

The MetLife  
Market Survey of  
Nursing Home &  
Home Care Costs

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**September 2004**

## **T**he MetLife Mature Market

**Institute is the company's information and policy resource center on issues related to aging, retirement, long-term care and the mature market. The Institute, staffed by gerontologists, provides research, training and education, consultation and information to support Metropolitan Life Insurance Company, its corporate customers and business partners. MetLife, a subsidiary of MetLife, Inc. (NYSE: MET), is a leading provider of insurance and other financial services to individual and institutional customers.**

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# Executive Summary

Each year, the MetLife Mature Market Institute conducts a market survey of nursing home and home care costs in the United States. The 2004 survey was conducted by telephone in 87 major markets in all 50 states and the District of Columbia. Private pay rates were obtained for private and semi-private rooms in licensed nursing homes and for Home Health Aides working for licensed home care agencies.

## Findings

- **The average daily rate for a private room in a nursing home is \$192 or \$70,080 annually.**
- **The average daily rate for a semiprivate room in a nursing home is \$169 or \$61,685 annually.**
- **The average hourly rate for Home Health Aides (HHAs) provided by a home care agency is \$18 per hour.**

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# Overview

The average life expectancy has increased dramatically due in part to a greater understanding of the benefits of a healthy lifestyle and medical advances. In 1940, a 65-year-old woman could expect to live an additional 14.7 years; by 2000 a 65-year-old woman could expect to live another 19.5 years, and by 2040 she is expected to live an additional 22 years.<sup>1</sup> Chances increase that as people age they will develop a chronic condition or physical or cognitive disability for which they will require assistance. For example, almost 38% of people aged 65 and over are diagnosed with a severe disability,<sup>2</sup> and 47% of those aged 85 and older have Alzheimer's Disease or other form of dementia.<sup>3</sup>

Long-term care services may be required as the result of a chronic condition, disability, or cognitive impairment. People requiring these services need assistance with Activities of Daily Living (ADLs) such as bathing, dressing, eating, toileting, transferring and continence, and Instrumental Activities of Daily Living (IADLs), such as shopping, cooking, and managing money. While chronic conditions tend to affect the older population, the need for these services can occur at any age due to disease, accidents, or traumatic injury.

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## Nursing Homes

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Nursing homes (also known as nursing facilities) typically provide 24-hour care for people who are recovering from an acute illness and custodial care for those who are functionally impaired and no longer able to live independently or in the community. A nursing home may be necessary if someone needs round-the-clock nursing care, needs help with bathing, medications, meals and moving around, or might wander away without supervision.

Approximately 1.6 million people reside in 18,000 nursing homes in the United States with just under 10% of the residents less than 65 years old and 46.5% aged 85 years and over. Most residents (72%) are women and three-quarters require assistance with three or more activities of daily living. The average length of stay for current residents is 2.4 years.<sup>4</sup>

# Methodology

## Home Health Care

Over 1.3 million patients received home health care services from 7,200 agencies in 2000, with over half receiving help with at least one activity of daily living. Seven in ten patients were ages 65 and older, and of all patients receiving care, 65% were women.<sup>5</sup>

Home Health Aides provide assistance with personal care functions, such as bathing and dressing, and may also offer companion care. Aides have typically received special training and are qualified to provide more complex services under the supervision of a nursing professional. The agencies employing the aides generally are licensed and regulated, depending on each state's requirements. Agencies screen, hire and monitor their employees, and in most cases, licensed nurses supervise their work.

This survey of nursing homes and home care agencies in all 50 states and the District of Columbia was conducted by telephone in July and August 2004. LifePlans, Inc., a risk management and consulting services firm providing support to the long-term care industry, conducted the survey for the MetLife Mature Market Institute.

This survey is not generalizable; rather, it should be used as a guide to assist individuals in making long-term care decisions.

The states were divided into three groups according to population—under 3 million, 3 to 10 million, and population over 10 million. These groupings were determined using population data from the 2000 U.S. Census. The areas to be surveyed within the states were chosen on the basis of population, and to

obtain a reasonably balanced sampling. The same geographic criteria were used for both the nursing home and home care agency surveys. A minimum of 10 nursing homes or 15%, whichever was greater, were surveyed; a minimum of 15% or 5 home care agencies, whichever was greater, were surveyed in each area. In some areas, in order to meet the criteria, it was necessary to expand the survey statewide.

