LTC News

Nursing Homes Still Vital to LTC

October 11, 2026
3-minute read

Long-term care is a reality in America. However, where people receive care and how it gets paid for can be a surprise for too many families. The surprise often leads to a family crisis. Most Americans who need long-term care receive help at home, often from a spouse, adult child or another family member. Daughters and daughters-in-law frequently shoulder much of that responsibility, balancing caregiving with careers, children and their own health.

However, family care is only part of the picture. Millions of Americans also rely on professional caregivers, home care agencies, adult day services, assisted living communities, memory care facilities and nursing homes. The setting depends on a person's health, mobility, cognitive abilities, available family support and financial resources.

Understanding these options — and what they cost — can help you prepare for the consequences of aging while protecting your independence, savings and family relationships.

Most Long-Term Care Happens Outside Nursing Homes

Many people associate long-term care with nursing homes. In reality, extended care often begins with help at home. Someone recovering from a serious illness may need assistance bathing, dressing or preparing meals. An older adult with arthritis or mobility problems may require help getting around safely. A person living with Alzheimer's disease may need supervision because of memory loss or impaired judgment.

These needs do not automatically require nursing home placement.

Long-term care can be delivered in several settings, including:

- **In-home care:** Professional caregivers assist with daily activities, personal care, meal preparation and household tasks.
- **Adult day services:** Structured programs provide supervision, activities and assistance during the day while allowing participants to return home.
- **Assisted living:** Residential communities offer housing, meals, personal care and varying levels of support.
- **Memory care:** Specialized residential services support people living with Alzheimer's disease or other forms of dementia.
- **Nursing homes:** Licensed facilities provide around-the-clock nursing services and support for people with significant medical or personal care needs.

For many families, the goal is to maintain independence at home for as long as it remains safe and practical. That often requires planning well before care becomes necessary.

Family Caregivers Provide an Enormous Amount of Unpaid Care

Professional long-term care services represent only part of the nation's caregiving system. According to AARP and the National Alliance for Caregiving, approximately 63 million Americans provide unpaid care to an adult or child with health or functional needs. AARP estimates that unpaid family caregivers provide services valued at approximately $1.01 trillion annually.

That figure represents the estimated economic value of their work, not wages actually paid to caregivers. Family caregiving can include helping with medications, transportation, meals, personal hygiene, household responsibilities and financial decisions.

For some families, these responsibilities last months. For others, they continue for years. The financial consequences can be substantial when an adult child reduces working hours, takes unpaid leave or leaves a career to care for a parent.

The emotional and physical demands can also affect caregivers' well-being. Having a plan that includes professional care can reduce the pressure on loved ones and allow family members to spend more time being spouses, sons and daughters rather than full-time caregivers.

Home Care Is a Major Part of America's Long-Term Care System

In 2022, the United States had approximately 11,500 Medicare-certified home health agencies, according to the CDC's National Center for Health Statistics. However, that number does not include many private-pay, non-medical home care companies that provide assistance with everyday activities.

These companies play an important role in helping older adults remain in their homes. The distinction between medical home health care and non-medical home care is important. Medical home health services may include skilled nursing, physical therapy and other medically necessary services provided under a physician's plan of care.

Non-medical home care typically includes assistance with bathing, dressing, toileting, eating, mobility, meal preparation and other daily activities. According to the Centers for Medicare & Medicaid Services, national spending on home health care reached $169.4 billion in 2024, an increase of 10.2 percent from the previous year.

That spending figure largely reflects medical home health services rather than the full cost of non-medical long-term custodial care.

Medicare does not pay for ongoing custodial long-term care. Although Medicare covers qualifying short-term skilled services and certain home health benefits, families typically need other resources to pay for extended personal care. Those resources may include savings, Long-Term Care Insurance, Medicaid for eligible individuals or a combination of funding sources.

Assisted Living and Adult Day Services Offer More Choices

Not everyone who needs ongoing help requires nursing home care. Assisted living communities offer an alternative for people who can no longer manage safely or comfortably at home but do not need continuous skilled nursing services. The number of assisted living communities varies depending on how facilities are defined and counted.

