



Chronic Care Survey - 2020



MassMutual partnered with Penn, Schoen & Berland Associates, LLC (PSB) to conduct a research study to measure consumer awareness and understanding of Chronic Care and Long Term Care probability and funding solutions.

- PSB asked 1,250 consumers ages 30-60 with incomes ranging from \$50,000 to \$150,000 a series of questions measuring their attitude and familiarity with chronic and long term care funding solutions. The breakdown was:
 - Ages 30-40: 300 surveyed
 - Ages 41-50: 300 surveyed
 - Ages 51-60: 650 surveyed
- 250 additional consumers ages 50-60 with an income range of \$50,000 to \$100,000 were surveyed.
- The survey was completed in November 2019.

Findings

Study Findings

1. Consumers are concerned about needing chronic care after age 65, but their confusion around its duration and the fear of running out of money show they are not prepared for it.
2. Solutions to managing chronic care are not well understood, although the interest in learning more about it is high, especially among younger consumers.
3. Consumers are uncertain about the costs of in-home care but strongly prefer to stay in their home.

Objectives & Methodology

Objectives:

- Gauge levels of knowledge, gaps in understanding and interest in insurance solutions for chronic care.
- Assess financial concerns around chronic care.
- Determine opportunities to target individuals based on income, age and interest in purchasing insurance solutions for chronic care.

Methodology:

- The research was conducted in a 15-minute online quantitative survey.

1. The Need for Chronic Care



Of concerns about aging and retirement, **running out of money** is the top overall worry for middle and upper-middle income Americans, while **suffering an illness or disability** that would require chronic care is 3rd on the list.



Even though it's not their top issue, the vast majority of consumers are concerned about **suffering a chronic condition** as they age.

- Concern is highest among younger and higher income groups.



Across age and income groups, consumers **fear the expense of needing chronic care**.

- Younger consumers fear not being able to stay active.



On average, consumers predict they have a **38% chance of needing chronic care** -- with those in their 30s being more likely than older age groups to say they will need chronic care.

- Younger consumers are more likely than older consumers to have experience with family members needing chronic care.



Nearly half (47%) are unsure how long they would need chronic care, but only one quarter think they will actually need chronic care for two years or more.

Concerns Beyond Retirement

Q1: Please rank your biggest concerns about aging and your retirement. 1 indicates the 'Top Concern' and 7 indicates the 'Least Concern.'

Concerns About Aging and Retirement

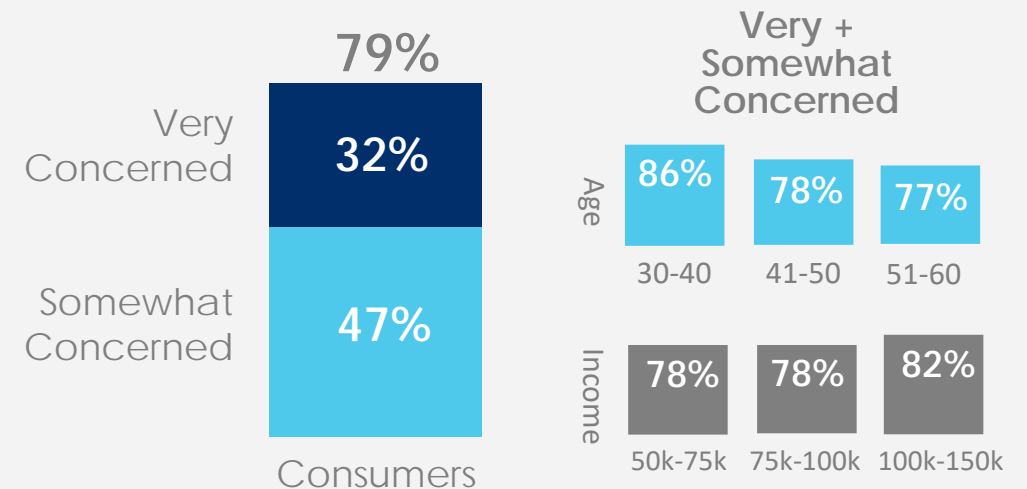
39% of Consumers rank "Running out of money" as their top concern.

13%

of Consumers rank "Suffering a disabling illness or physical disability that require chronic care" as their top concern.

On average, this ranks 3rd.

Q2: As you retire and age, how concerned are you about suffering a chronic or long-term condition or illness?

