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Medicare and Medicaid: Senior Living and Care Coverage

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Learn More About Our Experts

Medicare and Medicaid offer multiple health care coverage benefits and opportunities that help reduce health care costs for seniors. Learn comprehensive details about each program, how Medicare and Medicaid potentially affect your options for senior care and senior living.

Gain knowledge about the differences in services and benefits provided by Medicare and Medicaid for seniors newly eligible for or already receiving benefits from Medicare or Medicaid.

What Is Medicare?

Medicare is the largest health insurance program in the United States designed for seniors. Elders receive benefits based on a number of eligibility factors and program requirements as they apply to each individual enrolled in Medicare. Here is a short timeline of the Medicare program:

- Officially established in 1965 as an **amendment to Social Security**, then-President Lyndon B. Johnson signed the legislation into law that established Medicare as the first federal health insurance plan for individuals 65 years of age and older.
- Although Medicare originally included only Part A and Part B, expansions to Medicare means that millions of seniors now receive more comprehensive health care coverage today, compared to Medicare coverage on July 1, 1966.
- As recently as 2015, Medicare provided benefits to more than fifty million Americans aged 65 and over.

Funded by payroll taxes, surtaxes, and premiums, Medicare is available for Americans that have paid into the system through their payroll taxes, but a **demographic bubble, in the form of the quickly aging baby boomer generation, threatens to swamp the existing system's resources. At the heart of the problem is not only the increased number of seniors moving into the system, but medical advances have extended the amount of time each person stays in the program.**

Hence
Medicaid
monitoring
qualifying
increase
deductible

For more information, take a moment to review the video below from the Senior Living YouTube Channel, as we go over everything you need to know in our introduction to Medicare.

Introduction to Medicare



Coverage and Benefits

Your eligibility, and in some cases your decisions and preferences, determines many of the benefits you receive through Medicare.

Medicare recipients enjoy coverage and benefits that often include hospital admissions and care, outpatient visits and treatments, specialized medical services and care, skilled nursing, and hospice care. These benefits, as well as prescription drug coverage, require **some action on your part**. *F plans cut out huge (potential) Expenses*

You do not automatically start receiving comprehensive Medicare coverage once you turn 65 years of age. The Centers for Medicare & Medicaid Services (CMS) reveals that you have to abide by established guidelines for signing up to receive “Premium-free” coverage under Part A, as well as guidelines and regulations established for other Medicare coverage and benefits.

Medicare does not provide coverage for all health care needs or costs. This is true no matter your senior living situation or senior care needs at the time of your initial enrollment as well as future changes made to your benefits.

The program does **not cover** services deemed **not medically necessary**, **senior vision exams**, **eyeglasses or contact lenses**, **exams for hearing aids**, or **the cost of hearing aids**. Medicare also **does not cover dental** exams, routine dental or oral health care, dental appliances such as partial plates or full dentures for seniors. Medicare does **not cover cosmetic surgery**, except in situations such as after a severe accident where the Medicare recipient needs surgery to repair the face or in case of necessary surgery after receiving severe burns.

Two highly used benefit

Joe doesn't tell you this costs more!

The Basics of Medicare Benefits

Benefits under the Medicare program are designed to primarily pay for such medical needs as acute care, hospital stays, and doctor visits. Additionally, Medicare benefits can be used for the cost of **long-term care**, but it has its limitations. For instance, recipients can stay up to a hundred days in a nursing facility following a hospital stay of three or more days. To be eligible for this benefit, the nature of the care must be rehabilitative. Long-term care that requires extended nursing care or 24/7 hospice care is not covered under the program.

observation is not an admission

Another gap in coverage is found in dealing with the cost of prescription drugs. These are **not covered** under the basic Medicare program, and this includes needed drugs to be taken daily to combat chronic health conditions. With the vast majority of seniors suffering from at least one such condition, and a significant percentage suffer from two or three chronic diseases, lack of affordable coverage can place these life-saving drugs out of reach.

