



## *What is the difference between Medicare and Medicaid?*

### **Understanding Medicare**

Simply put, Medicare is essentially health insurance. It is not to be confused with long term care insurance that will cover the cost of room and care in assisted living communities. **Medicare NEVER pays for the cost of senior living, including care.**

**Medicare Part A** will pay for any inpatient hospital services and hospice. It will also pay for a limited time stay in a skilled nursing facility and home healthcare.

**Medicare Part A** will pay for services for up to 100 days for each qualifying condition. For instance, If an individual breaks a hip and goes to rehab, they will initiate their 100 days of service. If that individual plateaus and no longer progresses with therapy, they may be released from coverage sooner – they are not automatically entitled to the full 100 days. It's important to understand that if that individual uses their entire 100 days, goes home and breaks the hip again within 60 days of discharge, they are no longer eligible for coverage through Medicare and would have to pay privately.

**Medicare Part B** is for outpatient services and pays for therapies such as Physical Therapy, Speech Therapy, Occupational Therapy. It also pays for durable medical equipment such as hospital beds, wheelchairs, and walkers.

When a resident moves to an assisted living community following a hospital or rehab stay, home health may be assigned and is covered by Part A. This service is only available for a designated amount of time after which the coverage is transferred to Part B.

### **Understanding Medicaid**

Medicaid is **financial assistance** available to qualified individuals. There are two types of Medicaid – straight Medicaid and the Medicaid Waiver program. Most people are familiar with straight Medicaid that is available for individuals residing in long term skilled nursing facilities. With straight Medicaid, the skilled nursing facility will accept all the social security benefits available minus a small stipend to cover incidentals such as hair cuts and necessities. Medicaid then pays for the entire balance of the amount due for the care and room fees and no additional money is due from the individual. Straight Medicaid does not pay for assisted living.

The Medicaid Waiver is available to individuals residing in assisted living and it pays a PORTION of your room rate. The individual will not be financially responsible for any care fees

or supplies, such as protein shakes or incontinence products. There are several providers and each one pays differently. Since the waiver pays for a portion of the room rate, you have the choice of selecting any size apartment but will be financially responsible for the difference. For instance, if you decide to choose a one bedroom apartment in assisted living and the room rate is \$5000 and the care fees are \$500, the Medicaid waiver provider may subsidize up to \$1200 (regardless of the size of the apartment) toward the \$5000 room rate and all of the care fees, making the individual responsible for \$3800.

Medicare is a Federal government program and Medicaid is a State program. If an individual moves from one state to another, they must reapply for Medicaid in the new state once residency has been established.

***It is important to talk with an elder law attorney to fully understand the financial limitations and eligibility requirements to apply for Medicaid. There are many factors that come into play to determine how quickly an approval will be made.***