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# Overview of Long-Term Services and Supports

## What Are Long-Term Services and Supports?

Long-term services and supports (LTSS) refers to a broad range of health and health-related services and supports that are needed by individuals who lack the capacity for self-care due to a physical, cognitive, or mental disability or condition. Often the individual's disability or condition results in the need for hands-on assistance or supervision over an extended period of time (i.e., long-term). An individual's need for LTSS may change over time as his or her needs or conditions change.

LTSS is not medical or acute care services. In general, acute care services are health services provided for the prevention, diagnosis, or treatment of a medical condition. Acute care services are often performed by licensed health care providers (e.g., physicians) in a clinical setting such as a doctor's office or a hospital. While LTSS may be offered in combination with acute care services, LTSS is not intended to treat or cure a medical condition. In contrast, LTSS provides assistance in maintaining or improving an optimal level of physical functioning and quality of life.

Examples of LTSS include a home health aide assisting a frail elderly person with daily personal care activities such as bathing or dressing, a contractor building a wheelchair ramp onto a home, or a senior center providing transportation to a cognitively impaired individual. LTSS includes the use of supports such as special equipment, assistive devices, or technology by a physically impaired person. Services also include more intensive nursing care, such as nursing care provided to a ventilator-dependent child. Residential LTSS settings such as group homes or assisted living facilities (ALFs) may provide LTSS such as meals, laundry and housework, and assistance with medication. Individuals who have severe physical or cognitive impairments may need the 24-hour supervision and nursing or convalescent care-related LTSS that are provided in a nursing facility.

## Who Needs Long-Term Services and Supports?

The need for LTSS can affect persons of all ages—children born with disabling conditions, such as mental retardation, or cerebral palsy; certain working-age adults with inherited or acquired disabling conditions, such as mental illness or traumatic brain injury; and the elderly with chronic conditions or diseases, such as severe cardiovascular disease or Alzheimer's disease and related dementia. The need for LTSS is generally measured, irrespective of age and diagnosis, by the presence of functional limitations in the ability to perform basic personal care activities, known as activities of daily living (ADLs), or by the need for

supervision or guidance with ADLs because of a mental or cognitive impairment.

ADLs refer to activities such as eating, bathing, using the toilet, dressing, walking across a small room, and transferring (i.e., getting in or out of a bed or chair). Instrumental activities of daily living (IADLs) are also used to measure a person's need for LTSS. These activities are necessary for an individual's ability to live independently in the community. IADLs include activities such as preparing meals, managing money, shopping, performing housework, using a telephone, doing laundry, getting around outside the home, and taking medications.

In practice, defining the need for LTSS as the presence of functional limitations measured by the number of limitations in specific ADLs or IADLs has important policy implications. For example, publicly financed programs that cover LTSS, such as Medicaid, often use the number of limitations in ADLs to determine LTSS program eligibility, among other criteria. For those individuals who have a private long-term care insurance policy, the number of limitations in ADLs also forms the basis for triggering benefit eligibility. Defining the need for LTSS through functional limitations and/or the need for supervision with ADLs determines eligibility for public and private financing.

About 12 million Americans are in need of LTSS and about half are older adults aged 65 and over. Most individuals prefer to be cared for in their own homes with the assistance of informal providers such as family members or friends, if available.

While the need for, use of, and costs associated with LTSS vary across individuals over their lifespan, the probability of needing LTSS increases with age. It is estimated that about half (52%) of individuals turning age 65 will develop a disability serious enough to need LTSS. Most will need care for two years, on average. However, one in seven is expected to have care needs for five years or more. And, as the population ages the demand for LTSS is expected to increase. In addition, advances in medical care and supportive care are enabling younger persons with disabilities to live longer lives, and requiring the delivery of services and supports for longer periods of time.

## Who Provides Paid Long-Term Services and Supports?

LTSS can be provided in a private home or community-based setting such as an adult day health program. LTSS is also provided in a facility-based or institutional setting such as a nursing home.

The vast majority of LTSS is provided by caregivers, such as family members, friends, and neighbors, who provide *unpaid* LTSS. A 2014 national survey found that 43.5 million individuals in the United States served as an unpaid family caregiver to an adult or a child in the past 12 months.

