

## Don't Gamble with Medicaid Coverage

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Medicaid (referred to as Medical Assistance in Pennsylvania) is a comprehensive healthcare program which covers a wide variety of people who need medical care and meet certain financial eligibility guidelines. However, for seniors, Medicaid is a very important resource covering over half of all nursing home care which currently costs approximately \$100,000/year. Therefore, most people who require long term skilled nursing care eventually must deal with qualifying for this program.

**First:** Know when you need help. Most people don't plan to go to a nursing home. Medicare covers only a maximum of 100 days and many times less, so at roughly \$8,000/month, the arrears add up quickly once insurance coverage ends. Get advice immediately on your options *before* Medicare coverage ends.

**Second:** Recognize potential problems. Medicaid is a taxpayer funded program and before the government is going to foot the bill for your expensive care, there will be an exhaustive financial review process. This will involve a detailed review of five years of all of your investments, bank accounts, real estate transactions and transfers (i.e. "gifts"). If you are aware of problems providing this information, or worse yet, gifts that may have occurred during this "look back" period, plan to deal with it immediately. These problems could lead to delays or denial of coverage.

**Third:** Communicate. The Medicaid application process can take several months to produce a decision. During this time period, the nursing home is waiting to be paid and is bearing the risk of a denial of the application. Therefore, it is important to keep the lines of communication open between the resident and the nursing home and the County Assistance Office. These parties should be made aware periodically of the progress and status of the application.

**Fourth:** Don't delay appeals. Many applications are denied at first. This could be a result of incomplete verification or gifts which are not exempt from penalty. It is crucial to appeal timely to maintain the retroactive coverage requested in the initial application. Applicants have a 30 day right to appeal. At this point, the applicant may simply need more time to provide additional information or a more complex legal issue needs resolved. Either way, if you do not timely file the appeal, you will not even have the chance to fix things.

Finally, consider seeking experienced legal advice. As stated previously, the stakes are high and applications and appeals can take several months to resolve. For example, if the unpaid nursing home balance is \$8,000/month and an appeal is denied after six months, the nursing home will expect to be paid the arrears of \$48,000 from the applicant. If the applicant does not

have the funds to pay, the nursing home may pursue collection from the adult children of the nursing home resident (see our previous column on PA Act 43 – Filial Responsibility). While all parties involved desire a smooth transition to Medicaid covered care, nursing facilities are a business like any other and must be paid for their services. (So, if things don't go right with the application, the nursing home resident's children may be seeking legal counsel anyway – and not under the best circumstances.)

Medicaid coverage for long term care services is an extremely complex blend of Federal, State and local laws, rules and customs. While our hope is that all seniors plan ahead for the contingency of needing long term facility care, when faced with an immediate need for such care, families should not gamble with not only the health and safety of a loved one, but with the financial consequences as well.