The Need for

Preventive Exercise

EXPLORING THE RISING COST OF HOME CARE



Senior Care

Often Referred to as Private Duty Care Provides:



- Bathing
- Dressing
- Eating
- Toileting
- Continence
- Transferring







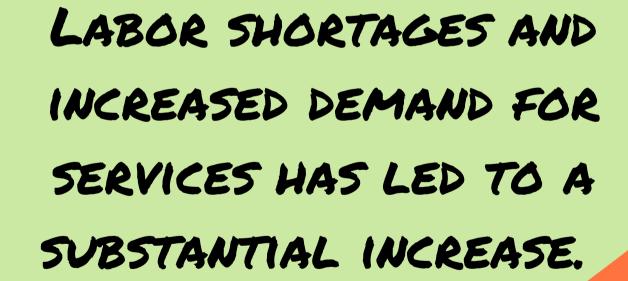




NATIONALLY RECOGNIZED SENIOR CARE AGENCIES

Senior Care Pricing

SENIOR CARE PRICING 15 ON THE RISE AND DOING 50 IN A DRAMATIC FASHION



Rising Prices

Take a look into an example of a home care agencies raising prices, not out of greed, rather a necessity to stay afloat.





Kris Chana • 1st

Adult Day's #1 Fan | CEO of ActivAge® | On a Mission to Help 1...

"We are raising our rates from \$30/hr to \$42/hr. © We HAVE to! I hate to do this to our clients but I have no other choice! "

I was on a call the other day with a home care owner who is looking to join our ActivAge franchise.

She was sharing her recent struggle between balancing affordable 1-on-1 care for her clients while trying to pay her caregivers more.

She said that she's making the largest rate increase she's ever made in over 7 years.

This is a 40% increase in rates in just one year. Wait till you see what happens in 5 more years.

The majority of people will not be able to afford the care they need!!

Sadly, despite the significant increase she feels it's not going to be enough to offset her payroll, cover overhead and admin expenses and still earn the same profit margins she had in previous years.

This is the problem!! She is not the only one either!!!

Thousands of other home care agencies, assisted living facilities, medical equipment and supply stores, skilled nursing facilities and many more are all facing the crippling effects of inflation.

Unfortunately, insurance reimbursement is being cut, regulation is rising, inflation is through the roof, most seniors live on fixed incomes with small annual increases.

The Stats

SOMEONE TURNING AGE 65
TODAY HAS ALMOST A 70%
CHANCE OF NEEDING SOME
TYPE OF LONG-TERM CARE
SERVICES AND SUPPORTS IN
THEIR REMAINING YEARS.

ABOUT ONE IN FIVE ADULTS IN
THE U.S. SAY THEY RECEIVE
ONGOING SUPPORT FOR DAILY
ACTIVITIES SUCH AS BATHING,
DRESSING OR REMEMBERING
MEDICATIONS

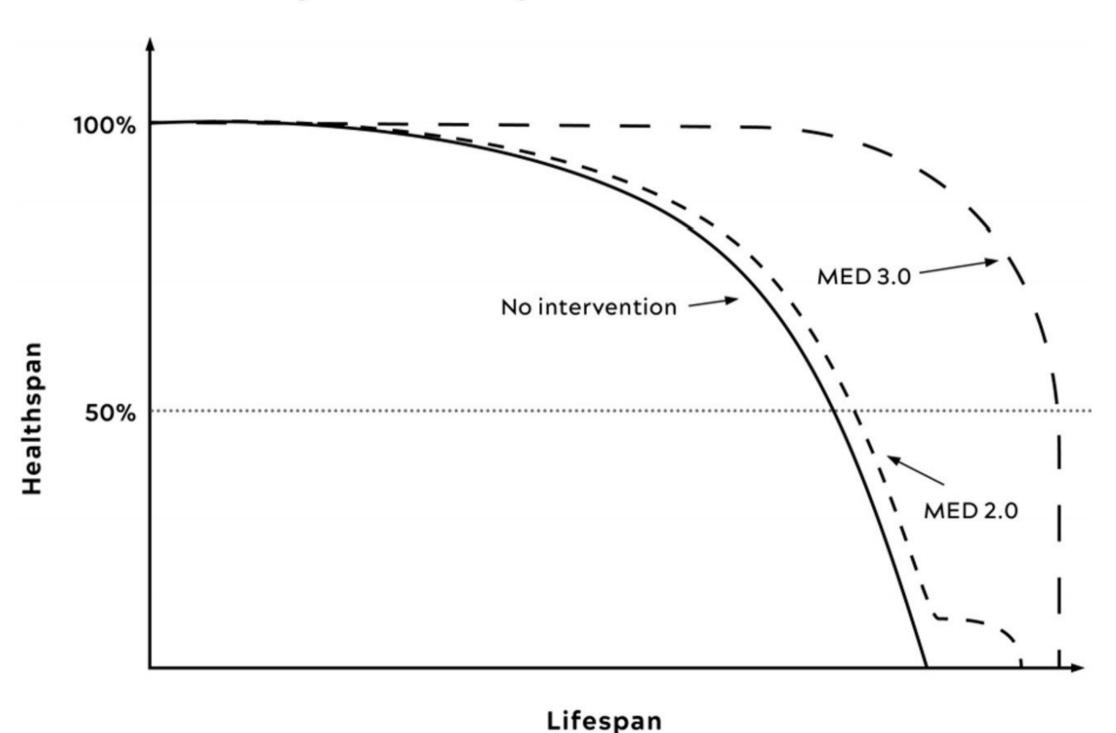
47% OF WORKING CAREGIVERS
REPORT HAVING TO USE UP
THEIR SAVINGS