As it stands, basic Medicare benefits cover approximately **half** the costs of associated medical expenses, so retirees look to purchasing gap coverage to bridge these divides. Supplemental policies are available through the Medicare program.

These benefits can change annually!

Medicare Plans

Medicare offers Part A, Part B, Part C, and Part D options. While Medicare coverage likely seem confusing at times, when you know about the different options and specific details about each plan, you have a better understanding of benefits and coverage as it applies specifically to you or your loved one.

Medicare Part A *Only a 60 day benefit period
\$1408 co-pay / benefit period*

Some seniors refer to Medicare Part A as their "hospital insurance." Medicare covers hospital care, a short-term stay at a skilled nursing facility when ordered by your doctor, and hospice coverage.

Note: you pay!

Part A also provides coverage for home health services ordered by a doctor and nursing home care, if custodial care is not the only care needed at the time. **This is important to factor into decisions about senior care and senior living.**

Medicare Part B *Penalty may apply for not signing up when required!*

Part B provides a variety of coverage benefits. Coverage includes an annual wellness visit every 12 months, lab work, and any necessary X-rays.

You pay: 20% Medicare Part B also covers other benefits on an outpatient basis. When your doctor orders medical equipment necessary to help you recover or maintain your best level of well-being, your Part B covers the equipment.

Another important aspect of Medicare Part B benefits is coverage for preventive health services. Part B covers immunizations for seniors such as your annual flu vaccine and your pneumonia vaccines.

{ Other preventive coverage under Part B includes cardiovascular screenings, diabetes screenings, glaucoma tests, screenings for HIV and other sexually transmitted diseases, alcohol abuse screening, and counseling services. Part B coverage also includes screening for depression, other mental health issues, and counseling.

Medicare Part C

Part C Medicare is an option for individuals wanting to enroll in a Medicare Advantage Plan instead of receiving their benefits through Original Medicare. Private companies offer Medicare Advantage Plans. If you enroll, you still receive all your coverage and benefits that you would have if you opted for Original Medicare.

Some primary differences are that you receive coverage through the Medicare Advantage provider and Medicare provides a "Fixed amount" for your care every month.

Remember! Medigap plans are an option too!

Review your policy for your out of pocket costs.

Although private companies offering Medicare Advantage Plans have to abide by Medicare rules, they can also set specific rules. For example, you may have to have a referral to see a specialist. The company you purchase your policy from may potentially charge you a different amount for your out-of-pocket costs, compared to out-of-pocket costs of Original Medicare.

Caps vary per provider

If you choose this option, you cannot also enroll in a Medigap Plan. Medicare specifically states, "Medigap policies can't work with Medicare Advantage Plans." If you have an existing Medigap plan, it does not cover Medicare Advantage premiums, co-payments, or deductibles.

Opt for the better plan.

Medicare Part D

Medicare Part D provides prescription drug coverage. When you become eligible for Medicare, you have the option to choose a Medicare Part D prescription plan. If you enroll in Medicare Part B for the first time during the general enrollment period, you can sign up for a Medicare Prescription Drug Plan beginning April 1 through June 30.

Although Part D became one of the biggest changes to Medicare in nearly 40 years, there are late enrollment penalties added to Part D premiums when an individual allows 63 consecutive days or more to pass with no prescription drug coverage at the end of your initial enrollment period.

Penalty WILL apply if you don't sign up - Even if - you don't take drugs!

Applies if continuing to work

If you have other creditable drug coverage, such as prescription drug coverage through an employer, the penalty does not apply. All prescription drug coverage must meet the Medicare standard for "Creditable," making it extremely important that you report any existing prescription drug coverage to Medicare as soon as possible during your initial enrollment period.

When enrolled in Part D, once you and your drug plan spend a certain amount towards your covered prescription medications, you enter the coverage gap or "donut hole." *Changes yearly*

The monthly "Explanation of Benefits" sent to Medicare recipients each month reveals which coverage area you are in and what you and your Medicare Part D plan paid for prescriptions.