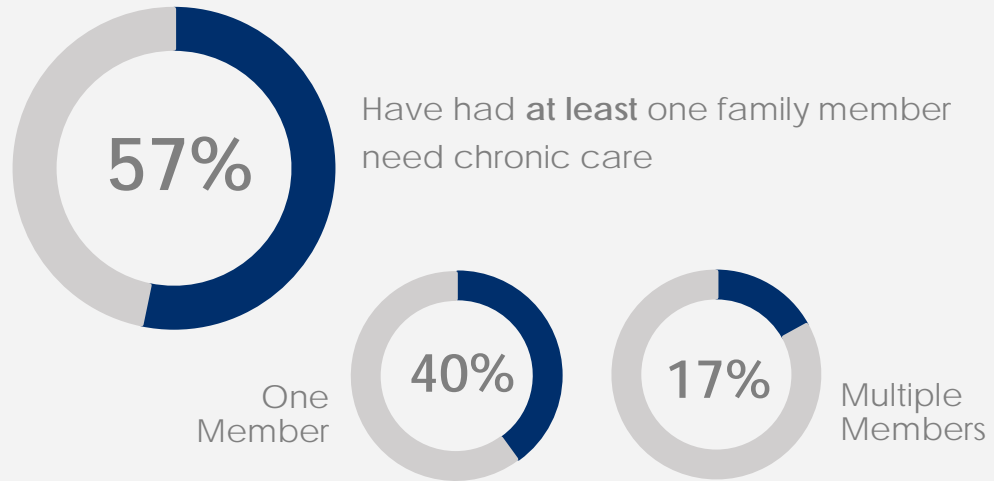


Conclusions

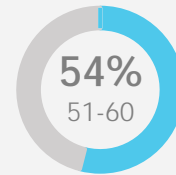
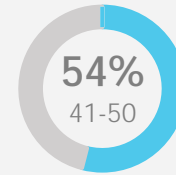
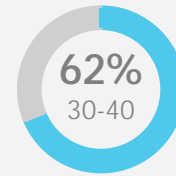
- Consumers are primarily concerned with running out of money in retirement, with the need for chronic care ranked as their 3rd biggest concern.
- Despite this, 8 in 10 consumers are concerned about suffering a chronic condition.
- Those in their 30s are among the most concerned.

Family Experience with Chronic Care

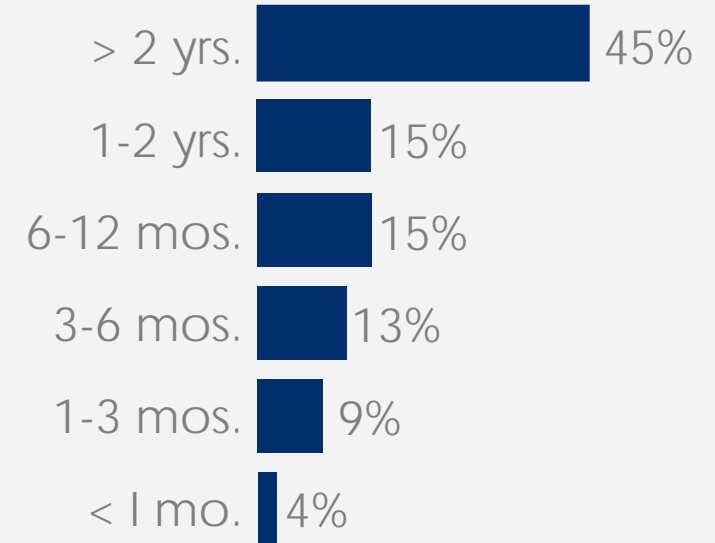
Q3: Have you or has anyone in your family needed chronic care in the past?



By Age



Q4: How long did that chronic care last?

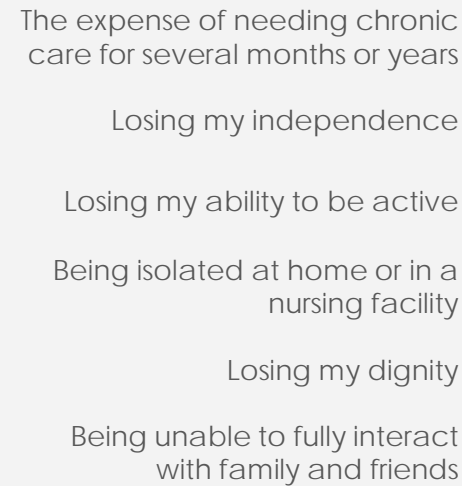
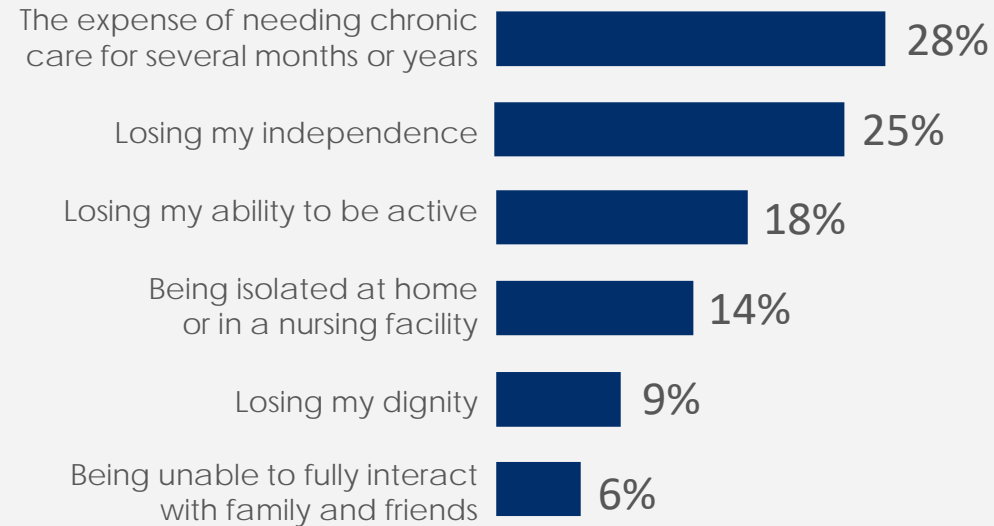


Conclusion

- Consumers in their 30s are more likely to have had at least one family member need chronic care, possibly explaining their increased familiarity and understanding of chronic care.