The minimum number of nursing homes and some geographic locations differ from our 2003 Market Survey, so results are not truly comparable.

## Nursing Homes

Callers to the nursing homes asked for the Director of Admissions or comparable professional.

Homes were called at random and had to meet the following criteria:

- Must be licensed
- Must provide skilled and custodial care
- Must offer a private pay rate, not the Medicare or Medicaid reimbursed rate.

Of the homes that met the criteria, rates were obtained for both private and semi-private rooms. If the home did not meet the criteria, another home would be called until a minimum of 10 nursing homes or 15% of homes in that zip code area was obtained. Data from 975 nursing homes are included in the tabulations.

<b>Nursing Home &amp; Home Care State Criteria</b>		
<b>Population Under Three Million</b>	<b>Population Three to Ten Million</b>	<b>Population Over Ten Million</b>
States - 22 Areas - 22	States - 22 Areas - 44	States - 7 Areas - 21
One city or area surveyed: capital or most populated city (District of Columbia also surveyed)	Two cities or areas surveyed: most populated cities or areas from representative locations in the state	Three cities or areas surveyed: most populated cities and/or areas from representative locations in the state

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## Home Health Care

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Callers to home care agencies asked for the Director or comparable professional. Agencies were called at random and had to meet the following criteria:

- Must be licensed, if required by the state
- Must provide the private pay rate, not the Medicare or Medicaid reimbursed rate

Of those agencies that met the criteria, hourly private pay rates were obtained for Home Health Aides. If the agency did not meet the criteria, another agency would be called until a minimum of 15% of agencies or 5 in that zip code area was obtained. Data from 790 agencies are included in the tabulation.

## Results

**Based on the market survey for 2003, the average daily rate for a private room in a nursing home was \$181 (\$66,065 annually), and for a semiprivate room \$158 (\$57,670 annually).**

**The 2004 daily rate for a private room in a nursing home is \$192 (\$70,080 annually), and for a semiprivate room \$169 (\$61,685 annually).**

**The hourly rate in 2003 for a Home Health Aide was \$18. The 2004 hourly rate is \$18.**



# Nursing Home Costs 2004

Area	State	First 3 Zip Code Numbers	Semiprivate High	Semiprivate Low	Semiprivate Average	Private High	Private Low	Private Average
Statewide	AK	All	\$720	\$270	\$435	\$895	\$270	\$561
Birmingham	AL	352	\$145	\$110	\$127	\$153	\$115	\$133
Montgomery	AL	361	\$151	\$124	\$137	\$156	\$134	\$145
Little Rock	AR	722	\$125	\$105	\$114	\$145	\$115	\$131
Phoenix	AZ	850	\$150	\$131	\$141	\$204	\$142	\$169
Tucson	AZ	857	\$207	\$120	\$155	\$245	\$149	\$191
Los Angeles	CA	900	\$172	\$117	\$137	\$230	\$125	\$160
San Diego	CA	921	\$240	\$118	\$163	\$307	\$147	\$217
San Francisco	CA	941 & 949	\$278	\$140	\$205	\$363	\$250	\$293
Denver	CO	800 & 802	\$184	\$125	\$147	\$244	\$132	\$172
Colorado Springs	CO	809	\$161	\$133	\$149	\$220	\$143	\$165
Hartford	CT	061	\$315	\$210	\$254	\$335	\$245	\$277
Stamford	CT	069	\$346	\$217	\$297	\$378	\$255	\$331
Washington	DC	200	\$300	\$175	\$230	\$325	\$225	\$260
Wilmington	DE	198	\$195	\$160	\$177	\$211	\$178	\$198
Jacksonville	FL	322	\$216	\$142	\$168	\$266	\$144	\$180
Orlando	FL	328	\$190	\$144	\$161	\$210	\$160	\$182
Miami	FL	331	\$200	\$140	\$163	\$230	\$165	\$193
Alpharetta	GA	300	\$155	\$130	\$141	\$210	\$135	\$157
Atlanta	GA	303	\$162	\$98	\$135	\$184	\$116	\$151
Honolulu	HI	968	\$234	\$175	\$208	\$271	\$196	\$227
Des Moines	IA	503	\$400	\$105	\$185	\$400	\$109	\$209
Boise	ID	837	\$177	\$118	\$157	\$187	\$165	\$175
Highland Park	IL	600	\$230	\$146	\$180	\$270	\$163	\$213
Chicago	IL	606	\$164	\$95	\$124	\$184	\$101	\$136
Peoria	IL	616	\$172	\$95	\$136	\$190	\$135	\$165
Indianapolis	IN	462	\$160	\$105	\$125	\$250	\$105	\$160
Fort Wayne	IN	468	\$159	\$122	\$139	\$205	\$143	\$170
Wichita	KS	672	\$160	\$107	\$127	\$195	\$115	\$142
Louisville	KY	402	\$178	\$123	\$149	\$278	\$140	\$180

