

# What Public Funds and Private Insurance DOES NOT Cover...It May Surprise You

Individuals older than 75 years of age commonly encounter the need for long-term care. The U.S. Department of Health and Human Services states that a person aged 65 has roughly a 70 percent chance of needing long-term care services and supports (LTSS) during the remainder of their life; the average duration of those LTSS is three years.<sup>1</sup> Below are some scenarios that lead to the need for long-term care for older Americans.

## Scenario 1:

Lena is 77 and lives on her own, albeit with controlled high blood pressure, close to her daughter and son. She slips and falls in her kitchen, breaking her hip. Surgery is required to repair the fracture. Lena recovers well, but she needed both a four-day hospital stay and several weeks (>100 days) in a skilled nursing facility for rehabilitation.

- 1) **Would this be covered by Medicare?** YES, Medicare Part A covers both the hospital stay and the skilled nursing facility (SNF) stay. However, it is important to note that Lena's stay at the SNF is only covered by Medicare because she was considered an "in-patient." If she had been categorized as "under observation" or "our-patient," Lena would have been personally liable for her stay.
- 2) **Would it be covered by Medicaid?** NO, not unless Lena is eligible. Eligibility requirements vary by state, so unless she meets the income requirements for her state, Lena will not be eligible.
- 3) **Would this be covered by private insurance?** MAYBE, if Lena has Medigap insurance then the daily Part A copays for the hospital and skilled nursing facility may be covered, depending on the policy. If Lena had Medicare Advantage, her skilled care would also be covered.
- 4) **What happened to Lena?** Lena was very lucky in that she recovered from this fall and was able to move back into her home. However, she and her children had to make some improvements to her home which will allow her to live there in a safer environment. They purchased a button to assist Lena in calling 911 immediately if she were to fall again, made modifications to her bathroom and kitchen, and added a ramp in her garage. The cost of these modifications was modest; however, if Lena falls again, she may have to make a decision on whether or not it would be best for her health to live in her home.



## Scenario 2:

Jose is 76 and currently resides in an assisted living facility. He lives with Alzheimer's Disease. Over the last several months, Jose has become increasingly frail and needs significant assistance with several activities of daily living, including bathing, dressing, and eating. The assisted living facility repeatedly suggested that Jose move into a skilled nursing facility. He resisted moving until being hospitalized for pneumonia, after which Jose needed skilled nursing care indefinitely. After 11 months, Jose no longer can afford his private room in a local skilled nursing home and must move because this SNF is not a Medicaid certified provider.

- 1) **Would this be covered by Medicare?** YES, as Jose had at least a 3-day stay "in-person" stay an acute care hospital; had he not been considered as "in-patient", Medicare would not have covered care in a skilled nursing facility. For the first 20 days of Jose's skilled nursing stay, there is no cost sharing under Part A. For Days 21-100, the copayment is \$170.50, but for day 101 and beyond, the beneficiary is

<sup>1</sup> <https://longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html>

required to cover all costs because the Medicare Part A benefit is only available for 100 days of skilled care.

- 2) **Would it be covered by Medicaid?** YES, but only after Jose spends down his assets and becomes eligible.
- 3) **Would this be covered by private insurance?** NO, not unless Jose has long-term care insurance.
- 4) **What happened to Jose?** Jose was unable to afford his current care and had to spend down his assets to become dependent on Medicaid so that he was able to receive proper care. Because he could not find a nursing home that took Medicaid in his community, Jose had to move away from his family and friends to a facility that would serve him under Medicaid.

### **Scenario 3:**

Mabel is 78 and lives with several health conditions, including congestive heart failure, numbness in her feet, and diabetes. She needs assistance with five activities of daily living (bathing, dressing, toileting, transferring, and walking) and resides with her son and daughter-in-law, who care for her. Her daughter-in-law had been working from home, but recently took another position that requires her to be in the office five days a week. Thus, the family is looking for an alternative care situation which would allow Mabel to receive the care she needs and remain in the community. Mabel chooses to enroll in her local Program of All-Inclusive Care (PACE), through which she will receive all acute medical care as well as long term care services and supports in a coordinated and integrated fashion.

- 1) **Would this be covered by Medicare?** YES, as Mabel is considered to be eligible for skilled nursing care by her state but can live safely at home with the assistance of the PACE program.
- 2) **Would it be covered by Medicaid?** MAYBE. Because Mabel is covered under Medicaid and Medicare services, it would be likely that Medicaid would pay the premium to be eligible for PACE.
- 3) **Would this be covered by private insurance?** MAYBE, if Mabel has long-term care insurance.
- 4) **What happened to Mabel?** Unfortunately, Mabel does not have long-term care insurance, but she has spent down enough that she is able to qualify for Medicaid long-term services and supports. Because Mabel has enrolled in PACE, she would not have to go to a nursing home and could continue to receive benefits through a coordinated, integrated care model.



## **FOR MORE INFORMATION**

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