

Health Benefits Report #2: Long-Term Care Issues

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Medicare and Long-Term Care. When David Wagner, chair of the CSU-ERFA health benefits committee, asked me to write a *brief* article about what Medicare covers in long term care services, I quickly said “sure” because I thought it would only take a single sentence. I *thought* the answer was “It doesn’t cover long term care services, period!” Well, after doing a little homework on the question, I have learned that the answer is “it depends!” I could stop with this answer plus a referral to the following websites: (1) the U.S. Department of Health and Human Services (HHS) “LongTermCare.gov” site at <http://longtermcare.gov/medicare-medicaid-more/>, (2) the Centers for Medicare and Medicare Services (CMS) publication *Medicare and You 2014*, available at <http://www.medicare.gov/publications/pubs/pdf/10050.pdf>, and (3) the CMS Medicare Manual at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS012673.html>, but I don’t think that would be fair. So, a more complete explanation:

Reference Material. The HHS site is very user friendly, providing basic information about Long Term Care (as in what is meant by the term “Long Term Care”), a general description of the kinds of long term care services (notice that I used the lower case here) covered by Medicare, Medicaid and other state programs, and even includes helpful information about average costs of long term care (by state and type of service) and other planning considerations (e.g., advance directives). The publication *Medicare and You 2014* is a friendly and useful handbook that covers the full range of Medicare benefits (including Plans A, B, and D, Medigap and Advantage), and includes information about your costs (e.g., premiums, co-pays for various services). The CMS Medicare Manual, as the longer URL suggests, is a highly technical manual on Medicare benefits, with detailed descriptions and examples of the types of services that are and are not covered by Medicare.

It Depends. So, what does “it depends” depend on? First, it depends on what you mean by “services.” If you mean most of the NON-SKILLED services that are typically covered by a Long Term Care policy and comprise the bulk of services needed in long term care, the answer is “NO” (at least not usually). These services include assistance with “Activities of Daily Living or ADLs,” e.g., bathing, dressing, using the toilet, eating, caring for incontinence, and getting to or from a bed or a chair and “Instrumental Activities of Daily Living” IADLs, e.g., assistance with the tasks of housework, taking medication, managing money, shopping for groceries, using the telephone, responding to emergency alerts. In fact, the *Medicare and You* handbook (p. 127 of on-line version) states categorically (in bold) that: **Medicare and most health insurance plans, including Medicare Supplement Insurance (Medigap) policies, don’t pay for this type of care, sometimes called “custodial care.”**

Well, actually, the quoted statement is not entirely accurate since are exceptions, which are described in great detail in the CMS Medical Manual (e.g., where it is medically necessary that the service be provided in a skilled nursing facility or provided/supervised/monitored in the home by a skilled nurse or therapist). Still, the bottom line is that one probably ought not count on having these “custodial services” covered by Medicare. Now, if what you mean by the term “services” is medically necessary services that can only be provided (by law) by

a skilled nurse or therapist, the answer is probably “YES,” though this also depends on what you mean by “long term,” the frequency of providing those skilled services, and where those skilled services are provided.

The Bottom Line. So, what’s the bottom line? What services does Medicare cover over at least a relatively long period of time. In a nutshell, there are three main benefit categories: inpatient care in a skilled nursing facility (not custodial or long-term care), hospice care, and home health care, which are actually referred to as “Long Term Care” on the HHS website (though referred to as Plan A or Plan A plus Plan B benefits in the CMS [Medicare Manual](#) and [Medicare and You](#) publications). The general descriptions (provided below) of these categories are excerpted from the HHS website (with a couple of edits/notes) as follows:

1. Long-term Care Services – Skilled Nursing. Medicare will help pay for a short stay in a skilled nursing facility if you meet the following conditions:
 - You have had a recent prior hospital stay of at least three days.
 - You are admitted to a Medicare-certified nursing facility within 30 days of your prior hospital stay.
 - You need skilled care, such as skilled nursing services, physical therapy, or other types of therapy (*nota bene*, the skilled care must be needed on a daily basis).

If you meet all these conditions, Medicare will pay for some of your costs for up to 100 days. For the first 20 days, Medicare pays 100 percent of your costs. For days 21 through 100, you pay your own expenses up to \$140.00 per day (as of 2013), and Medicare pays any balance. You pay 100 percent of costs for each day you stay in a skilled nursing facility after day 100.

2. Long-term Care Services – Home and Other Care Services. In addition to skilled nursing facility services, Medicare pays for the following services for a limited time when your doctor says they are medically necessary to treat an illness or injury:
 - Part-time or intermittent skilled nursing care.
 - Physical therapy, occupational therapy, and speech-language pathology that your doctor orders and a Medicare-certified home health agency provides for a limited number of days only.
 - Medical social services to help cope with the social, psychological, cultural, and medical issues that result from an illness. This may include help accessing services and follow-up care, explaining how to use health care and other resources, and help understanding your disease.
 - Medical supplies and durable medical equipment such as wheelchairs, hospital beds, oxygen, and walkers. For durable medical equipment, you pay 20 percent of the Medicare approved amount.

There is no limit on how long you can receive any of these services as long as they remain medically necessary and your doctor reorders them every 60 days.

3. Hospice Care. Medicare covers hospice care if you have a terminal illness and are not expected to live more than six months. If you qualify for hospice services, Medicare covers drugs to control symptoms of the illness and pain relief, medical and support services from a Medicare-approved hospice provider, and other services that Medicare does not otherwise cover, such as grief counseling. You may receive hospice care in your home, in a nursing home (if that is where you live), or in a hospice

care facility. Medicare also pays for some short-term hospital stays and inpatient care for caregiver respite. (*nota bene*, if you happen to live beyond 6 months, the hospice benefit can be continued, subject to another appraisal).