In 2018, you entered the **donut hole** after you and your Part D plan paid \$3,750 towards prescription drug costs. Individuals then paid up to ~~35~~ ^{25%} percent of the plan's costs of name-brand prescription drugs and ~~14~~ ^{25%} percent of the cost of generic drugs, until out of the donut hole or coverage gap. *2020*

The good news is that plans to close the donut hole in 2020, part of the Affordable Care Act (ACA), moved forward with the planned closing of the coverage gap occurring in 2019. After closing the coverage gap, Medicare beneficiaries pay no more than 25 percent of prescription drug costs, which means some drug companies pay more of the costs of your prescription drugs. *The higher the Tier the greater the cost.*

There are other Medicare Part D prescription drug coverage details available from your trusted senior living and senior care source.

Medicare Supplement Plans

Private insurance companies sell Medicare Supplement Plans, commonly referred to as "Medigap." **Medigap policies** help pay costs such as co-payments, deductibles,

and limit your back-end out of pocket costs

and coinsurance, not covered under Original Medicare.

If you purchase a Medigap policy, Medicare pays its portion of Medicare-approved covered health care costs and your Medicare Supplement Insurance plan pays its portion of covered costs.

Important to know what the plan covers to your costs

this cost has changed yearly.

You have to have both Medicare Part A and Part B to enroll in a Medigap plan. You also pay the private insurance policy a monthly premium for your policy in addition to paying your monthly Part B premium costs.

plus the part plan doesn't cover

It is important to understand that Medicare Supplement Plans do not cover everything and that they are different from Medicare Advantage Plans. You also have to separately enroll in a Part D prescription drug plan.

Long-Term Care Coverage

Plans are now being replaced with home care plans as more people prefer to stay home.

Questions about long-term care coverage and what Medicare pays are common topics among Medicare recipients and their loved ones.

Assisted Living Coverage

You need a plan to cover these. These costs can be high!

Medicare does not cover the residency or costs associated with assisting residents with activities such as bathing or dressing at an assisted living facility. There are benefits that Medicare does cover when an individual resides at an assisted living facility.

Specifically, although you have to find other ways to pay the costs of living at the facility for yourself or your loved one, you still receive your Medicare Part A and Part B benefits if enrolled.

Contact a Medicare or senior care representative to learn more about Medicare and assisted living.

Nursing Homes Coverage

Medicare [does provide some coverage](#) for nursing home residents although it does not cover many services provided at nursing homes. Medicare does not provide coverage for activities of daily living (ADLs), a common service provided by nursing home staff.

Read that again! → Not just walking, eating but also toileting. Are you and your family comfortable with that?

Nursing homes do not provide extensive health care benefits, which confuses some Medicare recipients or their families, who mistakenly assume Medicare covers all costs associated with nursing home residency.

Important to find out before you commit!

Medicare explains that the program provides limited coverage if you or your loved one needs short-term “Medically necessary” skilled care at a nursing home after a recent illness or injury.

If you have Medicare Part C, check with your plan provider to see if they pay any costs associated with nursing home care.

Use the [Medicare Nursing Home Comparison Tool](#) to search for nursing homes and learn about the quality of care and staffing provided at nursing homes in your area, along with senior living resources.

Memory Care Coverage

At a [Medicare Learning Network event](#) in March 2018, speakers presented some startling facts about memory care and its effect on individuals as well as costs related to Medicare coverage.

Dementia is considered an “Umbrella term” for describing a variety of cognitive impairment symptoms and dementias. While Alzheimer’s is the primary type of memory issue, Lewy bodies, vascular and other forms comprise some conditions possibly requiring memory care, with “Most costs borne by Medicare and Medicaid.”

Sadly more people are having issues from this because of our diets. Certainly something to look at.

Recent increases in funding for research and care of individuals with memory care issues mean that Medicare recognizes costs associated with memory care and the fact that it affects entire families not just individuals.

