

## **THE COST OF NURSING HOME CARE**

by E. Garrett Gummer, III



Today, primarily because of the advances in medical science and personal health awareness, we are living longer than at any other time in our history.

This increased longevity may, unfortunately, bring with it increased chances for us to contract both mentally and physically debilitating diseases. Such diseases may require treatment and care that is beyond what our families are capable of providing at home. As such, many times long-term nursing home care is your only option.

Among the concerns of a family facing the prospect of admitting a loved one to a nursing home is how they will afford the costs which, in Pennsylvania, are approximately \$8,000 per month.

Most health insurance plans and Medicare provide very limited coverage for patients in nursing homes. Unless you have long-term care insurance to cover your care, the only option is to pay for the care yourself until your assets are exhausted and then apply for Medicaid.

Medicaid is a joint federal-state program begun in the 1960s to provide medical care, including nursing care, to those who cannot afford it. In Pennsylvania,

Medicaid is termed Medical Assistance (MA) and is administered by the local county assistance offices of the Department of Public Welfare. The local county assistance office will review your resources and income to determine if you are eligible to receive benefits under the Medicaid Program.

Your financial resources can be no more than \$2,400\* to be eligible for Medicaid. This includes cash, stocks and bonds, bank accounts, your IRA and real estate that is not your principal residence. Also, if you transfer any financial resources to family or friends within three years of the date you apply for Medicaid, these will be counted as available resources and may affect your eligibility.

There are a number of resources that are not counted in determining your eligibility for Medicaid. These include your automobile, household goods, clothing, jewelry, a grave marker, a prepaid funeral, and your home if you state an intention to return to it after your nursing home stay, or it is used as the principal place of residence by your spouse or a dependent child.

After qualifying by showing your resources are down to \$2,400, you will have to prove that your income is insufficient to pay for your nursing home care. Generally, all of your income, but not your spouse's income, is counted. This includes pensions, Social Security, and interest and dividends from bank accounts and other investments. You

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\* This level can be \$8,000 depending on the applicant's monthly income.

are, however, permitted to keep \$45 per month for personal expenses.

The above discussion of the Medicaid rules applies to a single person being admitted to a nursing home. If you are married and living at home with your spouse, different rules apply in determining your eligibility. Generally your spouse is permitted to keep his or her income and any qualified retirement funds. Also, your spouse is permitted to keep a portion of the resources owned by either of you, in addition to the resources mentioned above that are not counted in determining your eligibility for Medicaid. This amount is approximately one half of the couple's non-exempt assets, with a low limit of \$21,912 and a high limit of \$109,560 for 2011. These amounts change from year to year.

In summary, this article attempts to give you an understanding of some of the rules that apply for Medicaid eligibility. It is not a comprehensive examination of Medicaid regulations pertaining to nursing home care. If admission to a nursing home is a potential future reality for you or a family member, you should consult your legal advisor now to plan properly.

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