The CDC's National Center for Health Statistics reports approximately 32,200 assisted living and similar residential care communities, serving nearly 989,000 residents. The National Center for Assisted Living,

an industry trade group, estimates approximately 41,465 communities, with nearly 1.4 million licensed beds.

These figures are not directly comparable because the organizations use different definitions, data sources and reporting methods. Adult day services provide another option. According to the CDC, approximately 3,100 adult day services centers serve about 197,700 participants on a typical day.

These programs can help older adults remain in their communities while giving family caregivers time to work, manage other responsibilities or take a needed break. For people living with dementia, memory care communities may provide specialized supervision, structured activities and additional safety measures. The availability of these alternatives means families often have more choices than they initially realize.

Nursing Homes Remain Essential for People With Greater Care Needs

Although most people prefer to remain at home, nursing homes continue to serve an important role in the nation's long-term care system. Approximately 1.2 million Americans live in nursing homes, according to the CDC's National Center for Health Statistics.

Most residents are age 65 or older, although nursing homes also serve younger adults with disabilities, serious illnesses or other conditions requiring substantial assistance. Some residents need around-the-clock nursing services. Others require extensive assistance with daily activities or supervision because of cognitive impairment.

A nursing home stay is not always permanent. Some people enter a skilled nursing facility temporarily following hospitalization, surgery or a serious illness. They may eventually return home or transition to another care setting. However, when medical and personal care needs become too extensive to manage safely elsewhere, long-term nursing home placement may be necessary.

Understanding that possibility is an important part of retirement and long-term care planning.

Who Lives in America's Nursing Homes?

Nursing home residents are not exclusively people in their late 80s or 90s.

According to the CDC's 2022 data, the age distribution of nursing home residents was:

- **Age 85 and older:** 30.7 percent
- **Ages 75 to 84:** 28.8 percent
- **Ages 65 to 74:** 23 percent
- **Under age 65:** 17.4 percent

Women accounted for 60.6 percent of nursing home residents. The presence of younger residents is an important reminder that long-term care needs do not arise solely from advanced age. Accidents, neurological disorders, serious illnesses and disabilities can create care needs much earlier in life.

Jesse Slome, director of the American Association for Long-Term Care Insurance, has emphasized the particular impact on women.

Long-term care is a real issue facing American women both in terms of need and because they so often are the caregivers for an aged spouse or an aging parent. Every American today needs to have some long-term care plan in place with or without Long-Term Care Insurance." — Jesse Slome.

Women frequently experience long-term care from both perspectives: providing assistance to loved ones and eventually needing assistance themselves.

Dementia, Depression and Diabetes Are Common Among Nursing Home Residents

Nursing home residents frequently live with multiple chronic medical conditions.

According to CDC data from 2022:

- 41.1 percent had a diagnosis of Alzheimer's disease or another dementia.
- 51.5 percent had depression.
- 37.4 percent had diabetes.

These conditions can complicate daily care and increase the need for professional supervision, nursing services and assistance with everyday activities.

Dementia is particularly significant because cognitive impairment may create substantial long-term care needs even when someone remains physically mobile. A person with Alzheimer's disease may still be able to walk, dress or eat independently but require supervision because of wandering, confusion or an inability to recognize dangerous situations.

That distinction matters when evaluating care arrangements and financial protection. Tax-qualified Long-Term Care Insurance policies generally provide benefits when an insured person meets the policy's requirements involving substantial assistance with at least two of six activities of daily living or severe cognitive impairment, subject to applicable certification and policy provisions.

How Much Does Long-Term Care Cost in 2026?

The cost of professional long-term care depends on the type of services, the amount of assistance required and where you live. Nursing homes are generally the most expensive long-term care setting because they provide extensive staffing, supervision and nursing services.

According to the LTC News Cost of Care Calculator, the national median cost of a private nursing home room is approximately $11,500 per month. That amounts to about $138,000 annually. However, national figures tell only part of the story. A family in one city may pay thousands of dollars more each month than a family receiving comparable services elsewhere.