# Nursing Home Costs 2004 *(continued)*

Area	State	First 3 Zip Code Numbers	Semiprivate High	Semiprivate Low	Semiprivate Average	Private High	Private Low	Private Average
Lexington	KY	405	\$160	\$128	\$141	\$250	\$153	\$174
New Orleans	LA	701	\$115	\$88	\$96	\$135	\$93	\$107
Shreveport	LA	711	\$93	\$80	\$87	\$116	\$88	\$99
Worcester	MA	016	\$295	\$210	\$260	\$295	\$220	\$272
Boston	MA	021	\$450	\$185	\$266	\$450	\$200	\$284
Silver Spring	MD	209	\$223	\$157	\$186	\$236	\$180	\$204
Baltimore	MD	212	\$200	\$140	\$177	\$250	\$140	\$198
Brunswick	ME	040	\$235	\$185	\$205	\$252	\$205	\$228
Detroit	MI	482	\$186	\$92	\$143	\$186	\$92	\$149
Grand Rapids	MI	495	\$190	\$158	\$173	\$222	\$168	\$197
Minneapolis/St. Paul	MN	551 & 554	\$260	\$161	\$191	\$376	\$172	\$221
Rochester	MN	559	\$200	\$143	\$158	\$215	\$148	\$171
St. Louis	MO	631	\$140	\$95	\$117	\$170	\$100	\$131
Kansas City	MO	641	\$139	\$101	\$116	\$161	\$110	\$129
Jackson	MS	392	\$150	\$119	\$137	\$156	\$125	\$142
Billings	MT	591	\$151	\$125	\$135	\$166	\$125	\$142
Raleigh/Durham	NC	276 & 277	\$255	\$125	\$163	\$297	\$137	\$178
Charlotte	NC	282	\$165	\$126	\$150	\$180	\$135	\$164
Fargo	ND	581	\$217	\$150	\$188	\$214	\$153	\$188
Omaha	NE	681	\$165	\$100	\$142	\$196	\$125	\$165
Manchester	NH	031	\$240	\$190	\$208	\$265	\$185	\$220
Cherry Hill	NJ	080	\$242	\$185	\$220	\$264	\$198	\$238
Bridgewater	NJ	088	\$256	\$185	\$223	\$278	\$195	\$244
Albuquerque	NM	871	\$152	\$120	\$136	\$288	\$130	\$186
Las Vegas	NV	891	\$180	\$116	\$156	\$196	\$120	\$175
New York City	NY	100-114	\$397	\$210	\$301	\$440	\$220	\$312
Syracuse	NY	132	\$275	\$174	\$228	\$275	\$174	\$232
Rochester	NY	146	\$275	\$220	\$241	\$275	\$230	\$251
Columbus	OH	432	\$194	\$145	\$169	\$222	\$160	\$192
Cleveland	OH	441	\$200	\$120	\$164	\$220	\$145	\$179

