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THE VOICE OF THE WEST

S.F. long-term care costliest in California

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Care in a nursing home or other long-term facility is more expensive in San Francisco than in any other city in California, according to a study released Tuesday by the nation's largest long-term care insurer.

A private nursing-home room in San Francisco averages \$110,121 a year, or about \$301.70 a day, ranking it ninth out of 90 regions in the country surveyed by Genworth Financial.

Among states, California was the eighth-most-expensive for nursing-home care at \$87,845 a year.

The study focused on a range of services that go under the heading of long-term care, from nursing-home services to home health assistance.

Insurance for such care represents a growing segment of the health coverage market. But while long-term care coverage can provide consumers much-needed protection from the high costs of services, the insurance is expensive. The industry has come under increasing scrutiny for problems such as rising premiums and difficulties in getting claims paid.

San Francisco resident Don Langley, who purchased long-term care insurance from Penn Treaty in 1998 for himself and his wife, said the couple's premiums jumped from \$2,278 a year to \$4,506 last year.

"It's approximately doubled in five years. That's a little hard to take," said Langley, 72, a semiretired writer and editor. He said he could have reduced his coverage to lower his premium but opted to pay the added cost for the peace of mind.

"Like all insurance, as bad as the premium is, the disaster is worse," he said.

Long-term care premiums average about \$2,000 a year. Premiums in California are about 5 percent higher due to mandates that require carriers to cover additional providers and services, said Beth Ludden, Genworth's senior vice president of product development.

California's mandates make "coverage more robust, but there is a higher premium associated with that," she said.

Long-term care premiums have remained relatively flat since 2004, when Genworth began producing the study, Ludden said.

Long-term care insurers have also been criticized for denying claims.

In one case, a Vacaville man settled a lawsuit in 2005 against his long-term care insurer, Fortis Insurance Co., for failing to pay for care. The insurer had said the policyholder, Harold Carrington, who suffered from Alzheimer's disease, knowingly withheld information about memory loss when he bought his plan 10 years earlier.

"It's choosing the right company and the right product, having it be there when you need it, having the company pay your claims properly and having a stable premium price," said Bonnie Burns, training and policy specialist for California Health Advocates, an advocacy group for Medicare beneficiaries.

Burns suggested potential buyers try to estimate their future needs, balancing that against what they can afford. She advised against such cost-savings strategies as picking a policy that does not protect consumers from inflation.

"If you can't afford inflation protection in a long-term policy, you shouldn't be buying it," she said. "You are buying a steadily declining benefit."

Nellie Wong of San Francisco bought a long-term care policy three years ago. The 72-year-old volunteer and activist said that while her premiums have held steady at \$2,400 a year, she feels the impact on her pocketbook.

Wong, an Oakland native and retired University of California employee, said she managed to get her premium lowered, with the blessing of her physician, by eliminating unnecessary medication.

"I'm really going to squawk if they raise my premium. I may never have to use it ... but it's my insurance and it's important to me," Wong said. "If I didn't have what I get from my pension and Social Security, I wouldn't be able to do it. But I own no yachts."

High cost of long-term care

A private, one-bedroom unit in an assisted-living facility costs an average of \$33,960 per year in California. A room costs \$40,795 per year in San Francisco.

The average hourly rate for certified home health aides nationwide is \$25.47 per hour. The rate is \$39.43 in San Francisco and \$30.64 in California.

The cost of nursing home care has increased 14.8 percent nationwide since 2004.

Source: Genworth Financial

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<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2007/04/04/BUGT2P0PCA40.DTL>

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