Nursing Home Costs Vary Dramatically by City

The LTC News Cost of Care Survey provides the following 2026 monthly nursing home cost estimates:

City	Monthly cost
New York	**$15,908**

San Francisco	**$15,626**
Minneapolis	**$12,944**
Miami	**$12,925**
Pittsburgh	**$12,187**
Denver	**$12,147**
Dallas	**$10,675**
Chicago	**$10,583**
Atlanta	**$9,886**
St. Louis	**$8,329**

The difference between New York and St. Louis is approximately $7,579 per month. Over 12 months, that becomes a difference of $90,948. And those figures do not account for future increases in the cost of care. A person who needs several years of extended care could face expenses reaching hundreds of thousands of dollars.

Assisted Living, Memory Care and Home Care Can Cost Less

Nursing homes are only one part of the long-term care cost equation.

According to the **2026 LTC News Cost of Care Survey**, national cost estimates for other long-term care services include:

- **Assisted living:** Approximately $5,110 per month, with additional charges that may add $2,000 or more to the base rate.
- **Memory care:** Approximately $5,843 per month, with additional charges that may add $3,000 or more.
- **In-home care:** Approximately $5,791 per month, based on 44 hours of professional care each week.

These 2026 estimates provide a starting point for planning. Actual costs depend on location, care needs, service hours and provider pricing. Assisted living and memory care communities may charge additional fees for medication management, mobility assistance, incontinence care and other services.

In-home care costs depend heavily on the number of hours required. Someone needing 20 hours of weekly assistance will generally pay considerably less than someone requiring 24-hour supervision.

For families considering aging in place, that distinction can make a major difference in their financial plans. Use the LTC News Cost of Care Calculator to compare current care costs in your city or ZIP code and understand how those costs may change over time.

America's Long-Term Care Spending Reaches Hundreds of Billions

Long-term care represents a major financial responsibility for individuals, families, insurers and government programs. The Congressional Research Service estimates that spending on paid long-term services and supports reached $563.7 billion in 2023.

That total includes services delivered in nursing homes and community-based settings, although the precise categories depend on the report's definitions. It does not include the full economic value of unpaid care provided by family members. When that contribution is considered, the overall economic impact of long-term care is substantially greater.

The numbers also demonstrate why planning for care is not simply a personal retirement issue. It has implications for government budgets, employers and the broader economy.

Medicaid Pays for Much of America's Long-Term Care

Medicaid is the nation's largest public payer of long-term services and supports. According to the Congressional Research Service, Medicaid paid approximately $257 billion for long-term services and supports in 2023. That represented approximately 45.6 percent of total spending on these services.

The CDC also reports that Medicaid helps pay for the care of approximately 62.3 percent of nursing home residents. However, Medicaid is not a general long-term care benefit available to everyone regardless of income or assets. Eligibility depends on financial and functional requirements, with specific rules varying by state and eligibility category.

Medicaid is jointly funded by federal and state governments and administered by states under federal guidelines. For older adults, qualifying for Medicaid long-term care benefits may require meeting strict income and asset rules, although certain assets and allowances may be protected under applicable law. Some individuals become eligible only after using substantial personal resources to pay for care.

Medicaid also supports qualifying home- and community-based services, but access and available benefits vary by state. Certain programs have enrollment limits or waiting lists. This is one reason many financial professionals encourage families to develop a long-term care funding strategy before a health crisis occurs.

Medicare and Medicaid Are Not the Same

Confusion about Medicare and Medicaid can lead families to underestimate their potential long-term care expenses.

Medicare is primarily health insurance for people age 65 and older and certain younger individuals with disabilities.

It may cover qualifying short-term skilled nursing facility care and eligible home health services.

However, Medicare generally does not pay for ongoing custodial care when help with daily living activities is the primary need.

Medicaid can pay for qualifying long-term care services for individuals who meet applicable financial and medical eligibility requirements.

Unlike Medicare, Medicaid may cover extended nursing home care and certain home- and community-based services. Neither program should be assumed to provide unrestricted access to every type of long-term care. Understanding the differences can prevent costly surprises.