Concerns about Needing Chronic Care

Q5: What are your concerns about needing chronic care in retirement?



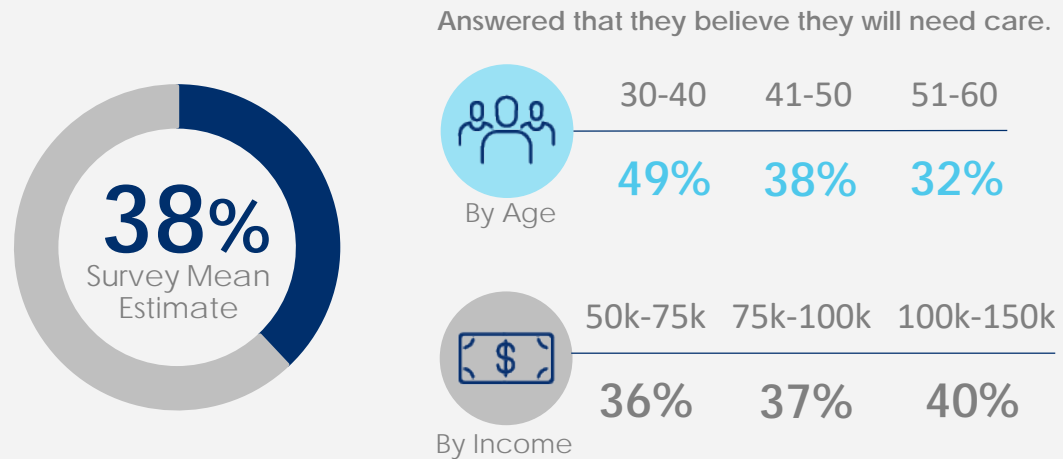
	Age			Income		
	30-40	41-50	51-60	50k-75k	75k-100k	100k-150k
The expense of needing chronic care for several months or years	20%	28%	32%	31%	26%	26%
Losing my independence	20%	27%	25%	27%	24%	23%
Losing my ability to be active	24%	16%	16%	15%	19%	20%
Being isolated at home or in a nursing facility	14%	16%	13%	14%	15%	13%
Losing my dignity	10%	7%	10%	8%	9%	10%
Being unable to fully interact with family and friends	12%	6%	4%	5%	6%	8%

Conclusions

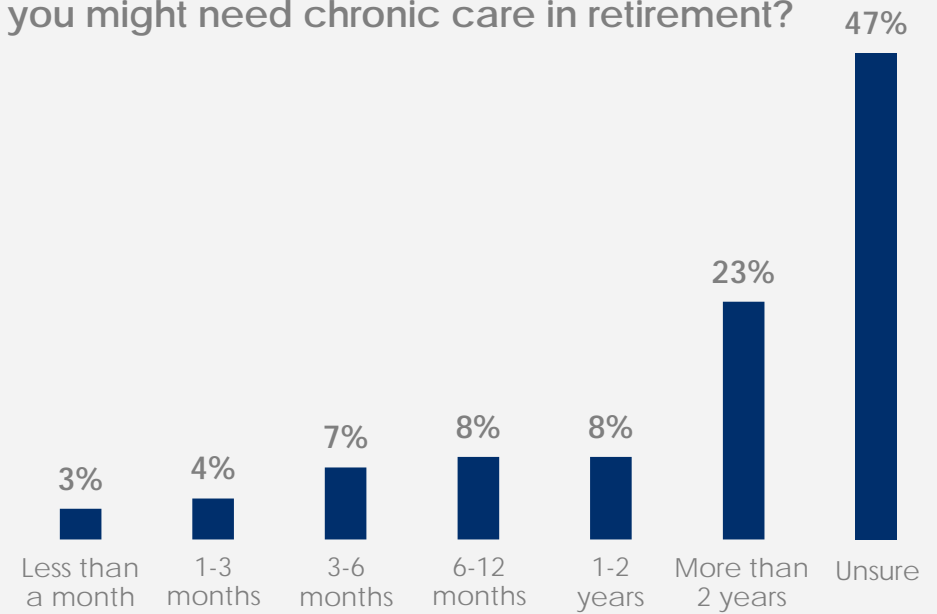
- The top concerns about chronic care specifically are the expense of long-term chronic care and the loss of independence.
- Even among upper income consumers, the expense of care is the top concern.
- Among younger consumers, losing their ability to be active is the most prominent fear associated with chronic care.

