

Medicare and Medicaid in
Assisted Living
**THE ONE MINUTE
CAREGIVER**



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by Benjamin W. Pearce

Today's seniors enjoy a life expectancy longer than any generation in history. An American who turned 65 in 1998 could expect to live nearly another 18 years beyond their 65th birthday. And while additional years are generally considered an blessing, it is also true that the older one grows, the more likely they will need health care services. Today's seniors, who often consider themselves among the best informed, would do well to learn about three crucial areas that pertain to their future health care needs: the potential that they may need long term care, the cost of long term care and the limited federal and state aid available.

According to a study by the Agency for Health Care Policy and Research, some 42 percent of Americans who reach the age of 70 can expect to utilize some type of long term care during the remainder of their lives. And with the number of people over age 65 expected to grow to 20 percent of the U.S. population by 2030, there is little doubt that demand for long term care services is poised to increase dramatically.

Long term care services have evolved dramatically over the past several years. Where the majority of long term care was once provided only in skilled nursing homes, long term care services today are provided in a wide range of settings, ranging from in-home care to community-based facilities such as adult day care and assisted care facilities to nursing homes. The cost of long term care can be significant, regardless of the setting in which it is provided. The average cost of a nursing home is approximately \$60,000 a year, and home care costs can range from \$50 to more than \$200 a day.

Medicare and Medicaid provide only limited help for nursing home care. Medicare only pays for the first 20 days in a skilled nursing facility - and only after a hospital stay of three days or more. The patient or their family pays the first \$99 per day from the 21st day through the 100th day, after which Medicare pays nothing. Medicaid rules vary from state to state, but as former U.S. Senator David Durenburger told the U.S. Senate Special Committee on Aging, Medicaid "dictates that people must effectively impoverish themselves in order to receive government assistance." Medicaid is essentially medical aid for those who have already spent down their assets.

Government won't help much with newer forms of long term care services, either. Though 38 states pay for some assisted living, the programs are miniscule, covering fewer than 100,000 poor people, so waiting lists are long. Medicare covers home care, but just 100 visits in the weeks following a hospital stay. So seniors increasingly are paying their long term care bills out of their own pockets.

Medicaid does not pay for assisted living services in our homes, typically they cover the costs of care in Nursing Homes for those who have exhausted their assets. The White House recently authorized Medicare coverage for the treatment of Alzheimer's disease. This means that Medicare beneficiaries can now receive reimbursement for mental health services that were formerly denied because the government rationalized that people with the disease did not respond to mental and physical therapy, this has since been proven incorrect, hence the reversal of their position. Medicare was never intended to cover the costs associated with custodial care, which is room and board, and activities of daily living, and these coverage changes still do not reimburse for this, further Medicare requires a three-day prequalifying hospital stay before they pay for care in a nursing home. Medicare covers certain care procedures, and some limited rehabilitation therapies. The physicians who visit our homes are all Medicare certified providers, so the cost of their visits is often covered by Medicare, subject to the co-payment.

Further Reading

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