

Nursing Facilities: Part 1

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When an elderly person requires the 24-hour care provided by a nursing facility, several key points need to be considered. If nationally, the average daily cost of a semi-private accommodation in a nursing home is approximately \$67,000 per year, it is imperative that families have all their plans in place in advance of needing this type of care.

The next several columns will address factors associated in choosing a nursing home and help to ease the decision making process. Today's column will explore financial realities of gaining admission to a nursing home.

The most frequent payor source for hospitalization

and short-term *skilled care* in a "sub acute setting"(nursing home) is Medicare. But for those people needing custodial care or more long-term care, Medicare does not cover. Individuals either pay privately or through Medicaid, or a combination of both.

How long term nursing home care is to be financed does affect admission accessibility. For individuals who can afford to pay privately, the transition is seamless. Private funds do offer more opportunities for availability. For those individuals who are not capable of paying privately, and are either eligible for Medicaid or already have Medicaid, availability of an acceptable accommodation may be limited. This is due to the fact that the Medicaid reimbursement rate to facilities is substantially less than the private pay rate. New Jersey State law however,

does require facilities to maintain a minimum of 45% Medicaid occupancy at all times.

Frequently this census mix -- that is private to subsidized care -- is maintained by individuals who are first admitted to the facility with Medicare or paying privately, then "spending down" to a level where they qualify for Medicaid and then remaining in the facility on Medicaid. This is why facilities upon admission frequently request information about the financial resources of the person to be admitted.

Nursing homes are primarily privately owned businesses. However, in Monmouth County there are two facilities run by the county; John L. Montgomery Home in Freehold and Geraldine Thompson Home in Allenwood.

It is wise to be an educated consumer in all matters related to elder care.