Potential Need for Chronic Care

Q6: What do you estimate are your chances of needing chronic care after age 65?



Q7: What is your estimation about how long you might need chronic care in retirement?



Conclusions

- The survey mean estimate of the chances they will need chronic care after age 65 is 38%.
- Those in their 30s project a higher likelihood of needing chronic care.
- However, almost half of consumers are unsure as to how long they will need chronic care.

Paying for Chronic Care

Q8: If you were to need care for a chronic illness or physical disability after age 65 that lasts more than a few weeks, how would you pay for it?

	Overall	Age			Income		
	Consumers	30-40	41-50	51-60	50k-75k	75k-100k	100k-150k
Retirement savings	39%	42%	41%	36%	29%	41%	46%
Medicare	34%	38%	35%	32%	30%	35%	38%
Medicare supplemental insurance	26%	27%	22%	27%	22%	28%	28%
Long-term care insurance	24%	36%	23%	20%	19%	25%	29%
Medicaid	20%	28%	22%	16%	19%	19%	24%
Life insurance with a chronic care benefit	16%	32%	16%	8%	9%	17%	21%
Cash value from life insurance policy	11%	23%	9%	6%	8%	9%	16%
Support from children or other family members	11%	20%	13%	7%	10%	11%	13%
Annuity	7%	12%	8%	5%	4%	6%	12%
Another way	1%	0%	1%	2%	1%	1%	2%
Unsure	24%	17%	22%	27%	33%	22%	16%

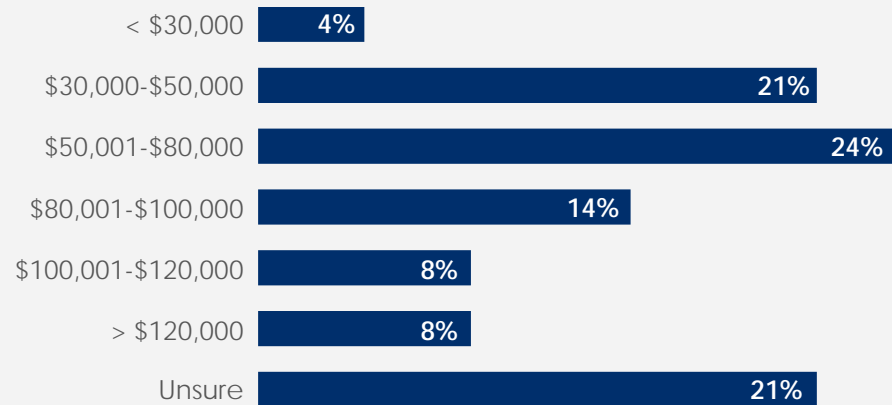
***Bolded** indicates top 2 for each audience

Conclusions

- Although about a quarter of consumers are uncertain of how they'd pay for chronic care, the top methods are retirement savings or Medicare.
- There is more uncertainty in chronic care funding among those making \$50k-\$70k versus those making \$100k-\$150k.

Cost of Care

Q9: How much do you think it would cost per year for basic nursing home care ?



Q10: About how much do you think it would cost to retrofit or remodel your home if you needed to do it to deal with a chronic condition?

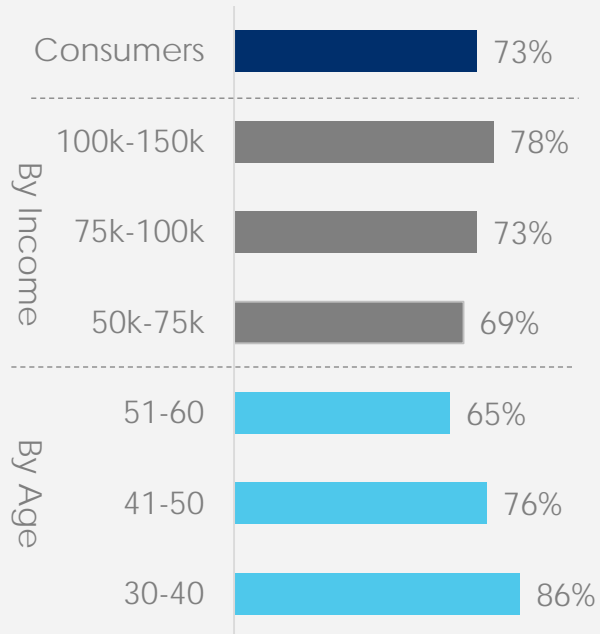
	Overall	Age			Income		
	Consumers	30-40	41-50	51-60	50k-75k	75k-100k	100k-150k
< \$5,000	8%	5%	9%	10%	9%	8%	8%
\$5,001-\$10,000	17%	15%	17%	18%	20%	16%	14%
\$10,001-\$20,000	20%	23%	21%	18%	15%	26%	20%
\$20,001-\$30,000	16%	30%	16%	9%	14%	11%	22%
> \$30,000	12%	11%	12%	12%	9%	13%	14%
Unsure	27%	16%	25%	33%	33%	26%	22%

