

## Long-Term Care Insurance

Many people mistakenly believe that Medicare covers long-term care expenses such as nursing home and home health services. In fact, the program only pays short-term benefits for care in a skilled nursing facility and for part-time skilled nursing visits at home. As for Medicaid, it does not generally pay for long-term care at home or for assisted living. As a result, if a person needs extended care outside of a nursing home, the only solution may rest with his or her ability to pay privately. That's where long-term care insurance becomes a consideration.

Long-term care insurance is designed to pay for sudden, large, continuing healthcare expenses, whether care is provided in a nursing home, hospice, at home or elsewhere. Policies are sold through licensed insurance agents and brokers, and paid for from the policyholder's private funds. It's important to note that coverage is not limited to care for the elderly. As such, long-term care insurance may be a consideration for nearly every adult. As you would expect, premiums are considerably higher for older applicants who are at greater risk.

## Be An Educated Health Care Consumer

**Understand that most government entitlements are NOT automatic.** You've got to apply for them and meet all government requirements for coverage. Also, don't assume that you'll be covered for anything that comes along or you could be in for an expensive shock. Always familiarize yourself with the details of your medical coverage, and consider filling any gaps with an established supplementary plan. Consult an attorney or government counselor to help you make sense out of complex requirements or limitations in your coverage.

*Joe Sanders never expected to wind up in the hospital for an extended stay. At age 68, he was in good health and leading an active life. So when a sudden heart attack on the golf course landed him in the local emergency room, he was surprised to learn that his government health benefits weren't going to see him through the long haul.*

*Unfortunately, like most of us, Joe never bothered to take a close look at his government entitlements and other options before the emergency struck. Had he understood his choices, he might have been better prepared to cope with the financial demands of the long-term care that he now requires. This pamphlet is designed to provide the basic information you'll need to begin your own health care coverage needs.*



## At Your Service

For additional information on government health benefit programs available to seniors and their families, you may want to explore one or more of these valuable resources:

**Social Security Administration**  
1-800-772-1213 • [www.ssa.gov](http://www.ssa.gov)

**US Department of Health and Human Services**  
1-800-MEDICARE • [www.medicare.gov](http://www.medicare.gov)

**AARP**  
1-888-OUR-AARP • [www.aarp.org](http://www.aarp.org)

**Pennsylvania Office of the  
Long Term Care Ombudsman**  
Phone: 1-717-783-7096

**Pennsylvania Department of Aging**  
Phone: 1-717-783-1550 • [www.aging.state.pa.us](http://www.aging.state.pa.us)

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*To order additional complimentary copies, call 1-800-782-3952*

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# Understanding Medicare and Medicaid

*A guide to senior health benefit programs*



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## Medicare Part A & B: Benefits For Your Retirement Years

Medicare is a two-part program underwritten by the U.S. Department of Health and Human Services that provides basic hospitalization and medical coverage for people age 65 and over. It also serves people under the age of 65 with certain disabilities. For example, if you have permanent kidney failure that is being treated with dialysis or a transplant, or have been receiving Social Security or Railroad Retirement disability checks for at least 24 months, you are eligible for Medicare, even if you're under age 65.

Medicare Part A provides automatic hospital coverage, as long as you have worked at least 10 years in Medicare-covered employment. It also covers inpatient rehabilitation, sub-acute or skilled nursing care provided in hospital or long-term skilled nursing facility, home health care and hospice services. Part B helps cover medical and doctors' bills, and helps pay for rental or purchase of necessary medical equipment such as prostheses, wheelchairs and post-surgical supplies. If you qualify for Medicare and have a non-working spouse, he or she can also get Medicare Parts A and B at age 65.

While Part A is yours free of charge, Part B is considered elective coverage and requires monthly contributions from you. There are also several health care options available to Medicare beneficiaries, which come under the label of Medical Advantage. Most people receive a Medicare Enrollment Package just prior to reaching their 65th birthday. At that point, they may choose whether or not to opt for Medicare Part B benefits and pay the required premiums for that coverage. If you have reached the age of 65 and have NOT received a Medicare Enrollment Package, you must call your local Social Security Office in order to determine your eligibility.