Paid LTSS refers to services and supports provided by individuals who are employed by an organization or agency, such as a nursing home or home health care agency, or by self-employed individuals. The National Center for Health Statistics estimated that about 63,000 paid, regulated long-term care services providers served over 7.4 million individuals in 2014. These providers include an estimated 30,200 residential care communities, 15,600 nursing homes, 12,400 home health agencies, and 4,800 adult day health centers. With the exception of adult day health centers, the ownership status of most long-term care providers was for-profit.

Paid LTSS is provided by a range of health care workers employed directly by a provider or hired by an individual or family member. Licensed or skilled health care workers that provide LTSS include registered or licensed nurses, physical and occupational therapists, and social workers. However, most LTSS is provided by non-licensed providers such as certified nurse assistants (CNAs), home health aides, and personal care aides. The Department of Labor (DOL), Bureau of Labor Statistics (BLS), estimated that there were just over 2.9 million home health aides and personal care aides in 2016 (the most recent year for which data are available). This likely underestimates the number of home care workers as it does not include self-employed workers. BLS estimates another 1.6 million nursing assistants and orderlies in 2016, which is an overestimate of the LTSS nursing assistant workforce as it includes individuals who work in acute care hospitals as well as long-term care settings. Between 2016 and 2026 home health aides are projected to be among the top 20 fastest growing occupations both in terms of rate of growth (a 47% increase) and numerical growth, with an increase of over 431,000 new jobs. Personal care aides and nursing assistants are projected to grow by 39% and 11%, respectively, over the same period, which is faster than the average rate of growth for all occupations at 7%. There are also projected to be another 778,000 new personal care aides and 173,000 new nursing assistants over that time.

## How Much Do Long-Term Services and Supports Cost?

LTSS vary widely in their intensity and cost, depending on an individual's underlying conditions, the severity of his or her disabilities, the setting in which services are provided, and the caregiving arrangement (i.e., paid care versus uncompensated care). The cost of obtaining paid assistance for these services, especially over a long period of time, may far exceed many individuals' financial resources. Moreover, public programs that finance this care, such as Medicaid, may not cover all the services and supports an individual may need. Medicare does not cover most long-term care expenses. Large personal financial liabilities

associated with paid LTSS can leave individuals in need of LTSS and their families at financial risk.

For those receiving LTSS at home, the cost varies depending on the amount and duration of care provided. In 2017, the median daily cost of homemaker services (e.g., meal preparation, housework) is \$131, whereas the median cost of care provided by a home health aide (i.e., hands-on assistance with personal care needs) is \$135 (see **Table 1**). Assuming care is provided 44 hours per week, the median annual cost for homemaker services would be just over \$47,900 in 2017, while the median cost of home health aide services would be about \$49,200. Adult day health centers that provide social and other related support services in a community-based setting for part of the day have a median daily cost of \$70 per day, or \$18,200 per year in 2016. These estimates are national figures and can vary widely by geographic region. For example, across the United States, median daily rates for home health aide services range from \$96 to \$175, and median daily rates for adult day health centers range between \$26 and \$168.

Residential settings that provide housing and services as well as institutional settings that provide room and board tend to have higher annual costs than home care services, on average. Assisted living facilities that provide homemaker services (meals, laundry, or housework) and may provide personal care for those who need assistance with ADLs (but do not yet require constant care provided in a nursing home) have a median cost of \$45,000 annually in 2017. Nursing home care, on the other hand, generally costs more, because it provides assistance 24 hours a day and includes the cost of room and board. In 2017, the median annual cost of nursing home care is \$82,100 for a semi-private room and about \$97,500 for a private room. As with estimated costs for home care services, these estimates are national figures and can vary widely by geographic region. For example, across the United States, the median daily rate for a one-bedroom, single occupancy unit in an assisted living facility ranges between \$89 and \$198, while the median daily rate in a private nursing home room ranges between \$174 and \$800.

**Table 1. Estimated Rates for Selected Long-Term Services and Supports Providers, 2017**

	Median Daily Rate	Median Monthly Rate	Median Annual Rate
Nursing Home (Private)	\$267	\$8,121	\$97,455
Home Health Aide	\$135	\$3,994	\$49,192
Homemaker Services	\$131	\$4,099	\$47,934
Assisted Living Facility	\$123	\$3,750	\$45,000
Adult Day Health Care	\$70	\$1,517	\$18,200

**Source:** Genworth Financial, *Genworth 2017 Cost of Care Survey*, April, 2017.

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