

# Medicare: Don't Count on It

## MEDICARE: DON'T COUNT ON IT

*by John B. Linvill, Jr., CSA ~ May 18, 2003*

If we were to ask 1,000 adults the following question: Who will pay for your long term care? – 90% of the participants would declare the following answer: Medicare.

When Medicare was created several decades ago, the common wisdom was that after three days in the hospital, one would go to a skilled nursing home. By the end of 100 days in the nursing home the patient would either be better or would die. It seemed to make sense at the time. However, we are now seeing that after 100 days in the nursing home, the patient usually has not died and has not improved in health. The patient has continued to maintain a static or slowly descending condition. This is a generalization but the generalization is ever present today.

To receive Medicare coverage in a skilled nursing home (SNF) the following must take place: you must have spent three days in a hospital and you must enter the SNF within 30 days of leaving the hospital. You must need services for a condition that was treated at the hospital. Then Medicare covers 100% of the cost of the first 20 days in a SNF. For days 21-100, Medicare covers part of the cost. For days 100+ there is no coverage.

Upon admission, the SNF enters the patient into the Medicare computer system. Medicare is able to (and does) monitor the days. Medicare regulations require the SNF to only keep a patient during the 100 days if the patient is showing signs of improving or may shortly show signs of improving. If a patient's condition remains status quo, Medicare requires the SNF to instruct the patient to leave or be subject to the full private cost of daily care.

In the summer of 2002, my family had an experience with Medicare. Prior to his heart surgery my father researched the Medicare regulations for paying for SNF care for his upcoming rehabilitation. Three days after his operation he went to the SNF at his continuous care retirement center. He arrived on a Tuesday and on the next Sunday he received a formal letter from the SNF administrator. The letter stated that should he stay Sunday night at the SNF he would have to commence paying a \$200 daily fee. He had not seen the doctor for several days (the nurses had checked his blood pressure several times a day). In short, my father had used up his Medicare allocation-very quickly. Fortunately, he was feeling much better so he quickly returned to his apartment at the center. The message here is that SNF administrators carefully watch each Medicare situation. SNFs do NOT want to violate the Medicare regulations.

Thus the answer to the opening question “How will you pay for your long term care?” is not Medicare. For people with assets, the answer to the question is: personal savings and / or long term care insurance. An elder law attorney once told me, “Everyone wants quality care but no one wants to pay for it”. Future cost of care will be **very high**.

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