

How to Pay for Care: Leveraging Benefits and Assets

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Why is this important?

- ▶ Will Medicare pay?
- ▶ Will my supplemental Health Insurance pay?
- ▶ Will MA/Elderly Waiver pay?
- ▶ Planning will avoid wasting time and adding financial stressors to an emotional period when you need help
- ▶ Planning helps you choose the care that fits your needs and preferences



Brigtondale Assisted
Living

Amy House, Director of
Reflections



Objectives

- ▶ Define Long Term Care
- ▶ Understand the Myths and define the Truth about what Medicare will and won't pay
- ▶ Understand the importance of knowing your options



Beth Nemec- Director of
Navigation

Long Term Care

- ▶ **Long term care** refers to a continuum of medical and social services designed to support the needs of people living with chronic health problems that affect their ability to perform everyday activities. **Long term care** services include traditional medical services, social services, and housing. (Wikipedia)
 - ▶ Assisted Living
 - ▶ Memory Care
 - ▶ Independent Senior Living
 - ▶ Skilled Nursing (Nursing Home)
 - ▶ Short Term Rehabilitation
 - ▶ Hospitalizations
 - ▶ Home Health Care
 - ▶ Adult Day Services
 - ▶ Other



Medicare

- ▶ Part A: Hospital and Related Care (Received if you paid in through taxes and/or employer - premium most often \$0)
 - ▶ Inpatient Hospital Care
 - ▶ Some Services that often follow a hospital stay (Skilled Nursing, Transitional care, Some Home Health Care, Hospice)
 - ▶ Some paid at 100%
 - ▶ Some have co-pays/deductibles
 - ▶ ALL have to meet Medicare Criteria
- ▶ Deductible for 2019 = \$1364 (per benefit period)
- ▶ Per day copay starts after 60 days in the hospital (per benefit period)

Medicare (continued)

- ▶ Part B: Medical Insurance (choice for consumers and paid for by beneficiary - premium \$135.50/month for new beneficiaries)
 - ▶ Many Outpatient Services (therapy, clinic visits, etc)
 - ▶ Covered Lab tests
 - ▶ Ambulance
 - ▶ Durable Medical Equipment
 - ▶ ALL have to meet Medicare Criteria
- ▶ Deductible for 2019 - \$185.00 per year
- ▶ 20% coinsurance for Medicare Part B Services
- ▶ Many people purchase secondary or supplemental policies that pay the extra 20% that Medicare Part B does not cover (Medigap)

Medicare (Continued)

- ▶ Part C - Medicare Advantage Plans
 - ▶ Health Insurance that replace Medicare as the insurer paying claims
 - ▶ Usually Drug Insurance
 - ▶ This is an alternative way to administer part A and B benefits
 - ▶ Must continue to pay for Part B Premium
 - ▶ Many offer additional services - like vision and dental
 - ▶ Network of providers one needs to use
- ▶ Part D - Prescription Drug Insurance
 - ▶ Through Stand Alone Prescription Drug plans or in conjunction with some health insurance plans

Medicare Cost Plans - ended in most counties in 2018

What DOESN'T Medicare Cover?

- ▶ Assisted Living
- ▶ Memory Care
- ▶ Private Pay/Custodial Care
- ▶ Independent Living
- ▶ Adult Day
- ▶ Care that is NOT considered rehabilitative

- ▶ So How Can I pay for Care?.....



Paying for Care..... Options

- ▶ (Medicare)
- ▶ Medicaid/Medical Assistance/MA
 - ▶ Elderly Waiver
 - ▶ Alternative Care Grant
 - ▶ State, County and Federal Programs
- ▶ Private Pay
- ▶ Long Term Care Insurance Policies
- ▶ Veterans Administration
- ▶ Rare Grants and Projects

Medical Assistance

What is it and what are
the current rules?



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Main Requirements

1. Medical
2. Income
3. Provider
4. Assets

Medical

Nursing Facility Level of Care (“NFLOC”)

- ▶ Clinical monitoring
- ▶ Bathing, bed mobility, dressing, eating, grooming, toileting, transferring, walking
- ▶ Constant supervision
- ▶ Significant difficulty with memory
- ▶ At risk for homelessness, and
 - ▶ Fall resulting in fracture, or
 - ▶ Risk of maltreatment, or
 - ▶ Sensory impairment

Income

Monthly medical services exceed monthly income

- ▶ Individual, gross income
 - ▶ Mom gets Mom's income
 - ▶ Dad gets Dad's income
- ▶ Long-term Care Insurance is added to income
- ▶ Elderly Waiver does NOT include cost paid for rent
- ▶ Community Spouse can receive allocation from MA recipient
 - ▶ Min. Monthly Maintenance Needs Allowance \$2058 (1/2019)
 - ▶ Max. Monthly Maintenance Needs Allowance \$3,160.50 (1/2019)

Provider

- ▶ Nursing Homes (Skilled Nursing Facility) accept MA
- ▶ Not all in-home providers or assisted living facilities will accept MA
- ▶ Assisted Living Facilities - Ask:
 - ▶ Do they accept Elderly Waiver (“EW”)?
 - ▶ Is there a private pay period requirement?
 - ▶ Is there a waitlist for EW?

Assets

- ▶ Single Individuals = \$3,000 or less
- ▶ Married Couple division of assets
 - ▶ Community Spouse:
 - ▶ House
 - ▶ Vehicle
 - ▶ Personal Property
 - ▶ \$126,420 (1/2019)
 - ▶ MA Spouse: \$3000

Assets

Reduction of Assets

1. Pay off debts
2. Purchase excluded items
 - a. Funerals – self and family members
 - b. Home
 - c. Vehicle
3. Privately Pay
4. Create an income stream for Community Spouse
5. Gifting (in limited circumstances)

Gifts

- ▶ Must disclose all uncompensated transfers made within 60 months from date of eligibility
- ▶ Uncompensated Transfer:
 - ▶ Selling something for less than value
 - ▶ Giving something away
 - ▶ Cash, check, assets
 - ▶ Birthday, Christmas, Graduation, anniversary, paying someone else's bills

Gifts

- ▶ Transfer penalty is determined by dividing the total amount of gifts made in the previous 60 months by the current year State Average Payment to a Skilled Nursing Facility (\$7288 from 7/2018 to 6/2019)
- ▶ Example: Mom gifted \$72,880 in previous 5 years. Penalty imposed would be 10 months ($72,880 / 7288 = 10$)

Gifting

Options with gifting:

1. Wait 60 months from date of gift before applying for MA
2. Pay through penalty period (funds from family members, annuity, etc.)
3. Recipient returns the entire value of the gift
4. Have a contingency plan!

After death

Estate Recovery – DHS is federally mandated to attempt to recover any benefits paid out on behalf of MA recipient after death. Cannot collect if there is a surviving spouse, hardship or an exempt asset (example: a life estate established prior to August 1, 2003).

Other Considerations

- ▶ Disability Documents
 - Power of Attorney
 - Health Care Directive
- ▶ Veteran's Benefits
- ▶ Estate Planning
 - ▶ Community Spouse
 - ▶ Estate Recovery

Questions?



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What's your plan?

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