

# WHAT IS MEDICAID?

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The terms Medicaid and Medicare are often confused and sometimes used interchangeably. However, they are not synonymous. Medicare is available to virtually all Americans over the age of 65 and to the disabled, regardless of income. Medicare consists of Part A and Part B. Medicaid health insurance, on the other hand, is available to individuals with limited assets.

Medicaid was designed in 1965 to pay for health care services for low-income individuals, which includes those who never had financial resources or those who no longer have sufficient assets available. Although federally regulated, both the federal and state governments share the cost of the Medicaid program resulting in states differing in eligibility guidelines. In 2006, Congress passed considerable changes to the Medicaid laws. These changes left some older adults and their families with considerable challenges for financing long term care

In New Jersey, eligibility for Medicaid is based on medical need as authorized by a physician, screened by a Medicaid nurse, and on financial approval. The county Medicaid District Office, determines Medicaid eligibility based on the physician's completion of forms, and the county social services agency, which determines financial eligibility are both involved with the Medicaid application process

## WHEN TO APPLY

Medicaid can be applied for only after incapacity has occurred. To establish financial eligibility, enough time has to be allotted to assure a timely transition on to Medicaid. Elder Life Management recommends initiating the process when resources are below \$60,000, recognizing Medicaid can only be approved after resources are below the \$2,000 amount. This phenomenon of using the available financial resources is called "spending down," but in truth, the individual spends on care as needed, realizing Medicaid will be available in the future.

Once approved, the individual's income, such as social security and/or pension, will be due to the long-term care facility. This will be the individual's contribution to the monthly cost of long-term care, with the state paying the balance of the cost directly to the facility.

\$35 per month may be kept for personal needs in a nursing home setting; \$100.00 per month in an Assisted Living setting.

## HELP IN APPLYING

Elder Life Management is frequently called upon to assist with the Medicaid application process. In addition to providing information and guidance about Medicaid, our services include collecting the required documentation for making the application and following through to the final approval.

Elder Life Management advocates long-term care planning for every adult regardless of age. Without appropriate planning in advance of incapacity, individuals and families are faced with the financial realities of paying for long term care services with their valuable assets, until such time that Medicaid eligibility can be established.

Presently, there is no state or national effort to cover the long term cost of nursing home care, although long-term care has been an important topic for many years. Until there is a long range, permanent plan and solution to the financial realities of long-term care, the Medicaid program will continue to be of importance