Conclusions

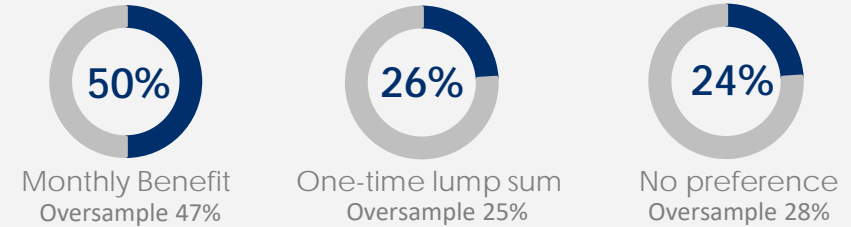
- Although there is uncertainty regarding costs of basic nursing home care, consumers are most likely to estimate basic nursing home care costs between \$50k-\$80k a year.
- Fully a quarter believe it would cost \$10k or less to remodel their home to accommodate a chronic condition.

Medicare

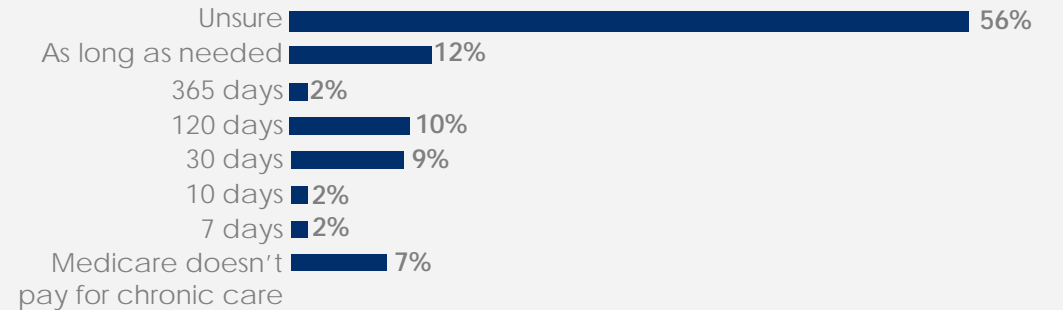
Q11: How interested would you be in purchasing long-term or chronic care coverage through employer?



Q12: If you had a chronic care benefit, would you prefer to receive as...?



Q13: As far as you know, for how long does Medicare pay for nursing home care of chronic illnesses and disabilities?



Conclusions

- Consumers, across age and income groups, show strong interest in wanting to purchase long-term or chronic care coverage through their employer and would prefer to receive it as a monthly benefit.
- However, most are unsure about how long Medicare will pay for nursing home care or chronic illness.

2. Awareness of Solutions and Purchase Interest



Solutions to managing chronic care are poorly understood, although interest in these solutions is high, especially among younger consumers.



Consumers have little confidence in their understanding of LTC insurance with less than a quarter indicating they understand it 'very well'.

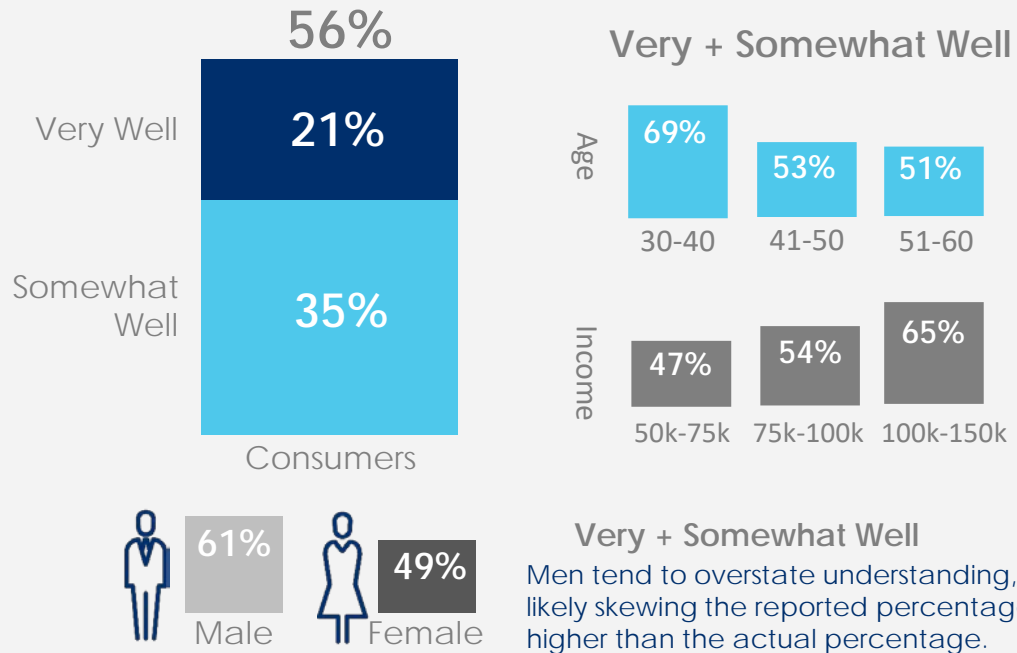


About one-third are considering purchasing long-term care insurance, a plurality of those being in their 30s.