Covering some costs associated with memory care lessens the burden of related costs on individuals and their families for ongoing care, palliative care, and hospice care.

Hospice Care Coverage

Medicare covers some costs associated with hospice care if you or your loved one meets regulations set by Medicare. Your doctor certifies that you have six months or less to live, should your terminal illness run its normal course.

★ If you have Medicare Part A coverage, you sign a statement that indicates you want hospice care rather than other types of Medicare-covered treatment. You accept palliative, or comfort care, rather than curative care for your terminal medical condition.

Although there are no deductibles for Medicare-covered hospice care, you continue to pay Part A and Part B premiums. ↑

Many services related to Medicare-covered hospice care are provided in the comfort of your home. Learn more about benefit coverage periods, hospice coverage for physician and nursing services, homemaker services, hospice aide benefits, prescription drug coverage to relieve symptoms or pain, social worker coverage, therapies such as physical therapy, occupational and speech therapy as well as other coverage for hospice care benefits provided by Medicare.

Skilled Nursing Facility Coverage

*3 days hospitalization required
 = 30 days out of hospital*

Your Medicare Part A benefit covers skilled nursing facility care at a skilled nursing facility for short periods. Although skilled nursing care is sometimes provided at the

same facility as nursing home care, Medicare coverage for the two is not the same.

When you are not healed from an illness or injury to the point where you can go home from an inpatient hospital stay, the hospital doctor may order care at a skilled nursing facility.

Several requirements determine if you meet Medicare coverage eligibility. You have to have a qualifying hospital stay and need the services provided at a skilled nursing facility. Services provided at the Medicare-certified skilled nursing facility vary from one individual to the next, based on individual treatment needs and other factors.

Adult Day Care Coverage

Adult daycare provides a variety of services based on the needs of each senior receiving adult daycare services.

Like many long-term care programs, Medicare does not cover services typically provided by adult daycare.

under \$1005 / mo income

Other insurance programs such as Medicaid often cover adult daycare, which allows seniors to receive care and services at a daytime facility.

Respite Care Coverage

Medicare strictly covers respite care for caregivers only under hospice benefits provided by Medicare.

Medicare covers five days of consecutive respite care at an inpatient facility to give caregivers a break from caring for loved ones or when something arises where the caregiver temporarily cannot provide care. *Hotel not included.*

You also pay five percent of respite care costs at a Medicare-approved facility.

Home Health Care Coverage

Home Health Care Coverage

You Medicare Part A and Part B covers a variety of home health care services and benefits such as intermittent skilled nursing care, speech-language pathology services, physical therapy and continued occupational therapy. These and other covered benefits depend upon your meeting eligibility requirements, including that you need the services only on a part-time basis, must be getting services provided under a care plan created by and regularly reviewed by your doctor and you must be certified as homebound by a doctor.

Working with a home health agency helps ensure that you or your loved one receives needed services ordered by the doctor and that you receive the services from professionals skilled in those particular care areas.

The Programs of All-Inclusive Care for the Elderly, or PACE, helps seniors stay in their home rather than residing at a nursing home. Comprehensive services provided by PACE for eligible seniors include delivery of services by your interdisciplinary team of professionals that help you receive care through a coordinated care plan.

PACE is a Medicare program, yet both Medicare and Medicaid provide PACE coverage, services, and benefits. PACE recipients receive some services not normally provided by Medicare and Medicaid.

If you have a Medicare Advantage plan, check with your plan provider for home health care coverage information.

Medicare Enrollment

Enrolling in Medicare requires you to take action. The Official Guide to Government Information and Services explains that the Social Security Administration (SSA) enrolls eligible individuals in Medicare today. Although you do not have to sign up each year, you do have an opportunity to review and change coverage options.

Only required for medicare advantage and prescription plans.

Your initial enrollment period begins three months before you turn 65 years of age and ends three months after you turn 65 years of age.

