,567
Miami, FL	\$3,060
Orlando, FL	\$2,379
Alpharetta, GA	\$2,826
Atlanta, GA	\$2,985
Statewide, HI	\$3,406
Des Moines Area, IA	\$2,597
Boise, ID	\$2,807
Des Plaines Area, IL	\$4,479
Chicago, IL	\$3,127
Peoria Area, IL	\$2,555
Indianapolis, IN	\$2,305
Fort Wayne Area, IN	\$2,395
Wichita, KS	\$2,793
Louisville, KY	\$2,808
Lexington Area, KY	\$2,610
Baton Rouge, LA	\$2,480
Shreveport Area, LA	\$2,033
Worcester Area, MA	\$3,860
Boston, MA	\$4,180
Silver Spring, MD	\$4,750
Baltimore, MD	\$3,380
Statewide, ME	\$4,040
Detroit Area, MI	\$3,029
Grand Rapids, MI	\$2,397
Minneapolis/St. Paul, MN	\$2,754
Rochester, MN	\$2,675
St. Louis, MO	\$3,405
Kansas City Area, MO	\$2,577
Jackson Area, MS	\$2,180
Billings, MT	\$2,779
Raleigh/Durham, NC	\$3,252
Charlotte, NC	\$2,696
Statewide, ND	\$1,742
Omaha, NE	\$2,693
Manchester Area, NH	\$3,620
Cherry Hill Area, NJ	\$3,563
Bridgewater Area, NJ	\$5,197
Albuquerque, NM	\$2,517
Las Vegas, NV	\$2,622
New York City, NY	\$3,371
Syracuse Area, NY	\$2,559
Rochester Area, NY	\$2,891
Columbus, OH	\$3,536

Cleveland, OH	\$2,697
Cincinnati, OH	\$2,879
Oklahoma City, OK	\$2,412
Tulsa, OK	\$2,538
Portland, OR	\$2,596
Eugene, OR	\$2,991
Pittsburgh, PA	\$2,582
Scranton Area, PA	\$2,177
Philadelphia, PA	\$3,211
Providence, RI	\$3,143
Columbia Area, SC	\$2,423
Charleston, SC	\$2,758
Rapid City Area, SD	\$1,966
Nashville, TN	\$3,264
Memphis, TN	\$2,678
Dallas/Fort Worth, TX	\$2,569
Houston, TX	\$2,995
Austin, TX	\$3,413
Salt Lake City, UT	\$2,356
Northern Virginia, VA	\$4,118
Richmond, VA	\$2,733
Statewide, VT	\$3,994
Seattle, WA	\$2,589
Spokane, WA	\$2,708
Milwaukee, WI	\$2,983
Madison, WI	\$3,116
Statewide, WV	\$2,916
Statewide, WY	\$2,424
National Average	\$2,968

Assisted living bridges the gap between home care and nursing homes. Residents of assisted living facilities may need assistance with Activities of Daily Living (bathing, dressing, eating, transferring in and out of chairs or beds, and continence) or household chores. Assisted living facilities are appropriate housing for those who need help in day-to-day living, but who do not need the round-the-clock skilled care found in nursing homes.

Assisted Living Facilities can also often meet the need of those who have Alzheimer’s disease or a similar disorder who may not require hands-on physical assistance, but who need supervision and a protected environment to assure that their daily needs are met and that safety concerns that often accompany dementia are addressed.

Oversight of assisted living facilities is handled primarily by state governments rather than federal regulation. In 2005, several states strengthened existing standards or implemented new standards for facilities with residents with Alzheimer’s disease or another form of dementia. Some states increased training requirements for staff or added disclosure requirements to prospective residents.

Monthly private pay base rates, which are defined as room and board and typically at least two meals per day, housekeeping and personal care assistance, were obtained for private rooms with private baths in assisted living facilities. Some facilities also charge a one-time entrance fee, and have additional fees for items such as having meals delivered to living quarters, for dementia care, or for extra transportation services. Most regular medical insurance plans, including Medicare, do not cover assisted living facilities. While an increasing number of state Medicaid waiver programs are providing coverage for assisted living facilities for low-income individuals who qualify, most residents pay privately or through a long-term care insurance policy.

The American Association of Homes and Services for the Aging estimates that more than one million Americans live in almost 33,000 licensed assisted living residences in the United States. The 2006 Overview of Assisted Living conducted by the Assisted Living Federation of America and a number of other organizations said the median age of female residents is 87 and the median age of males is 85; on average residents needs assistance with two activities of daily living.

This survey of assisted living facilities in all 50 states and the District of Columbia was conducted by telephone during June and July 2006 by LifePlans, Inc. for the MetLife Mature Market Institute. The states were divided into three groups according to population—under 3 million, 3 to 10 million, and over 10 million. These groupings were determined using data from the 2000 U.S. Census. The cities/areas surveyed within the states were chosen on the basis of population, and the ability to obtain a reasonably balanced sampling. In the 2006 market survey, Baton Rouge replaced New Orleans.

The MetLife Mature Market Institute is MetLife's information and policy resource center on issues related to aging, retirement, long-term care and the mature market. Staffed by gerontologists, the Institute provides research, training and education, consultation and information to support MetLife, its corporate customers and business partners. MetLife is a subsidiary of MetLife, Inc. (NYSE: MET), a leading provider of insurance and financial services with operations throughout the U.S. and the Latin America, Europe and Asia Pacific regions.

LifePlans, Inc., which conducted the analysis for the MetLife Mature Market Institute, is a risk management and consulting firm that provides data analysis and information to the long-term care insurance industry. The firm works with insurers, the Federal Government, industry groups and other organizations to conduct research that helps these groups monitor their business, understand industry trends, perform effective advocacy, and modify their strategic direction.

The entire *MetLife Market Survey of Assisted Living Costs* can be found at: www.maturemarketinstitute.com under "What's New."

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