

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

Individuals who are between the ages of 36-55 often don't understand that they might need long-term supports and services (LTSS), assuming that a disability or chronic illness is not on the horizon for them anytime soon. However, people in any age group can have LTSS needs. Medicaid is the main funding mechanism for these services, and Medicare covers some of those services ONLY if you are over 65 or eligible through another pathway. Below are some scenarios that lead to the need for long-term care.

## Scenario 1:

Sam is 37, and has cerebral palsy that limits his ability to walk and impedes his speech. Sam has always been able to work, and has a wife and two children. One day between meetings at work, Sam is hit in a crosswalk by a taxi and his mobility is permanently impaired, which leads to a long-term stay in a rehabilitation facility and the potential need for future LTSS services.



- 1) **Would Sam's recovery services be covered by Medicare?** NO. Sam is only 37 so he does not yet qualify for Medicare. Even if he were older or otherwise eligible, Medicare draws a line between medical care (which is generally covered) and "personal care," which is generally not covered. Personal care includes help bathing, eating, going to the bathroom, and moving around. So Medicare would not cover the cost of personal care services, but would likely cover some therapies and other post-acute care services if Sam was eligible.
- 2) **Would it be covered by Medicaid?** NO, not unless Sam is eligible. Eligibility requirements vary by state, but Medicaid is a program meant for low-income adults, so unless Sam meets financial and are-related requirements, he will not be eligible. Even if he is eligible, there are often waiting lists for home-based Medicaid services.
- 3) **Would this be covered by private insurance?** MAYBE, although it is very unlikely that if Sam had applied for long-term care insurance prior to the accident, he would most likely have been denied due to his pre-existing condition.
- 4) **What happened to Sam?** Sam and his wife had to make some difficult financial decisions because he needed to spend down to become eligible to receive Medicaid home and community-based long-term services and supports. However, they were able to protect their children from poverty, as Medicaid offers some spousal and dependent protections.

## Scenario 2:

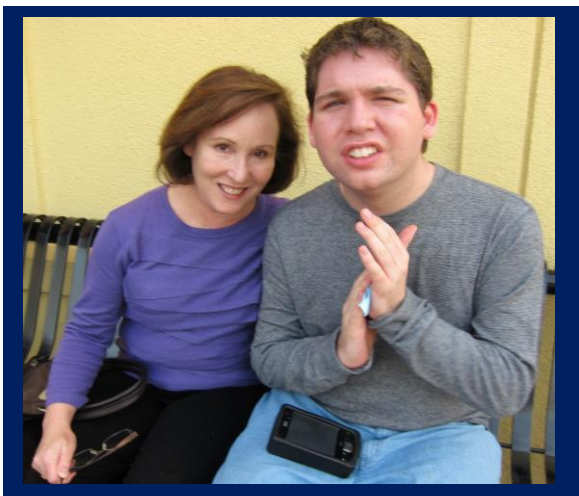
Pam is 49, and has run a successful business on her own for many years. She currently lives alone, and is beginning to have trouble with her memory. She finally went to the doctor and was diagnosed with early-onset Alzheimer's. Because Pam is alone, she begins to look for a long-term care facility to live where she can get the care she needs as her disease progresses.

- 1) **Would this be covered by Medicare?** NO. The age for eligibility for Medicare is 65, and Medicare does not cover long-term care.
- 2) **Would it be covered by Medicaid?** NO, unless Pam is eligible. Eligibility requirements vary by state, but Medicaid is a program meant for low-income adults, so unless Pam meets those requirements she will not be eligible.
- 3) **Would this be covered by private insurance?** NO, not unless Pam previously purchased long-term care insurance.
- 4) **What happened to Pam?** Due to the fast-moving nature of her disease, Pam used her personal income and resources to pay out of pocket for a spot in a long-term care facility where she could receive the services and supports she needed.

### Scenario 3:

Chris is 45 and has autism. He has always lived with his family, who have provided support for him. Chris doesn't work and never has. Chris has never received state or federal support; his family has managed on their own. However, both of Chris' parents have just passed away and his siblings live out of state. Chris has nowhere to go and cannot live alone. Chris now needs a group home or private apartment with supports.

- 1) **Would this be covered by Medicare?** NO, the age for eligibility for Medicare is 65, and Medicare does not cover Long-term care/long-term supports and services.
- 2) **Would it be covered by Medicaid?** NO, unless Chris is eligible. Eligibility requirements vary by state, but Medicaid is a program meant for low-income individuals who require assistance with activities of daily live (ADLs) unless Chris meets those requirements he will not be eligible.
- 3) **Would this be covered by private insurance?** NO, not unless Chris has long-term care insurance. As a non-working adult with a pre-existing health condition, it would be extremely unlikely that Chris would have a policy.
- 4) **What happened to Chris?** Chris and his siblings had to determine what to do with the inheritance his parents passed down. To make sure that Chris could qualify for the supports and services he needed, his siblings divested the assets in a manner that would allow him to qualify for Medicaid.



## FOR MORE INFORMATION

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