Let's get started/

The Goal

The goal is for one to improve healthspan, not just lifespan. That is we want to improve the number of years spent in good health. When we look into improving healthspan, this is often referred to as "squaring the curve", meaning we are eliminating the decline often seen in later years that lead to health complications and dependence on others.

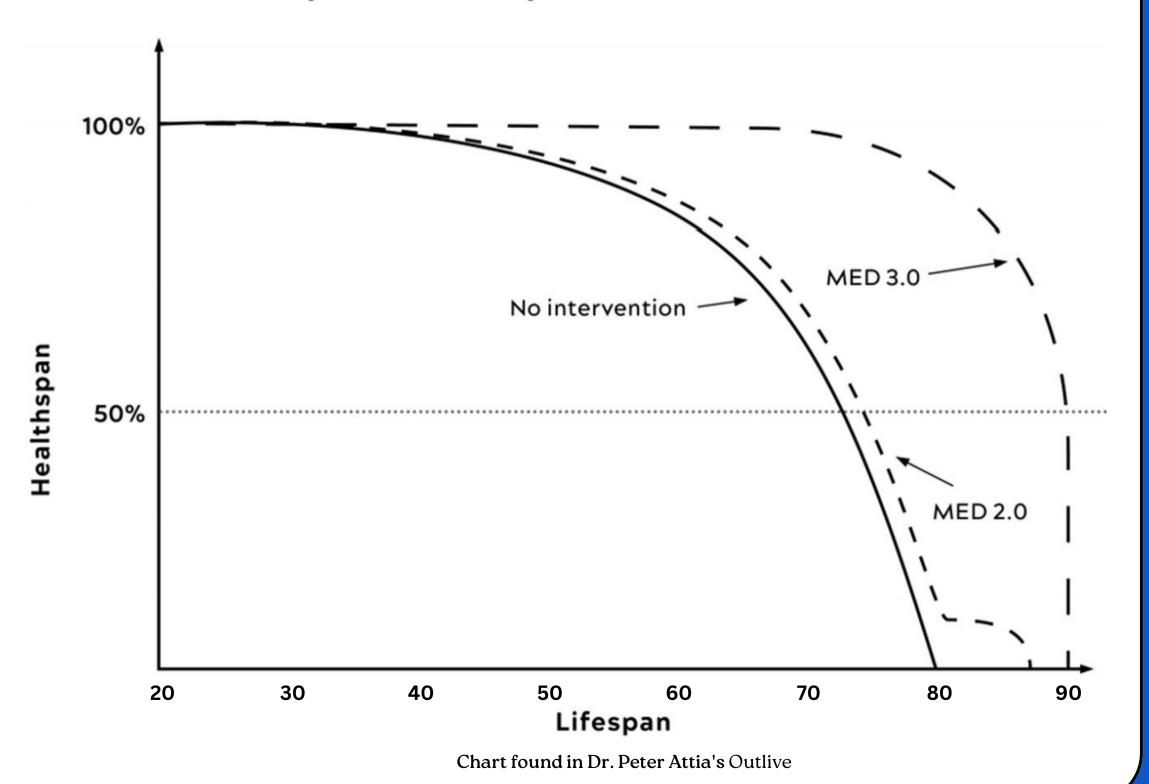
Lifespan vs. Healthspan in Medicine 2.0 vs. Medicine 3.0



