

Medicaid, Medicare and Medicare Supplement Insurance

Many people begin paying for long term care on their own, but find that their savings are not enough to cover more than a few years of care. If they become impoverished, they turn to Medicaid to pay the bills. Because nursing home care is the primary type of care funded by Medicaid, this usually means entering or relocating to a Medicaid approved nursing home. Changes in the law permit the at-home spouse to retain certain levels of assets and income.

Some costs are picked up by Medicare. These include short term skilled nursing home care following hospitalization, and some skilled at-home care when needed for short term unstable conditions.

Medicare supplement insurance (often called Medigap or MedSupp) is private insurance that helps cover some of the gaps in Medicare coverage. Those gaps include hospital deductibles and coinsurance payments- or what Medicare considers excess physician charges- but they do not include long term care.

Other Plans That Supplement the Original Medicare Plan

The original Medicare Plan pays for many health care services and supplies, but it does not pay all of your health care costs or cover prescription drugs. To help cover extra health care costs, you may want to get a Medigap policy.

A Medigap policy is a health insurance policy sold by private insurance companies. The front of the Medigap policy must clearly identify it as “Medicare Supplement Insurance”.

Costs like coinsurance, co-payments and deductibles are called “gaps” in Original Medicare Plan coverage. Some Medigap policies also cover benefits that the Original Medicare Plan does not cover, like emergency health care while traveling outside the United States. A Medigap policy must be one of 12 standardized policies. Each plan has a different set of benefits.

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