

Financial Survival When Paying for Long-Term Skilled Nursing Care

By Kelli Y. Allen, Elder Law Attorney



Many seniors are faced with the issue of how to pay for long-term skilled nursing care. In North Carolina, the monthly rate for skilled nursing care ranges from about \$6500 to over \$10,000 per month. For those who need this type of care, there are three options for payment:

1. Private payment – You or your family pays the full price out-of-pocket
2. Long-term care insurance – Prior to needing care, the individual purchased long-term care insurance that will pay for some or all of the care for a set period of time
3. Long-term care Medicaid

Note that neither Medicare nor private health insurance will pay for long-term care in a skilled nursing facility. At most, Medicare or private health insurance may pay for 20 to 100 days of rehabilitative care after a hospital stay.

Many people make the mistake of simply moving their loved one into a nursing facility and pay as long as they are able. In some cases, adult children combine resources in an attempt to keep privately paying. Others contact the Department of Social Services to seek assistance only to be told to “spend down,” (i.e. “pay until you are out of money and then come back to see us”). Even after receiving Medicaid benefits, if the Medicaid recipient had a home still in his/her name, family members are surprised to find out later that Medicaid has placed a lien on the home to recoup the benefits paid.

There is a better way. It is not necessary to “spend down” by using all of your assets to pay for skilled nursing care. A spouse never needs to become destitute in order to pay for the husband or wife’s skilled nursing care. Medicaid has built-in mechanisms that allow for the protection of a large percentage of assets, while still achieving long-term Medicaid eligibility. Unfortunately, most people are unaware of these options.

Steps to Take Now

1. While your loved one is mentally competent, execute a very broad Durable Power of Attorney (POA). If you

already have a POA, have it reviewed by an Elder Law attorney who focuses on Medicaid and Long-term Care Planning, because all POAs are not the same. It is crucial to make sure that there is sufficient authority to protect assets when the need arises.

2. If there is no anticipated need for long-term care in the next few years, consult with an Elder Law attorney to discuss whether any proactive asset protection strategies, such as an Asset Protection Trust, are recommended.
3. If you are currently providing care for a family member other than a spouse, consult an Elder Law attorney to see if a Caregiver Agreement might be appropriate.
4. If a loved one is in imminent need of skilled nursing care (within 6 months) or is already in a skilled nursing facility, contact an Elder Law attorney focused on Medicaid and Asset Protection to discuss protecting assets and applying for Medicaid.



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