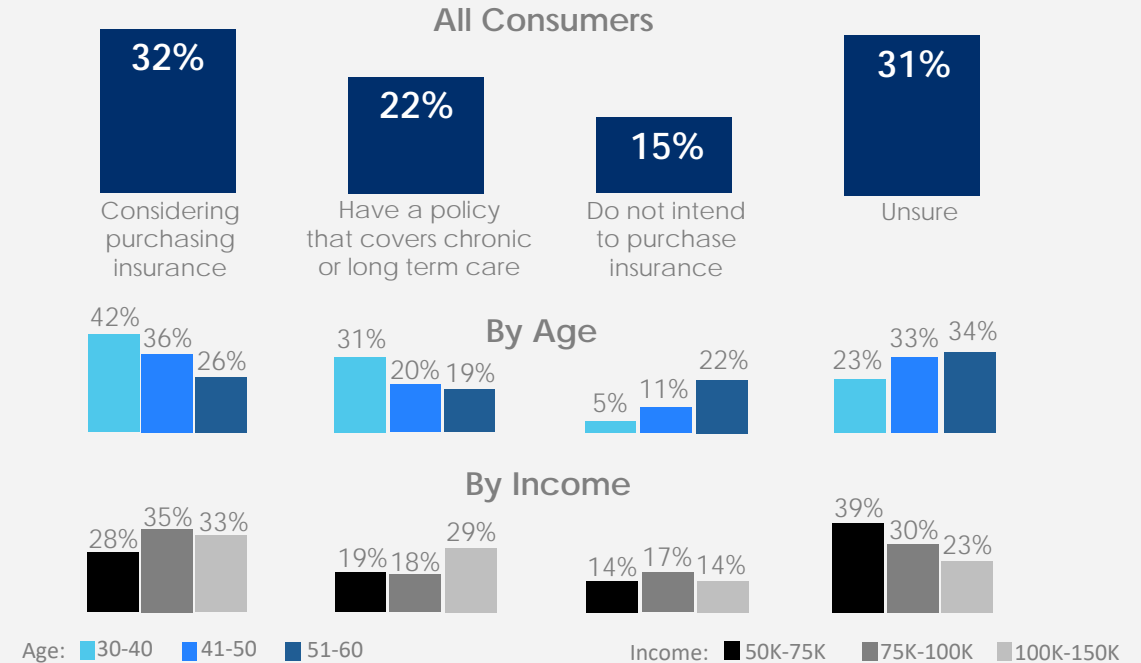
- However, almost another one-third are unsure of whether or not they purchase long-term care insurance.

Understanding long term care insurance

Q14: How well do you understand how long-term care insurance covers your long-term care needs?



Q15: What best describes insurance you have to cover chronic or long-term care?

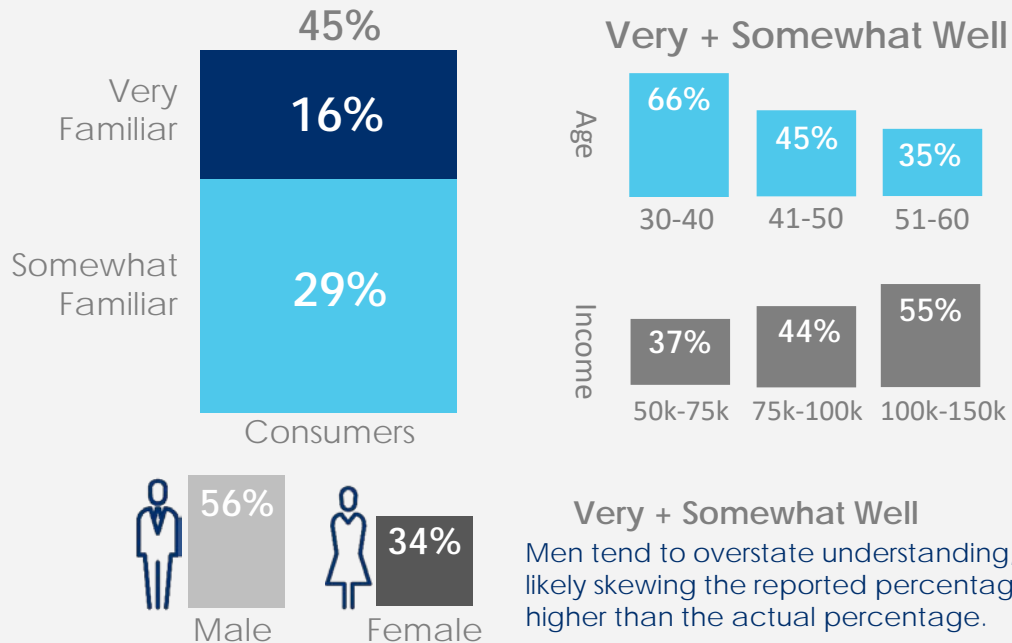


Conclusions

- The majority of consumers think they understand their long-term care insurance well, with those in their 30s most confident in their knowledge and those making \$50k-\$75k being the least confident.
- About one-third are considering purchasing long-term care insurance, more-so among those in their 30s – while almost another one-third are unsure.