Area	State	First 3 Zip Code Numbers	Semiprivate High	Semiprivate Low	Semiprivate Average	Private High	Private Low	Private Average
Cincinnati	OH	452	\$233	\$138	\$170	\$250	\$143	\$189
Oklahoma City	OK	731	\$167	\$100	\$114	\$232	\$105	\$170
Tulsa	OK	741	\$242	\$103	\$121	\$270	\$119	\$162
Portland	OR	972	\$164	\$135	\$148	\$189	\$140	\$162
Eugene	OR	974	\$200	\$132	\$150	\$200	\$135	\$166
Pittsburgh	PA	152	\$238	\$150	\$187	\$265	\$150	\$200
Scranton	PA	185	\$200	\$150	\$170	\$201	\$150	\$176
Philadelphia	PA	191	\$420	\$165	\$210	\$435	\$175	\$226
Providence	RI	029	\$210	\$160	\$186	\$250	\$160	\$206
Columbia	SC	292	\$422	\$125	\$167	\$422	\$130	\$179
Charleston	SC	294	\$144	\$110	\$127	\$157	\$120	\$138
Rapid City	SD	577	\$148	\$110	\$135	\$190	\$118	\$150
Nashville	TN	372	\$295	\$120	\$174	\$325	\$125	\$190
Memphis	TN	381	\$180	\$121	\$143	\$193	\$126	\$155
Dallas/Fort Worth	TX	752 & 761	\$125	\$84	\$109	\$230	\$105	\$163
Houston	TX	770	\$125	\$84	\$109	\$246	\$86	\$151
Austin	TX	787	\$160	\$85	\$118	\$234	\$119	\$175
Salt Lake City	UT	841	\$135	\$109	\$119	\$165	\$115	\$138
Arlington	VA	222	\$300	\$143	\$205	\$320	\$160	\$235
Richmond	VA	232	\$190	\$110	\$144	\$225	\$135	\$169
Statewide	VT	All	\$246	\$177	\$210	\$246	\$187	\$219
Seattle	WA	981	\$242	\$165	\$191	\$270	\$175	\$217
Spokane	WA	992	\$200	\$161	\$181	\$229	\$167	\$196
Milwaukee	WI	532	\$218	\$143	\$174	\$248	\$158	\$195
Madison	WI	537	\$194	\$168	\$178	\$225	\$180	\$199
Charleston	WV	253	\$176	\$152	\$164	\$187	\$157	\$172
Statewide	WY	All	\$189	\$132	\$151	\$190	\$140	\$165
<b>Average</b>					<b>\$169</b>			<b>\$192</b>

# Home Care Costs 2004

Area	State	First 3 Zip Code Numbers	Home Health Aide High	Home Health Aide Low	Home Health Aide Average
Statewide	AK	All	\$34	\$21	\$27
Birmingham	AL	352	\$16	\$13	\$14
Montgomery	AL	361	\$24	\$10	\$14
Little Rock	AR	722	\$18	\$13	\$15
Phoenix	AZ	850	\$24	\$18	\$19
Tucson	AZ	857	\$20	\$16	\$18
Los Angeles	CA	900	\$30	\$10	\$18
San Diego	CA	921	\$25	\$16	\$19
San Francisco	CA	941 & 949	\$25	\$14	\$21
Denver	CO	800 & 802	\$35	\$17	\$23
Colorado Springs	CO	809	\$25	\$15	\$21
Hartford	CT	061	\$35	\$23	\$28
Stamford	CT	069	\$32	\$16	\$23
Washington	DC	200	\$24	\$14	\$17
Wilmington	DE	198	\$24	\$18	\$21
Jacksonville	FL	322	\$28	\$15	\$18
Orlando	FL	328	\$20	\$15	\$16
Miami	FL	331	\$21	\$12	\$15
Alpharetta	GA	300	\$19	\$12	\$15
Atlanta	GA	303	\$20	\$15	\$17
Honolulu	HI	968	\$22	\$20	\$21
Des Moines	IA	503	\$26	\$17	\$20
Boise	ID	837	\$19	\$14	\$16
Highland Park	IL	600	\$25	\$15	\$20
Chicago	IL	606	\$20	\$9	\$16
Peoria	IL	616	\$18	\$15	\$17
Indianapolis	IN	462	\$26	\$18	\$21
Fort Wayne	IN	468	\$33	\$14	\$20
Wichita	KS	672	\$20	\$13	\$17
Louisville	KY	402	\$37	\$16	\$21