1090
ms If you fail to enroll when initially eligible, you potentially have to pay a Medicare Part B late enrollment penalty and possibly experience a lapse in coverage when enrolling later.

Upon enrollment, you receive your Original Medicare card three months before you reach age 65. Newer Medicare cards do not have your social security number on the front of the card. *SSNs were removed in 2019*

The initial enrollment period is the ideal time to decide if you prefer Original Medicare, Part D prescription drug coverage or a Medicare Advantage Plan. The SSA provides more information online including online application if you prefer to complete the initial application online instead of in-person.

Medicare Costs

Medicare costs vary from one individual to the next, depending on factors such as program choices, specific situations regarding your needs, coverage benefits, and any penalties. One important point is that most Medicare recipients receive premium-free Part A benefits. You also pay late-enrollment penalties if you do not sign up for Part B when first eligible.

You pay a monthly premium to receive Part B coverage, which is deducted from your monthly Social Security benefits. You also pay a Part B deductible and then up to 20 percent of costs for coinsurance and co-payments for doctor visits and other covered benefits. *on ly for Medicare Advantage Plans*

Part D costs vary depending on your plan, your plan provider, whether you have Medicare Extra Help and other factors. *Some times you can save money paying for plans as you go.*

There are potential penalties incurred if you do not enroll with a Medicare Part D provider when first eligible.

1%
/mo

What Is Medicaid?

Medicaid is a federal health insurance program with considerable leeway given to states to administer their Medicaid program and benefits provided to eligible recipients. Some seniors likely do not know there are Medicaid benefits provided to eligible seniors beyond nursing home coverage.

Income and asset levels apply.

Medicaid provides benefits to nearly five million seniors, most of whom also receive Medicare benefits. Low-income seniors often receive “Extra help” from Medicaid that helps cover some of the costs of Medicare, such as premiums, co-payments, and other out-of-pocket expenses.

Medicaid provides details regarding income limits for each Medicaid program for seniors. Recent significant cuts to Medicaid benefits for seniors in some states due to budget constraints make it imperative that you check your eligibility for Medicaid on an ongoing basis beyond the initial enrollment for Medicaid. *Can change monthly*

Each state operates its own program though funding is matched by the federal government starting at 50%. The program and its requirements vary from state to state. For those who don't qualify for Medicaid, states have their own medical assistance. In 2008 there were 49 million people receiving Medicaid. The program cost \$204 billion that year.

Background and History of Medicaid

Some historians call it the last gasp of the Franklin Delano Roosevelt era New Deal program. Indeed, President Lyndon B. Johnson viewed his presidency as an extension of Roosevelt's far-ranging vision of an America with a robust safety net to protect people through their trials and tribulations.

By the mid-1960s, two groups living on opposite sides of the demographic spectrum, children and the elderly shared a common characteristic of living in abject poverty. Johnson's goal with the 1965 Medicaid Act was to stretch that social safety net to protect those two sections of the population. Under the program, at-risk citizens who had exhausted all of their assets were offered assistance to help defray health and long-term care expenses.

A Partnership for Health

The Medicaid program is a partnership between the federal government and the states. As such, there is a wide disparity in available benefits and recipients should note their individual state's guidelines for entry and acceptance into the program. In general, however, the federal government extends matching grants to the states with the goal of having the individual states provide medical resources to residents meeting certain eligibility requirements.

When a resident's income and assets fail to keep up with the costs and expenses of needed medical services, the states have a resource to extend those in need. As a result, the primary source for medical insurance for the nation's poorest sectors has become the Medicaid program.

The Basics of Eligibility

To obtain benefits under the Medicaid program, acceptance and eligibility is based on specific categories. In other words, the enrollee must be a member of a specific category, as defined by legal statute, and includes the following:

- Pregnant women whether married or single
- Low-Income Seniors
- Low-Income Children
- Parents of Medicaid eligible children

And meet income requirements

Those with documented disabilities, which would otherwise prevent them from gainful employment, are covered under the Supplemental Security Income (SSI). These recipients are offered Medicaid as a way of providing ready access to health insurance coverage.