## The Medicare Prescription Drug Benefit

Medicare Part D is a new prescription drug coverage program, which began in January 2006 and is available to all Medicare beneficiaries. Most people who qualify will pay reduced or no premiums and deductibles, and lower co-payments for their medications depending on their incomes and circumstances. Since private health insurance companies administer the program, monthly costs and coverage will also vary according to the company and plan you choose, as well as your state of residence. Premiums are in addition to the Part A and/or Part B premiums you may already be paying.

If you are currently taking prescription medication or think you may in the future, you should explore your Part D options. Contact Social Security at 800-772-1213 ([www.ssa.gov](http://www.ssa.gov)) or Centers for Medicare and Medicaid Services at 877-267-2323 ([www.cms.hhs.gov](http://www.cms.hhs.gov)) or visit [www.medicare.gov](http://www.medicare.gov).

### Medicaid: Benefits For Low Income Households

Medicaid is a combined federal-state program usually operated by state welfare or health departments and designed to furnish several basic services to low-income individuals. These include inpatient and outpatient hospital care, physicians' services, nursing home care and laboratory and x-ray services. Under financial hardship, Medicaid may also be used to pay your Medicare premiums, deductibles and co-insurance.

### MediGap: Benefits That Take Over Where Medicare Leaves Off

MediGap refers to one of several supplemental health insurance policies that can be purchased to cover the costs Medicare often doesn't cover, like prescription drugs, dental care, orthopedics, hearing aids or eyeglasses. For a complete list of recognized MediGap providers, consult your State Office for the Aging.

## SUMMARY OF GOVERNMENT ENTITLEMENT PLAN BENEFITS

	MEDICARE PART A*	MEDIGAP OR PRIVATE PAY	MEDICAID
<b>Day 1 - 60</b>	<u>Hospitalization</u> Pays all but \$1,024	Must pick up the cost Medicare does not pay. MediGap coverage may vary from plan to plan.	Begins to pick up costs after all other financial options have been exhausted. Hardship requirements vary from state to state.
<b>Day 61 - 90</b>	Pays all but \$256/day		
<b>Day 91 - 150</b>	Pays all but \$512/day		
<b>After Day 150</b>	Pays nothing after 150 days		
	<u>Sub-Acute or Long-Term Skilled Nursing Care **</u>	Must pick up the cost Medicare does not pay. MediGap coverage may vary from plan to plan.	Begins to pick up costs after all other financial options have been exhausted. Hardship requirements vary from state to state.
<b>Day 1 - 20</b>	Pays 100% of cost		
<b>Day 21 - 100</b>	Pays all but \$128/day		
<b>After Day 100</b>	Pays nothing after 100 days		
	<u>Home Health Care</u> Pays 100% indefinitely		
	MEDICARE PART A*	MEDIGAP OR PRIVATE PAY	MEDICAID
	<u>Medical Services</u> After deductible, pays all but 20% of doctors services, outpatient medical and surgical services, and durable medical equipment. Pays 50% for mental health services.	\$135 deductible. Must pick up the cost Medicare does not pay. MediGap coverage may vary from plan to plan.	Begins to pick up costs after all other financial options have been exhausted. Hardship requirements vary from state to state.
	<u>Clinical Laboratory Services</u> Pays 100% of cost.	Must pick up the cost Medicare does not pay. (see above)	Begins to pick up costs. (see above)
	<u>Home Health Care</u> Pays 100% for Medicare-approved services. You pay 20% of the Medicare-approved amount for durable medical equipment.	Must pick up the cost Medicare does not pay. (see above)	Begins to pick up costs. (see above)
	<u>Outpatient Hospital Services</u> You pay a coinsurance or copayment amount that varies by service.	Must pick up the cost Medicare does not pay. (see above)	Begins to pick up costs. (see above)
	<u>Blood</u> After the first 3 pints, pays all but 20% of the approved amount of additional pints of blood.	Must pick up the cost Medicare does not pay. (see above)	Begins to pick up costs. (see above)
	<u>Preventive Services</u> Pays 20% of most approved services.		Begins to pick up costs. (see above)

\*Rates indicated are effective January 1, 2008 and are subject to change annually. Consult your local Social Security Office, State Office for the Aging, or The Centers for Medicare and Medicaid Services for the most current rates and information.

\*\*Rates indicated are effective January 1, 2008 and are subject to change annually. Coverage is for up to 100 days, with actual length of coverage based on medical needs as stipulated by Medicare.