

METHODOLOGY
GENWORTH 2010
COST OF CARE SURVEY

APRIL 2010

Home Care Providers,
Adult Day Health Care Facilities,
Assisted Living Facilities and
Nursing Homes

METHODOLOGY



CareScout has conducted the Genworth Cost of Care Survey annually since 2004. Located in Waltham, Massachusetts, CareScout has specialized in helping families find long term care providers nationwide since 1997.

This year, CareScout – now part of the Genworth Financial family of companies, contacted more than 60,000 providers to complete nearly 13,000 surveys of nursing homes, assisted living facilities, adult day health facilities and home care providers. Potential respondents were selected randomly from the CareScout nationwide database of providers in each category of long term care services. Survey respondents representing all 50 states, the District of Columbia and Puerto Rico were contacted by phone during January, February and March of 2010. Survey respondents were informed that survey data provided would be included in the Genworth 2010 Cost of Care Survey results. Survey questions varied, based on the type of care provider.

Considered the most comprehensive survey of its kind, the Genworth Cost of Care Survey is the first to publish costs for all 384 U.S. Metropolitan Statistical Areas (MSA). MSA definitions are established by the Office of Management and Budget and include approximately 84 percent of the U.S. population. The survey also includes some counties outside of the MSA regions. To create accurate historical trends for this

expanded scope, CareScout recast the base data from the 2005 survey into the current region structure. As a result, CareScout is able to report a five-year compound annual growth rate for each region.

Home Care (HC)

Surveyors completed nearly 2,700 interviews with licensed home health care providers representing approximately 17 percent of home care agencies. The agencies surveyed provide home health care and homemaker services where a skilled nurse does not need to be present. A home health aide will typically help with bathing, dressing, transferring and toileting, but not with catheters or injections. Most of these agencies also provide homemaker services that typically include assistance with shopping, finances, cooking, errands and transportation. Homemaker services may also be employed for the purpose of providing companionship.

Annual rates are based on 44 hours of care per week, multiplied by 52 weeks. Where a rate range was provided, the midpoint was used. The survey excludes weekend and holiday rates.

METHODOLOGY

Adult Day Health Care (ADH)

Across 436 regions, surveyors polled more than 34 percent of adult day health care facilities, resulting in more than 1,300 completed surveys.

ADH is designed to meet the needs of adults who are functionally and/or severely cognitively impaired. Programs are intended to be structured and comprehensive, and to take place in a protective setting that promotes well-being through a variety of health, social and other support services. These services are intended to help enable individuals live more independently in the community. These services may also be used to provide relief for family caregivers.

ADH facility rates are structured in a variety of ways: some charge by the hour, some by the half-day and others for the full day, regardless of utilization. All rates used in Genworth's survey were extrapolated to a daily (6-8 hours) rate.

ADH facility rates may be subsidized by the government or the community. A government subsidy is based on the individual's ability to pay. However, a community subsidy is available to individuals regardless of their income level. This survey captures the full private pay rates, or where applicable, the community subsidy rates. This survey does not capture the government subsidy rates.

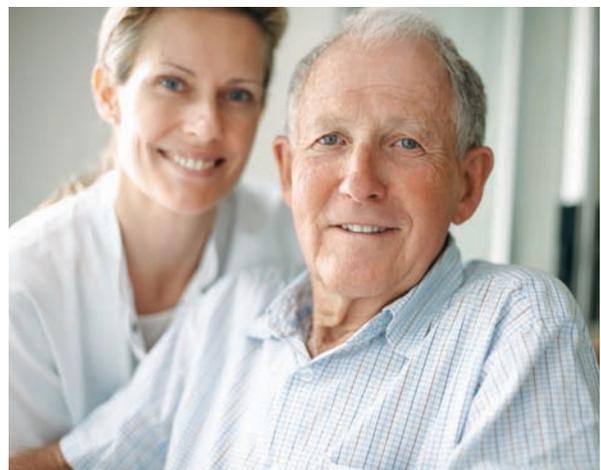
Annual rates are based on the daily rate multiplied by five days per week, and then multiplied by 52 weeks.

Assisted Living Facilities (ALF)

Across 436 regions, surveyors polled more than 12 percent of licensed assisted living facilities, resulting in more than 5,300 completed surveys.

Unlike nursing homes, there is no uniform regulatory standard for assisted living facilities. As a consequence, states have instituted licensing standards that vary from state to state. The assisted living facilities polled were licensed according to the licensure requirements of the state in which the assisted living facility was located.

Currently, there are more than 70 different names or designations for facilities licensed as some form of an assisted care facility. Generally, only about 50 percent of these care facilities use the term "assisted living facility" as a part of their formal name or licensure designation. For example, some facilities may be identified as "residential care facilities." Because of variations in licensing requirements by state,



METHODOLOGY

both small group homes and large multi-service facilities qualified as assisted living facilities for the purposes of this study.

Surveyors collected the monthly, private pay base rates for single occupancy of a one-bedroom unit in an assisted living facility. They also determined whether the facility charges a non-refundable community or entrance fee. This survey shows that approximately 33 percent of assisted living facilities charge a one-time non-refundable fee.

In some cases, a facility will charge extra for health-related services (e.g. using “care level” gradations). The published monthly rates for this survey do not include these additional health-related costs. Many assisted living facilities charge a monthly rate that is within a range based on the level of care needed by the resident. The monthly fee typically includes rent, meals and housekeeping.

Where a rate range was provided, CareScout calculated and used the average of the high and low range rates.

Annual rates are based on the monthly fee multiplied by 12 months.

Nursing Homes (NH)

Across 436 regions, surveyors polled more than 22 percent of certified and licensed nursing homes, resulting in more than 3,600 completed surveys.

Surveyors collected the daily rates for private rooms (single occupancy) and semi-private rooms (double occupancy) in Medicare-certified nursing facilities. Medicare-certified nursing homes represent more than 90 percent of all nursing homes in the U.S. The daily room charge usually includes services beyond rent such as three meals a day, laundry, sundries, basic nurse supervision and generic non-prescription pharmaceuticals.

Annual rates are based on the daily fee multiplied by 365 days.

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ABOUT CARESCOUT[®]

Headquartered in Waltham, Massachusetts, CareScout helps Americans across the United States find quality care providers for their long term care needs. As an objective source for this provider information, CareScout, now part of the Genworth Financial family of companies, developed the nation's first quality-of-care ratings system for certified nursing homes and home care providers. Large employers, risk underwriters and families rely on CareScout's proprietary ratings system, the CareScout network and its database of more than 90,000 providers including nursing homes, assisted living facilities and home care agencies to help find and arrange the most appropriate care for loved ones. For more information, visit carescout.com.

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Genworth operates through three segments: Retirement and Protection, U.S. Mortgage Insurance and International. Its products and services are offered through financial intermediaries, advisors, independent distributors and sales specialists.

Genworth Financial, which traces its roots back to 1871, became a public company in 2004 and is headquartered in Richmond, Virginia. For more information, visit Genworth.com.

From time to time, Genworth releases important information via postings on its corporate Web site. Accordingly, investors and other interested parties are encouraged to enroll to receive automatic e-mail alerts and Really Simple Syndication (RSS) feeds regarding new postings. Enrollment information is found under the "Investors" section of Genworth.com.

Visit genworth.com/CostofCare to:

- compare costs across locations
- calculate future costs of care
- get more information about the Cost of Care Survey

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