Medicare Won’t Pay for Long-Term Care

Please don't be misled, Medicare won't pay for your long term care in a nursing home should you wind up in one. It's a misconception that many people have. This misunderstanding can be very damaging if you get to a place in your life when financing long term care becomes an issue.

There are only a few ways to pay for long term care: private pay which means paying out of your pocket, using long term care insurance which most people haven't purchased or qualifying for Medicaid which is the means-tested government benefit which does pay for long term care. If you or your spouse are a veteran, the Department of Veterans Affairs may contribute funds via programs such as Aid and Attendance, if you qualify. These programs work better helping fund the costs associated with an assisted living facility rather than a nursing home because they typically can't compare to the help a person may receive from Medicaid.

Medicare coverage in a nursing home environment is very limited. It is subject to the 100 days per spell of illness rule that includes rehabilitation which is often handled in the same building as a nursing facility, therefore leading people to believe Medicare will pay for long term care, but it doesn't. After Medicare coverage is up, at 100 days or less, the facility expects you to go home, begin private paying, utilize your long term care policy or become eligible for Medicaid.

People should consider obtaining long term care insurance that is designed to offset the cost of care. This insurance will usually cover the cost of home care including the costs associated with one's daily activities of living, such as, eating, dressing, bathing, help with toilet needs and medicating.

Policies should also cover adult day care centers, assisted living services, home health care costs, and nursing home care.

Although there is no minimum age requirement, most insurance companies stop providing coverage to persons who have reached the age of 80, depending on the carrier.

Consider purchasing a policy sooner rather than later as the cost gets higher the longer you wait.

One way of trying to reduce your costs is to consider whether you could pay some of the cost yourself, say out of your Social Security income and pension income if you have it.

Instead of insuring for the full monthly amount of the nursing home cost, you insure for a portion and plan to pay the rest out of your income as you go along. This will result in your premiums being lower because you are insuring for a smaller amount of monthly coverage.

Example, John knows the average cost of a nursing home on a monthly basis is about $5,500. His Social Security check is $2,500 a month. He may choose to insure for $3,000 a month in long term care insurance and obtain an inflation rider to keep up with the cost of inflation. It may be better if John didn't try to make this estimate too stingy. He may want to insure for more so that he will have more discretionary income available for other needs that he will have. Nevertheless, many people don't insure for the whole amount. You need to seek the help of a qualified long term care specialist in determining the best policy to fit your needs.

You should work with someone who can provide you with a comparison between the bells and whistles of several policies sold by different companies.

You will also want the insurance carrier's stability rating to be at least an A+ by A.M. Best. The policy should also allow you to renew the policy for life.

There are many details in a policy that you should look for that are too voluminous to mention. Get your information from an agent you trust or that you have been referred to by a reputable source.

Whatever you do, don't disregard this information because you don't think this will happen to you.

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