

# Your Health

## Health Care for Seniors: Medicare versus Medicaid

### **Medicare.**

Medicare is federal health insurance for people who: 1) are age 65 and over or, 2) have received Social Security disability benefits for over 2 years. Medicare, like other health insurance, has premiums, co-payments, and deductibles.

#### **Medicare covers certain health expenses:**

- reasonable and necessary hospital stays
- short stays in skilled nursing facilities
- certain home health care needs
- hospice services
- certain doctor visits, ambulance rides, medical aids and prosthetics.
- Long term care is only covered by Medicare in very limited circumstances and only for a short amount of time

If you are in a hospital or nursing facility, and you are told that Medicare will no longer pay for you to stay there, you have a right to appeal. It's important to ask for an appeal quickly. When you are denied coverage for a medical service or expense, you should receive written notice of non-coverage from the doctor or hospital. This notice, called a Medicare Summary Notice, will explain how to appeal.

**If you have questions about Medicare, call 1-800-MEDICARE or visit [medicare.gov](https://www.medicare.gov)**

### **Medicaid.**

Medicaid is a federal health program for people with low income, regardless of whether they have worked or not.

## **Are you eligible for Medicaid?**

Medicaid helps many low-income people pay for medical necessities. Medicaid can provide full health coverage such as for physician visits and hospital stays, but only for qualifying children under age 19, pregnant women, adults with a child under 19, seniors age 65 or older, or persons who are blind or disabled.

Medicaid can also pay the costs of long term care such as in-home nursing, assisted living, or nursing home care.

### **You may be eligible for Medicaid to cover long term care costs if:**

1. Your income is less than Medicaid's income cap (\$2,199 for a single person in 2015); and
2. Your assets (property) are below the Medicaid asset cap (\$2,000 for a single person, but much higher for a married couple, meet with an attorney to discuss asset requirements for a married couple); and
3. You have a demonstrated medical need for the long term care.

## **Medicaid's Limit on Income**

Many people discover that they do not have enough income or savings to pay the high costs of long term care; yet they may have too much income to qualify for Medicaid. If your income is above the income cap, you can still qualify for Medicaid long term care coverage through use of a special type of trust, called a "Miller Trust."

"Miller Trusts" are basically agreements where one person (called the "trustee") agrees to hold and manage money for another person who needs long term care (called the "beneficiary"), and promises to spend the money only in ways approved by Idaho Dept. of Health & Welfare (primarily paying long term care costs). Income that goes into the trust is not counted and therefore the trust can help a person become eligible for Medicaid. Because Miller Trusts can be confusing, and can be ineffective if not done correctly, it is important to contact an attorney if you need a Miller Trust or have questions about qualifying for Medicaid.

## **Medicaid's Limit on Assets**

If you have too many “non-exempt” assets to qualify for Medicaid, you can “spend down” your assets in order to qualify. However, if your assets significantly exceed the \$2,000 cap, or if you are married, you should not spend down without first talking to a lawyer. If your assets are only slightly over the cap, your spend down options could include: paying for long term care out of pocket; purchasing exempt assets such as clothing and personal items, a vehicle, or an irrevocable burial fund; or spending the money on other goods or services. Spending down can be very complex and may have tax consequences. If you are married or have significant assets, you should consult with an attorney.

## **Transfer Penalty**

Many people think that they can just give away assets to meet Medicaid’s asset cap. However, this may cause a penalty, disqualifying you from receiving Medicaid benefits for a period of time. For example, if you give away a house to a daughter or son, Medicaid will calculate the value of the gift and divide that by the number of months that it thinks you could have paid for your own long term care. It will then disqualify you for Medicaid for that number of months. For a house worth about \$150,000, the penalty can be over two years. Medicaid looks back five years from the time you apply to see if you gave away (transferred) any assets for less than market value. If you want to gift property away, but are concerned about future Medicaid eligibility, you should meet with a lawyer to discuss your case.

## **Estate Recovery: Medicaid gets paid back**

You may have heard that Medicaid will put a lien on your house or take your property. This is partially true: Medicaid does not take anything during your lifetime, but after you pass away, they can make a claim against your estate for the amount they paid for your care. Medicaid will not go after an estate, though, until after both the Medicaid recipient and his spouse have passed away. Also, if you have children with disabilities, you should consult with an attorney regarding rights they may have.

## **Senior Health Care Issues**

### **County Assistance**

If you cannot afford hospital and medical care, including medications, or basic necessities such as rent, food, and utilities, then the county may assist you in paying for them. This is a "last resort" program. This means that the county will pay for these services or necessities only if you have no other way of paying for them on a temporary basis. Additionally, the County can put a lien your property until such assistance is repaid.

## **Should I get Long Term Care Insurance?**

Long-term care insurance may help pay for long-term care services if you buy it in advance and pay the premiums for a certain time. Long-term care insurance may not be a good option for you if: you cannot afford premiums; you have very limited assets; your only income is Social Security or Supplemental Security Income (SSI); or you often have trouble paying for utilities, food, medicine, or other basic needs. However, long term care insurance can be quite beneficial for people with significant assets. If you are interested in purchasing long term care insurance, consider a policy that is part of Idaho's Long-Term Care Insurance Partnership Program. These policies earn credit for benefits paid out by the insurer, so the insured person could qualify for Medicaid without having to spend down all of her assets.

## **Institutional Elder Abuse**

"When we went to visit mom at the nursing home, she had bruises and hadn't eaten for two days. I don't think she's being taken care of."

Sadly, seniors may experience abuse while in the care of nursing homes and other institutions. Friends and family members should monitor if their loved ones:

- haven't eaten enough
- have bedsores or other injuries
- aren't getting their medicine
- are missing personal items
- complain about verbal or physical abuse from the staff
- seem mistreated

## **The Ombudsman Responds to Institutional Abuse**

Ombudsmen advocate for the elderly. They investigate complaints and respond to requests for assistance from older individuals living in long-term care facilities as well as from those living in the community in residential care or assisted living facilities. Ombudsman services are free.

Last updated on October 16, 2015.

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