Lifespan vs. Healthspan in Medicine 2.0 vs. Medicine 3.0

Imagine This

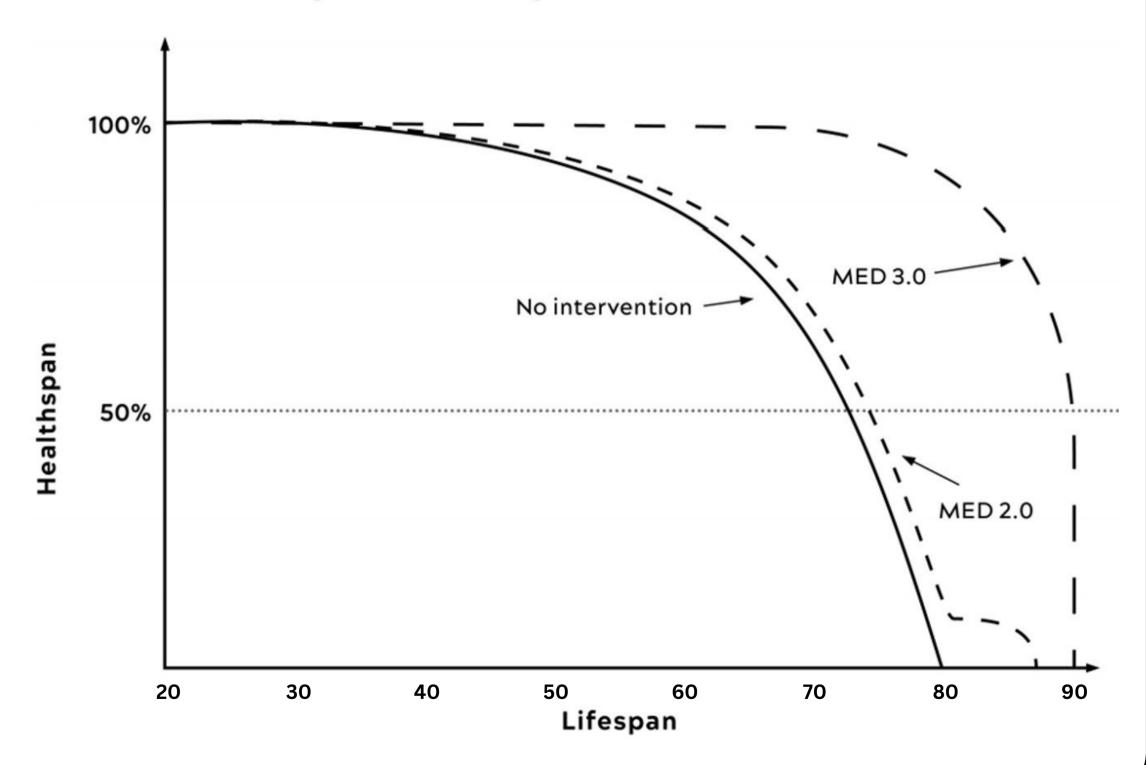
Our current life expectancy in the United States is just shy of 80- years old, so we will take the 'no intervention method' and end it at the age of 80.



Compare

When we think about MED 3.0, that is the proactive approach, taking longevity into account and doing so over the course of decades to prevent severe complications. MED 2.0 refers to today's standard, which can be considered reactive medicine. Then there are those who do little to nothing and face sure demise as they age.