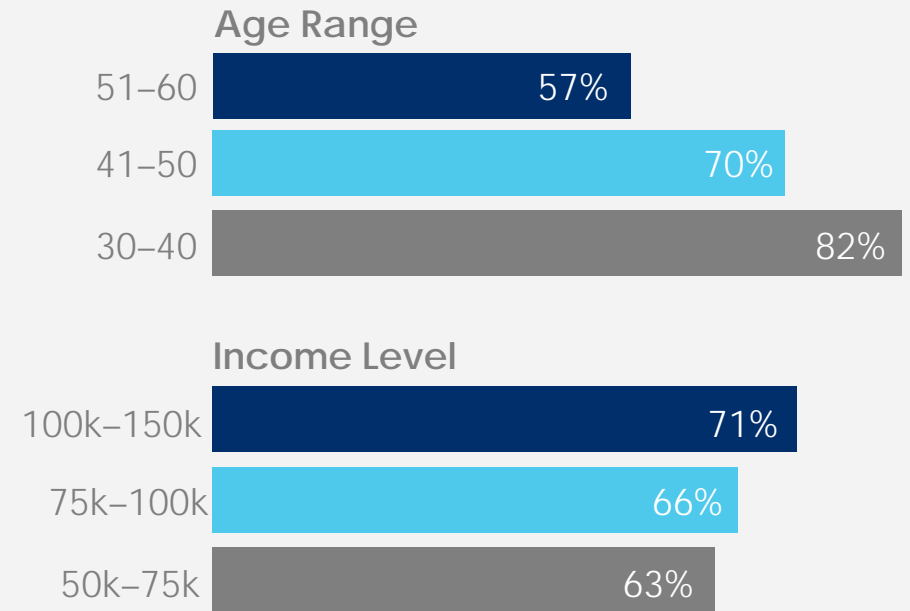
Leveraging the Death Benefit

Q16: How familiar are with a particular type of life insurance policy that allows you to use a portion of your death benefit to pay for chronic care?



Q17: How interested would you be in purchasing a life insurance policy that allows you to use a portion of your death benefit to pay for chronic care?

45%
of consumers are unsure of the cost of long-term care insurance compared to the cost of life insurance that comes with a chronic care benefit.



Conclusions

- Familiarity with life insurance that offers accelerated death benefit to pay for chronic care is not high, with only about 2 in 10 consumers indicating 'very familiar;' however, at least 6 in 10 consumers, particularly those in their 30s, are interested in this insurance.
- Almost half can't estimate the cost of LTC insurance compared to life insurance that comes with a chronic care benefit.

3. In Home Care



Consumers are uncertain about the costs of in-home care but show strong interest in opportunities to stay in-home

Over half of consumers either don't know or underestimate the cost of in-home care.

Almost one third of consumers would not be able to stay in their home if they had to pay more than \$300 a week of home healthcare.



- Given that it typically costs more than \$300 a week, educating consumers about this cost may go a long way toward increasing interest in solutions that would help them manage those costs.



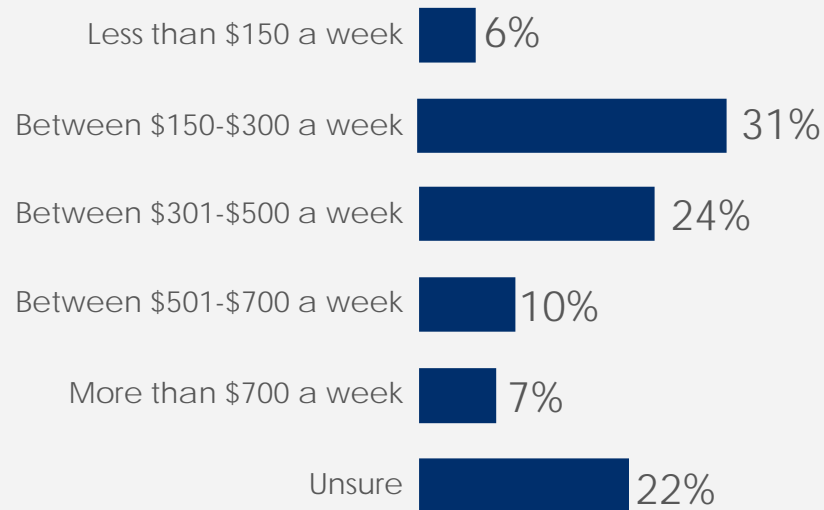
Almost all consumers prioritize staying in home and 8 in 10 indicate interest in learning more about payment opportunities to stay in home, irrespective of age or income.



