SAPOZNIK INSURANCE

EMPLOYEE BENEFIT SOLUTIONS

Sapoznik Spotlight Article

Nursing Home Bills / Long Term Care

July 2008

Dear Rachel,

Keeping our customers and associates informed of the ever changing employee benefits landscape is a vital part of Sapoznik Insurance's commitment to value, advocacy and service. Please have a look at the following excerpts from The Wall Street Journal and the Sun-Sentinel pertaining to Nursing home and long term care. As always, we welcome your questions and comments, so feel free to drop us a line anytime.

Featured Article

Nursing-Home Bills
The Wall Street Journal
By Theo Francis
forum.
sundays03@wsj.com

Before Medicaid will cover nursing-home care, consumers must pass income and asset tests. But even after Medicaid coverage kicks in, nursing-home residents - and sometimes their estates - must contribute to the cost of care.

Although Medicaid will pick up as much as 100% of an indigent resident's nursing-home bill if necessary, those with income must effectively split the cost with the government. Nursing-home residents rarely work, but many have income from Social Security, pensions, annuities or other sources. For individuals, all your income goes to the nursing-home, except a "personal needs allowance" of $30 or so a month for extras like haircuts and toiletries. All your income counts, including retirement and disability income from Social Security. Medicaid pays the facility the difference between your share and the government-set daily rates for your care.

Income for your spouse

If you are married and your spouse doesn't live in a nursing-home, the formula is different. Your spouse - called a "community spouse" because he/she lives in the community rather than a nursing-home - is entitled to keep a minimum of $1,750.00 (as of July 1st) from your combined income; this is called the "Medicaid community spouse minimum monthly maintenance needs allowance". The nursing-home resident gets to keep the monthly personal-needs allowance, and the remainder goes to the nursing-home.

Just how much the spouse outside the nursing-home may keep varies due to a variety of factors, and it can reach $2,610 as of July 1st; this figure can be even higher with a court order or a favorable ruling from a state administrative law judge.

Elements of the cost-sharing rules may vary by state. For example, a single nursing-home resident's personal-needs allowance is $45 in Pennsylvania.

Don't fall behind

Although your share may only be a small part of the total, it is important to pay it. Nursing-homes may evict residents, including Medicaid residents, who fall behind on their bill. "They can kick you out for non-payment" says Gene Coffey, a staff attorney for the National Senior Citizens Law Center.

State officials say they routinely must intervene because family members fail to turn over money due to the nursing home. In some cases - say, if a family member is stealing from a resident- the State can appoint the nursing-home or another guardian to receive the resident's income on his/her behalf.

Financial obligations don't end at death: Federal law requires states to recoup some or all of what Medicaid spent from the estates of those who benefited under the program after turning 55.

States vary widely in how they go about this. Many postpone collection from widows and dependent or disabled children or exempt them entirely.

Nearly half of states put liens on nursing-home residents' houses before they die, if they are deemed unlikely to return home, but all offer an appeals process, an AARP study in 2005 found.

States can also recover funds held in bank accounts, though many exempt joint accounts.

About 20 states don't try to collect from smaller estates, with thresholds ranging up tp $75,000 in Alaska, AARP found. Nearly all states offer hardship waivers.

Featured Article

After age 60, almost 1 in 4 refuse long-term care insurance.

By: Harriet John Brackey
Sun-Sentinel

Long-term care insurance, which covers expenses for those with long-term disabilities, is a smart thing to buy. But when?

One strategy has been to wait until retirement.

That may be a bad plan, according to new research from the American Association for Long-Term Care Insurance.

The group looked at the records of major insurance companies and 250,000 consumers. It found that 22.9 percent of those age 60 to 69 get turned down for a policy.

A better chance: In your 50s, only 14 percent are rejected. Of course, you'll be paying for the policy for more years.

But at least you'll have one.

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