Lifespan vs. Healthspan in Medicine 2.0 vs. Medicine 3.0

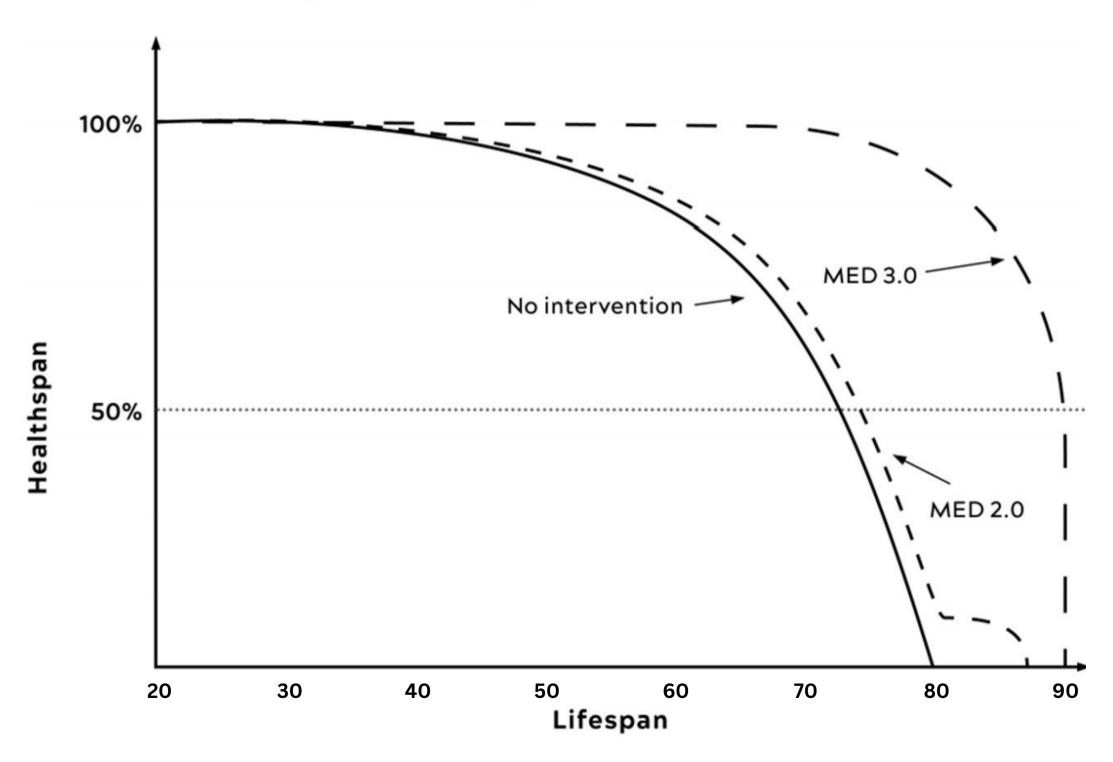


Imagine This

For the sake of our example we are going to take 50% as our cut off to begin receiving supplemental assistance in the form of private duty care.

Now it's time to crunch some numbers.

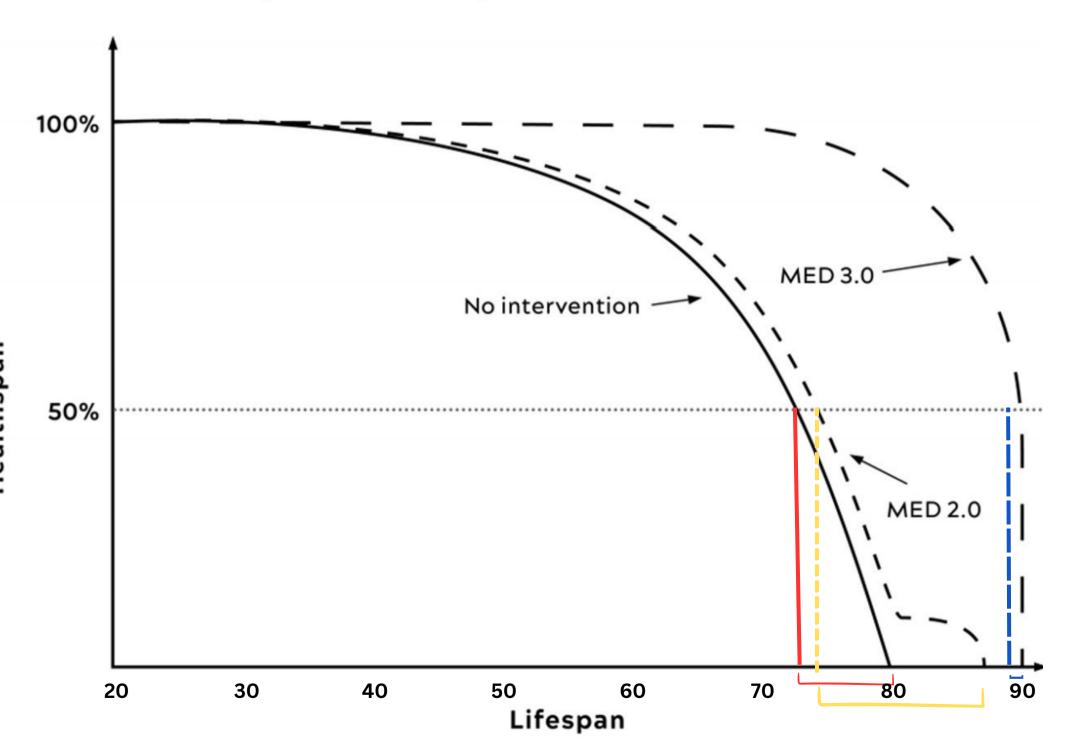
Lifespan vs. Healthspan in Medicine 2.0 vs. Medicine 3.0



Time Spent in Poor Health

This is shown by indicating the amount of time one spends below the 50% threshold. Look closely at the brackets below as we can see the 'no intervention' and 'MED 2.0' spend a great deal of time in poor health.