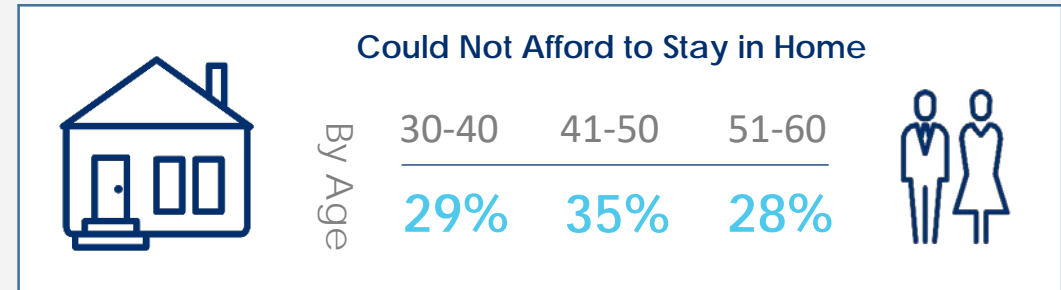
Consumers show strong interest in wanting to purchase long-term or chronic care coverage through their employer and would prefer to receive it as a monthly benefit.

Home-Based Healthcare

Q18: How much do you think the weekly expense would be for two hours of daily home-based healthcare?



Q19: If you needed to pay \$300 or more a week for six months of home healthcare, could you afford to stay in your home?

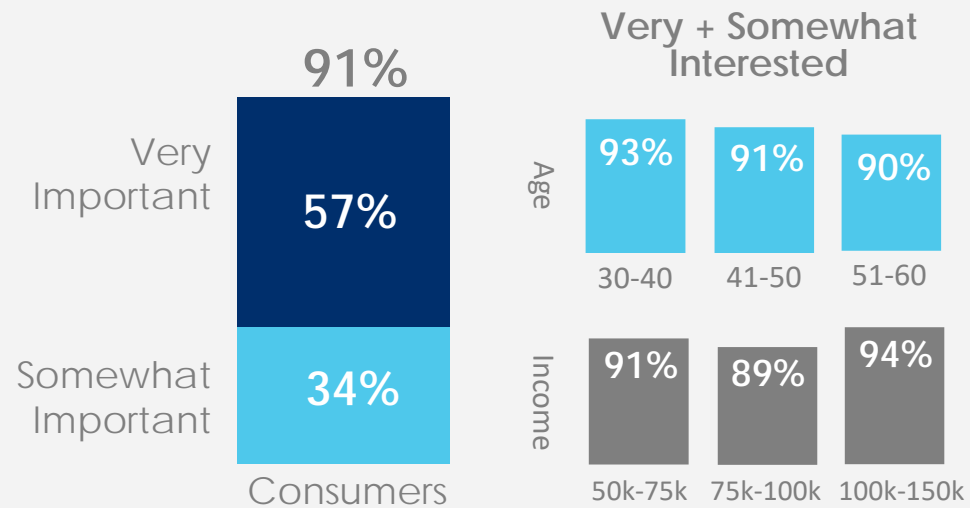


Conclusions

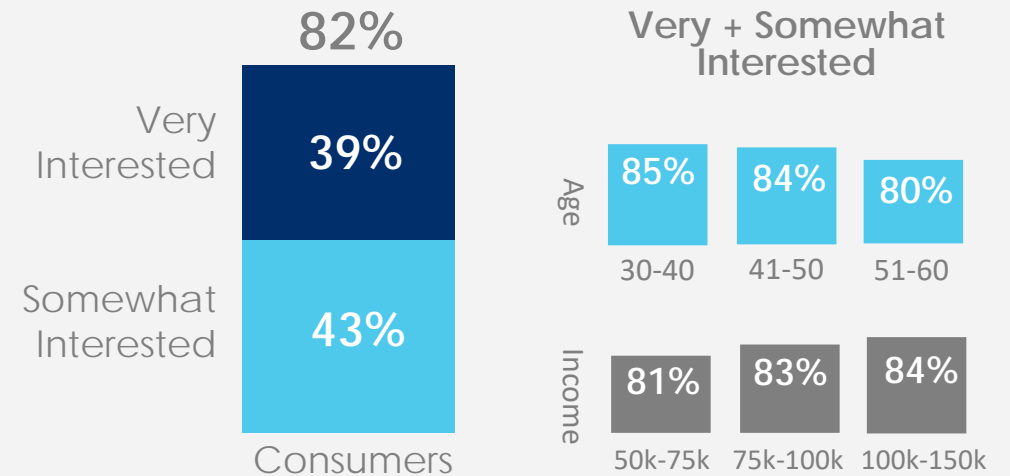
- Almost 6 in 10 consumers either underestimate or are unsure of the weekly cost of home-based healthcare.
- About one-third of consumers would not be able to stay in home if they needed to pay \$300 or more a week for six months of home healthcare, with those making less than \$75k much more likely to indicate a need to move.

Concerns Beyond Retirement

Q 20: If you needed long term care in retirement, how important would it be to be able to stay in your home?



Q 21: How interested would you be in learning more about opportunities to pay for health care treatment and still stay in your home?



Conclusion

- Almost all consumers prioritize remaining in their home despite needing to pay for healthcare and when prompted show strong interest in learning more about payment opportunities – regardless of age or income.



All data in this presentation is from the MassMutual: Chronic Care Survey, November 2019. PSB Research

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