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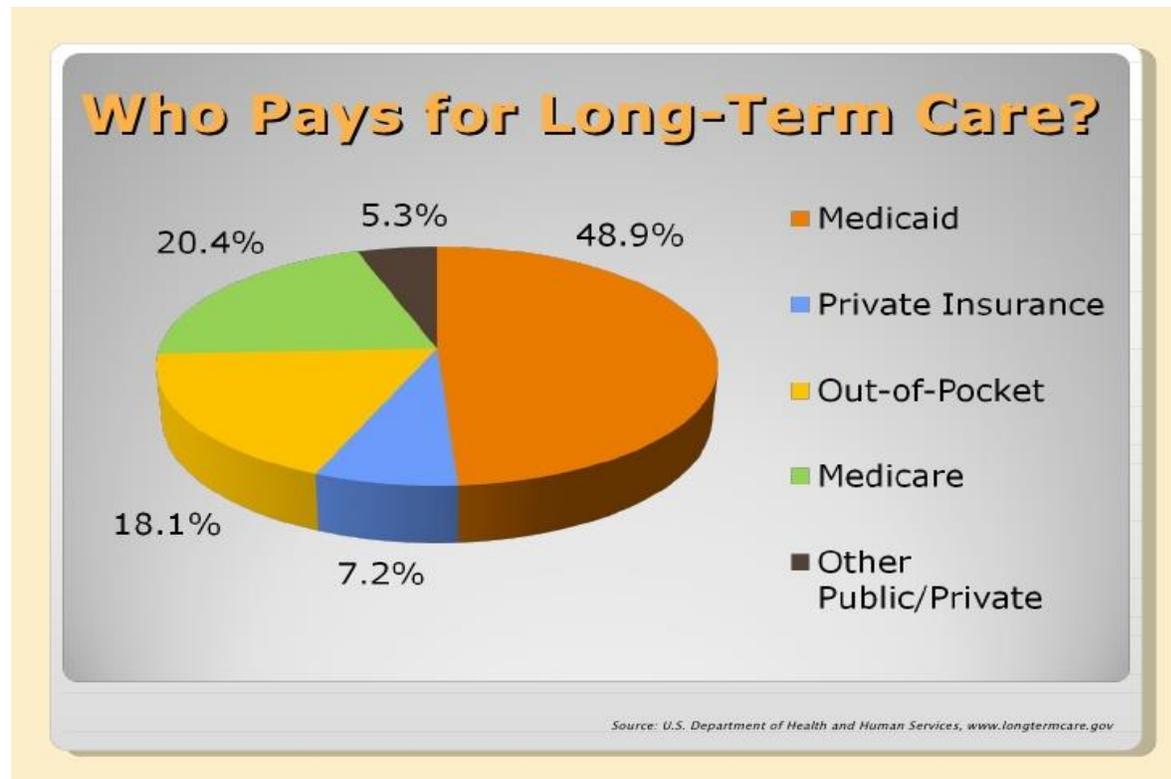
“PAYING FOR LONG-TERM CARE: MEDICAID OVERVIEW”

WHY IS MEDICAID IMPORTANT?

The expensive cost of long-term care makes it hard for Americans to pay for their care needs. The cost of long-term care varies in every state. Average daily and monthly costs for U.S. states are as follows: ***

- \$275 a day or \$8,365 per month in a private room in a nursing home.
- \$242 a day or \$7,362 per month in a semi-private room in a nursing home.
- \$127 a day or \$3,863 per month in a one-bedroom unit in an assisted living facility.
- \$72 a day or \$1,563 per month in an adult day health care.
- \$135 a day or \$4,114 per month for homemaker services.
- \$139 a day or \$4,222 per month for home health aide.

***Information c/o Genworth





HOW IS MEDICAID DIFFERENT THAN MEDICARE?

Medicare, a federal program, and Medicaid, a state and federal program, both provide health insurance benefits to the elderly. However, Medicare is an optional health insurance program available to all Americans aged 65 or older. Income and assets are not considered for eligibility purposes. Medicaid is health insurance specifically designed for low-income persons with limited financial resources. Medicaid has strict income and asset limits.

Medicare will not cover long-term care benefits, but Medicaid will. Medicare will cover nursing home care, but only on a short-term basis, up to 100 days. Medicaid does not limit the number of days they will pay for nursing home care. In addition, Medicaid may pick up some of the out-of-pocket costs such as Medicare premiums and co-payments.

DOES MEDICAID PAY ONLY FOR NURSING HOMES?

Medicaid, in all states, pays for care for individuals that reside in nursing homes; this is often referred to as Long Term Care Medicaid or Institutional Medicaid.

Medicaid also offers Home and Community Based Services (HCBS), which are programs that provide services to individuals who live outside of nursing homes. Individuals enrolled in a HCBS program reside at home or in their community. “Community” refers to living in the home of a caregiver, a family member, a board and care home, an assisted living residence, adult foster care home, or a senior living community.

Some states provide HCBS via their state Medicaid plan, while most provide this type of care via Medicaid “waivers”. Waivers are state specific Medicaid programs that allow for services to be provided outside of nursing homes.

A very important distinction is that nursing home Medicaid is considered an entitlement program, while waivers are not. Entitlement means that if one meets the eligibility requirements, they will automatically receive services.

With Medicaid waivers, one might meet the eligibility requirements, but be unable to enroll in the program. This is due a waiver limiting the number of individuals who can receive services. Someone may be put on a waiting list to receive benefits given the program’s enrollment cap has been met. In addition, Medicaid waivers may limit their services to specific geographic regions within a state.



HOW DOES SOMEONE QUALIFY FOR MEDICAID?

Medicaid has two types of eligibility requirements: functional and financial.

Functionally, individuals usually must require the level of care provided in a nursing home or an intermediate care facility.

Financially, Medicaid eligibility looks at both the applicant’s income and their total assets (and one’s spouse’s).

Meeting these income and asset requirements are very complex (and vary from state to state). As such, each requirement merits its own article to fully explore the nuances involved. I will do so in the coming weeks.

Information provided by the American Council on Aging



MAIN TAKEAWAYS

“PAYING FOR LONG-TERM CARE: MEDICAID OVERVIEW”

1. The expensive cost of long-term care makes it hard for Americans to pay for their care needs.
2. Medicare is an optional health insurance program available to all Americans aged 65 or older. Income and assets are not considered for eligibility purposes.
3. Medicaid is health insurance specifically designed for low-income persons with limited financial resources. Medicaid has strict income and asset limits.
4. Medicare will cover nursing home care, but only on a short-term basis, up to 100 days.
5. Medicaid does not limit the number of days they will pay for nursing home care
6. Medicaid, in all states, pays for care for individuals that reside in nursing homes; this is often referred to as Long Term Care Medicaid or Institutional Medicaid.
7. Medicaid also offers Home and Community Based Services (HCBS), which are programs that provide services to individuals who live outside of nursing homes
8. Medicaid has two types of eligibility requirements: functional and financial.
9. Functionally, individuals usually must require the level of care provided in a nursing home or an intermediate care facility.
10. Financially, Medicaid eligibility looks at both the applicant’s income and their total assets (and one’s spouse’s).

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