Lifespan vs. Healthspan in Medicine 2.0 vs. Medicine 3.0



A Closer Look 100% MED 3.0 No intervention Healthspan 50% MED 2.0 90 80 50 20 30 40 60 **70** Lifespan

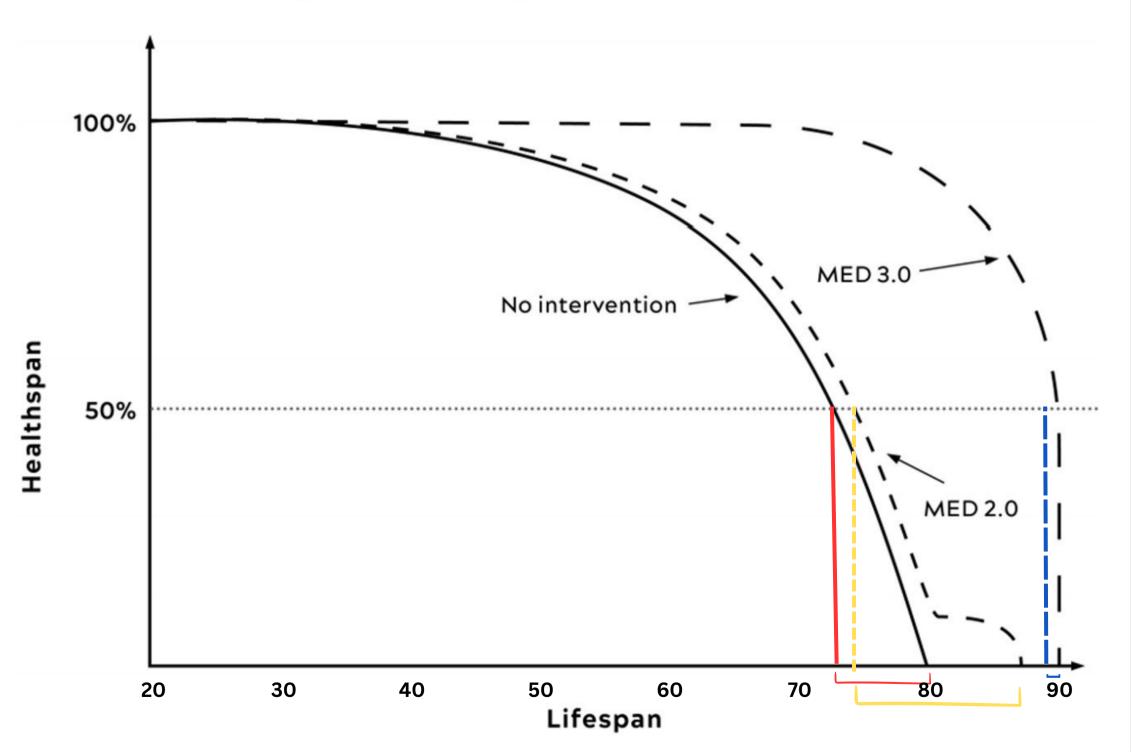
Time Spent in Poor Health

No Intervention: ~7 years

Medicine 2.0: ~13 years

Medicine 3.0: ~1-2 years





The Cost

Recall, Kris Chana shared a price of \$42/hour, and we stated we would begin home care at 8 hours per day as soon as one was below the threshold of 50% of their health.

Summary

No Intervention	Medicine 2.0	Medicine 3.0
7 Years	13 years	2 years
365 days per year	365 days per year	365 days per year
8 hours per day	8 hours per day	8 hours per day
\$42/hour	\$42/hour	\$42/hour
Total Cost: \$858,480	Total Cost: \$1,594,320	Total Cost: \$245,280

So the question remains...

What are you doing on a daily basis to avoid \$800,000-\$1,500,000 IN EXPENSES AS YOU AGE?