

## **LONG-TERM CARE: WHO PAYS FOR WHAT?**

Long-term = beyond 100 days

Care= help because health or mental impairment cause an inability to do at least two of the Activities of Daily Living

1. Ability to get up out of a bed or chair
2. Ability to transfer (walk) from one place to another
3. Ability to use the toilet or deal with continence
4. Ability to bathe yourself
5. Ability to dress yourself
6. Ability to feed yourself

Underlying medical issues may be addressed in a hospital. The above issues are addressed through a Skilled Nursing Facility, Assisted Living Facility, Home Care, Adult Day Care Center. Where will the money come to pay for them?

### **MEDICARE**

Medicare is health insurance for most US citizens over the age of 65.

Medicare does not pay for Assisted Living, Adult Day Care Centers, transportation services..

It provides a maximum of 100 days of skilled care in a Skilled Nursing Facility or at home under the following circumstances:

- A physician has designed a plan of care for the patient that is approved by Medicare.
- The plan of care has included 3 days and nights in the hospital.
- The patient cannot do at least two of the Activities of Daily Living.
- The plan of care calls for skilled help with the goal of getting the patient capable of doing those activities. When it is determined the goal has been met or the goal cannot be met, Medicare will cease paying for services.

### **AN EXCEPTION TO THE 100-DAY LIMIT: MEDICARE HOSPICE**

If a doctor has determined the condition of the patient is terminal (life expectancy is not more than six months), Medicare will pay for hospice care to the end of life.

The care is “palliative”, it is not meant to treat the condition, it is meant to keep the patient comfortable through the passing.

Care may be in a facility or in home.

Medicare pays for prescription medicine, nurse/doctor monitoring, medical equipment, skilled care for the Activities of Daily Living, social services for the patient and family.

It does not pay for unskilled caregiving.

## **MEDICAID**

Medicaid is a federal/state entitlement providing care based on economic need. PACE (Program of All-inclusive Care for the Elderly) is a state/federal program of Medicaid with the purpose of keeping frail, elderly persons in their homes rather than in facilities.

Granting of benefits by the state is based on:

1. Medical criteria certified by a doctor
2. Strict limits on personal (including spousal) income and asset holdings. Examination of finances is strict. There is a 5-year look-back from the time of application confirming eligibility and transfer of assets.
3. Availability of services. Long-term Care providers paid by Medicaid are dependent on state/federal funding. When that funding is cut, services are usually cut as well. Care providers and facilities are not required to take clients paid for by Medicaid. Since that payment is about 72% of market, not all long-term care providers will take Medicaid recipients.

## **VETERAN'S BENEFITS**

The VA offers health care to persons with military service related injuries within Priority Levels based on the percentage of disability the injury causes.

The VA encourages citizens over 65 who have served in the military to have Medicare for health insurance as well.

VA Nursing Home is available for person's whose service related injury causes 70% disability or more.

Aid and Assistance Pensions are available to those who have served and their spouses based on economic need and regardless of service related injury.

The VA suggests contacting the Social Work Department at the nearest VA facility for information.

## **LONG-TERM CARE INSURANCE**

Long-term Care insurance is not health insurance. It provides money for care of an individual needed after 100 days and because the individual cannot do two of the Activities of Daily Living. The individual pays for the insurance based on age, health, family history and the amount of money made available.

Long-Term Care insurance plans can be freestanding. Many of these plans pay directly to Assisted Living or Skilled Nursing Facilities or on a schedule for skilled services.

Long-Term Care insurance plans can be based on a whole life insurance policy. They're designed to provide money to the policyholder which they can spend on any care.



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We are experts in Long-Term Care planning and insurance.

Jerry S. Pearlstein Insurance partner, Rebecca Bloomfield, has earned a national Certification in Long-Term Care. She delivers a free program: *Long Term Care. Who pays for What?* to groups throughout the Northshore and Chicago.

Designing a Long-Term Care Insurance plan to meet your needs requires a thorough and confidential conversation. Call us to begin: 847-362-8888.

A note: If you are single, believe you will be the surviving spouse or that your family will be scattered, Long-Term Care Insurance is an essential investment in yourself.

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