Long-Term Care Insurance Can Help Families Maintain More Choices

Long-Term Care Insurance is designed to help pay for qualifying extended care services when a person develops substantial physical or cognitive limitations. Depending on the policy, benefits may help cover professional care at home, adult day services, assisted living, memory care and nursing home care. Many policies also offer care coordination and other services intended to help families navigate long-term care decisions.

The value extends beyond paying bills. Having dedicated resources for care may allow a family to hire professional caregivers, reduce reliance on adult children and preserve more retirement savings for a spouse.

Jesse Slome has emphasized the importance of home care in Long-Term Care Insurance planning.

While most individuals today purchase Long-Term Care Insurance as a way to remain in their own home for as long as possible, it's still vital to understand what's taking place in the nation's nursing homes." — Jesse Slome.

A policy cannot guarantee that someone will never need nursing home care. However, having financial resources available can increase the range of realistic care options and help families make decisions based on needs and preferences rather than finances alone.

Traditional and Hybrid Long-Term Care Insurance

Consumers generally have several approaches to consider. Traditional Long-Term Care Insurance provides benefits specifically intended to help pay for qualifying long-term care expenses. Hybrid policies combine long-term care benefits with life insurance or annuity features.

The appropriate option depends on a person's age, health, financial situation, existing assets and planning goals. Policy benefits, inflation protection, elimination periods, payment methods and other provisions vary by insurer and product.

Most people who purchase Long-Term Care Insurance do so between ages 47 and 67, when they are often still healthy enough to qualify and have time to incorporate coverage into their retirement plans. Long-Term Care Insurance is medically underwritten, so waiting until serious health problems develop can limit available options.

Tax Incentives and Partnership Programs Can Strengthen a Long-Term Care Plan

Federal and state tax incentives may make qualified Long-Term Care Insurance more attractive. Depending on individual circumstances, eligible premiums may qualify for federal income tax deductions, subject to applicable limitations. Qualified long-term care benefits are generally received income tax-free within federal tax rules.

Certain employer arrangements, including those involving C corporations, may offer additional tax advantages. Health Savings Account funds may also be used to pay eligible qualified Long-Term Care Insurance premiums, subject to annual age-based limits. Several states offer their own tax incentives.

Another important planning opportunity is the federal-state Long-Term Care Insurance Partnership Program. Partnership programs operate in most states and provide special Medicaid asset protection for qualifying policies. Generally, eligible policyholders may protect additional assets equal to the amount of qualifying Long-Term Care Insurance benefits paid, subject to applicable state rules.

For example, if a qualifying Partnership policy pays $300,000 in benefits, the policyholder may receive an additional $300,000 in Medicaid asset disregard. This protection can be particularly valuable if care needs continue after insurance benefits are exhausted.

Partnership requirements vary by state, including rules concerning inflation protection and reciprocity.

Finding Professional Care Before a Crisis

Even families with adequate financial resources may struggle to find dependable caregivers or appropriate care communities. Availability, staffing, location, specialized services and personal preferences all affect the decision. The LTC News Caregiver Directory can help families search for professional caregivers, home care providers, assisted living communities, memory care and nursing homes.

Starting the search early allows time to compare services, ask questions and evaluate options without the pressure of an immediate emergency. Families with Long-Term Care Insurance should also understand the policy's claim requirements before services begin.

LTC News offers free assistance to help policyholders and families navigate the Long-Term Care Insurance claims process.

Why Planning Before Care Is Needed Matters

Research from the U.S. Department of Health and Human Services indicates that approximately 56 percent of Americans turning 65 will develop a need for long-term services and supports during their remaining lifetimes. Not everyone will need nursing home care, and not everyone will require expensive professional services.

Some people will need limited assistance for a relatively short period. Others may require years of supervision or hands-on care. No one can predict with certainty which situation they or a loved one will face. That uncertainty makes advance planning important.

A practical long-term care plan considers where you would prefer to receive care, who could realistically help, how professional services would be paid for and what would happen if your needs increased. It should also address how caregiving responsibilities could affect your spouse, children and other loved ones.

The goal is not simply to avoid a nursing home. It is to preserve independence, protect financial resources and give your family more choices when care becomes necessary.

Long-Term Care Insurance can be one part of that strategy, but every family needs a plan, whether or not insurance is involved.