Area	State	First 3 Zip Code Numbers	Home Health Aide High	Home Health Aide Low	Home Health Aide Average
Lexington	KY	405	\$36	\$15	\$20
New Orleans	LA	701	\$21	\$11	\$14
Shreveport	LA	711	\$14	\$12	\$13
Worcester	MA	016	\$30	\$19	\$23
Boston	MA	021	\$25	\$18	\$22
Silver Spring	MD	209	\$19	\$15	\$16
Baltimore	MD	212	\$22	\$14	\$17
Brunswick	ME	040	\$22	\$15	\$18
Detroit	MI	482	\$21	\$16	\$18
Grand Rapids	MI	495	\$20	\$16	\$18
Minneapolis/St. Paul	MN	551 & 554	\$28	\$15	\$21
Rochester	MN	559	\$40	\$15	\$26
St. Louis	MO	631	\$21	\$14	\$18
Kansas City	MO	641	\$20	\$12	\$17
Jackson	MS	392	\$18	\$10	\$13
Billings	MT	591	\$22	\$15	\$17
Raleigh/Durham	NC	276 & 277	\$20	\$15	\$17
Charlotte	NC	282	\$30	\$14	\$17
Fargo	ND	581	\$20	\$15	\$17
Omaha	NE	681	\$21	\$10	\$17
Manchester	NH	031	\$27	\$22	\$23
Cherry Hill	NJ	080	\$20	\$16	\$18
Bridgewater	NJ	088	\$22	\$18	\$20
Albuquerque	NM	871	\$19	\$8	\$16
Las Vegas	NV	891	\$45	\$19	\$25
New York	NY	100-114	\$20	\$13	\$15
Syracuse	NY	132	\$40	\$16	\$20
Rochester	NY	146	\$20	\$18	\$19
Columbus	OH	432	\$25	\$15	\$19
Cleveland	OH	441	\$20	\$7	\$16

# Home Care Costs 2004 *(continued)*

Area	State	First 3 Zip Code Numbers	Home Health Aide High	Home Health Aide Low	Home Health Aide Average
Cincinnati	OH	452	\$22	\$16	\$18
Oklahoma City	OK	731	\$19	\$15	\$16
Tulsa	OK	741	\$18	\$13	\$16
Portland	OR	972	\$32	\$18	\$20
Eugene	OR	974	\$19	\$16	\$17
Pittsburgh	PA	152	\$22	\$15	\$18
Scranton	PA	185	\$26	\$9	\$18
Philadelphia	PA	191	\$20	\$15	\$18
Providence	RI	029	\$22	\$18	\$21
Columbia	SC	292	\$15	\$11	\$14
Charleston	SC	294	\$29	\$13	\$17
Rapid City	SD	577	\$20	\$14	\$17
Nashville	TN	372	\$35	\$15	\$21
Memphis	TN	381	\$25	\$12	\$19
Dallas/Fort Worth	TX	752 & 761	\$21	\$12	\$16
Houston	TX	770	\$23	\$13	\$16
Austin	TX	787	\$25	\$12	\$18
Salt Lake City	UT	841	\$34	\$17	\$24
Arlington	VA	222	\$21	\$16	\$17
Richmond	VA	232	\$18	\$12	\$15
Statewide	VT	All	\$25	\$17	\$21
Seattle	WA	981	\$26	\$14	\$21
Spokane	WA	992	\$17	\$14	\$15
Milwaukee	WI	532	\$31	\$16	\$22
Madison	WI	537	\$22	\$11	\$17
Charleston	WV	253	\$18	\$12	\$16
Statewide	WY	All	\$35	\$15	\$22
<b>Average</b>					<b>\$18</b>

## Endnotes

- <sup>1</sup> 2003 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance & Disability Insurance Trust Fund; Cohort-Life Expectancies.
- <sup>2</sup> U.S. Census Bureau, Survey of Income and Program Participation, March 2001.
- <sup>3</sup> U.S. Department of Health and Human Services, July 2002.
- <sup>4</sup> Jones, A. The National Nursing Home Survey: 1999 Summary. National Center for Health Statistics. Vital Health Stat 13(152). 2002.
- <sup>5</sup> National Center for Health Statistics, 2000 Home and Hospice Care Survey, February 2004.



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