Additionally, included under the program, Medicaid has a dental component that is mandatory for recipients under the age of 21, but voluntary for those over the age of 21. Minimum available services include:

- Periodic screenings
- Pain relief
- Teeth restoration
- Cleanings

Apply online or at your local Medicaid office to determine if you meet eligibility and income limits for Medicaid benefits for seniors.

Is There A Medicaid Office Near Me?

Check with your state to find out more about Medicaid benefits and Medicaid office locations.

Alabama

Alaska

Arizona

Arkansas

California

Colorado

Connecticut

Delaware

Florida

Georgia

Louisiana

Maine

Maryland

Massachusetts

Michigan

Minnesota

Mississippi

Missouri

Montana

Nebraska

Ohio

Oklahoma

Oregon

Pennsylvania

Rhode Island

South Carolina

South Dakota

Tennessee

Texas

Utah

Hawaii

Idaho

Illinois

Indiana

Iowa

Kansas

Kentucky

Nevada

New Hampshire

New Jersey

New Mexico

New York

North Carolina

North Dakota

Vermont

Virginia

Washington

Washington D.C.

West Virginia

Wisconsin

Wyoming

Medicare vs Medicaid

→ Companies go by these regulations. Why pay for the name.

Medicare is a federal program for seniors and disabled individuals that paid into the system via payroll taxes, premiums, and surcharges. Politicians unfortunately sometimes use the aging baby boomer population and other tactics in an attempt to sway seniors. This sometimes scares seniors into thinking their Medicare may be gone tomorrow.

Medicare continues to provide coverage and benefits to eligible seniors such as inpatient hospital coverage, doctor visits, treatments, and limited long-term care benefits.

Prescription drug coverage through Medicare Part D helps lower many prescription drug costs for seniors.

Medicaid, while a federal program, potentially differs among various states in regards to coverage and other benefits. The program receives matching funds from the federal government that helps provide benefits to low-income seniors.

Disabled individuals that did not pay enough into the system to receive Medicare are often eligible for Supplemental Security Income (SSI), which also provides Medicaid coverage. States have options whether to provide benefits not covered by Medicare in their Medicaid coverage, such as eyeglasses and dental benefits.

Both former U.S. Presidents Lyndon B. Johnson and Franklin D. Roosevelt are credited with visions and implementation of programs we know as Medicare and Medicaid today. These programs, while providing similar benefits in some cases and **completely different** coverage in other areas of healthcare help protect seniors, one of the most vulnerable and at-risk groups in the nation.

Summary

A healthy nation demands healthy citizens, and that was an understanding that both F.D.R. and L.B.J. shared in common. Thanks to their understanding and efforts, seniors in the United States who have reached the end of their financial tether have a social safety net that can help them obtain the medical care they so urgently need.

Medicare and Medicaid provide outstanding health care coverage for seniors not previously afforded the benefits before the programs existed. Still, there are some gaps in coverage, particularly with some long-term care services.

While both Medicare and Medicaid have strict eligibility requirements, as long as you comply with enrollment and eligibility guidelines, you likely continue to receive benefits.

Costs sometimes vary among programs, plans, and individual coverage choices.

Although confusing at times, senior living and senior care agencies help provide a wealth of information to seniors and their loved ones seeking information along with senior living and care options.

Learn more about the safety net provided for seniors through Medicare and Medicaid by visiting the websites, finding information on your trusted senior living and senior care site, or visiting your local Social Security office and Medicaid office.

Was this Helpful?

 Yes

 No



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Since graduating from Harvard with an honors degree in Statistics, Jeff has been creating content in print, online, and on television. Much of his work has been dedicated to informing seniors on how to live better lives. As Editor-in-Chief of the personal... [Learn More About Jeff Hoyt](#)



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