

# Navigating the Healthcare System

As a caregiver, one of the most important (and challenging) responsibilities is that of organizer and advocate for a loved one whenever they encounter the confusing maze that is the healthcare system.

In this article, you will learn about the different ways to pay for healthcare (including government financial aid), how to choose the right medical professionals to take care of your loved one and discover tips for managing medication and coordinating care.

## Government Programs to Help Pay for Elder Healthcare

It's no secret that the cost of healthcare in the United States is staggering, especially among the aging population.

The average elder will pay nearly \$39,000 in out-of-pocket medical costs during their final five years of life, according to a 2012 study conducted by researchers at the Mount Sinai School of Medicine.

And that's just the average aging adult.

According to study authors, the typical elder in the top 25 percent of medical expenditures shelled out about \$101,791 in the five years preceding their death.

Thankfully, aging adults and their families don't have to rely solely on personal assets (life insurance policies, long-term care insurance and retirement accounts) to pay for healthcare. There are also a variety of government-funded financial resources available to help elders cover the cost of medical intervention.

Most families use some combination of personal assets and government financial aid to pay for a loved one's healthcare expenses.

## Understanding the Medical Alphabet

### Part A

Inpatient hospital, hospice, home health care, skilled nursing facility

### Part B

Outpatient, lab tests and x-rays, physician bills, medical equipment

### Part C

Also known as 'Medigap' or 'Medicare Advantage'; helps cover out-of-pocket expenses otherwise not covered by Medicare

### Part D

Prescription drug coverage

# Overview of Government Assistance Programs Available to Elders

**Medicare:** Medicare is our country's health insurance program for people age 65, and over.

Similar to traditional health insurance, the government-funded Medicare program does not cover 100 percent of an aging adult's health care costs. Multiple coverage and deductible options are available, with varying levels of required monthly premiums. (People who are younger than 65 may also be able to qualify for Medicare, if they have certain disabilities, or suffer from end-stage renal disease)

There are technically four different parts to Medicare:

- **Part A** covers inpatient hospital stays, hospice care, home healthcare and care in a skilled nursing facility.
- **Part B** deals with outpatient hospital care, lab tests, x-rays, home-based physical therapy, doctors' bills, ambulance services, durable medical equipment, chiropractic care and certain prescription medications.
- **Part C** closes some of the gaps in Medicare coverage-the portion of healthcare costs not covered by Medicare-and may be able to reduce an elder's out-of-pocket expenses. Part C plans are also referred to as "Medigap" or "Medicare Advantage." Some elders choose to apply for Medicare Advantage plans that allow them to receive all of their benefits via a private insurance company. These plans are vetted and approved by Medicare, even though they are purchased through private insurers. Choosing a Medicare Advantage plan can be confusing. It's important to make sure that whatever plan your loved one selects will cover their unique medical needs.
- **Part D** delivers prescription drug coverage to elders who qualify for Medicare.

## *A Special Note for Caregivers*

*Medicaid's 'cash and counseling' program allows family caregivers to receive pay for providing care to an elderly loved one.*

An elder must apply for Medicare in order to receive coverage. The initial enrollment period begins three months before a person turns age 65, and continues for three months after. If enrollment is not completed during in this timeframe, Medicare medical insurance - as well as prescription drug coverage - could be delayed, and an applicant may be charged higher premiums. Following the initial enrollment phase, annual enrollment periods (usually occurring from October-December) allow an elder to select a new plan, or make changes to their existing plans. However, note that Parts C and D require separate enrollment periods.

*Note on the Medicare PACE Program: In some parts of the country, elders can apply for Medicare's Program of All-Inclusive Care for the Elderly (PACE). This program is meant to offer aging adults*

*who would otherwise need to go into a nursing home a package of benefits that would allow them to be taken care of at home. Please click here to learn more about the [Medicare PACE Program](#).*

**Medicaid:** Medicaid is a financial assistance program, which helps low-income Americans pay for healthcare. A person's income and available assets are what determine whether or not they qualify for coverage under Medicaid. Medicaid is a federal government program that is administered by each state individually. Elders should contact their local Department of Social Services for more information on eligibility requirements, and to begin the Medicaid application process.

In the event that the costs of their care become too burdensome, an elderly may have to go on both Medicare and Medicaid simultaneously; these individuals are referred to as "dual-eligibles."

Aging adults who must pursue long-term care in a skilled nursing facility often turn to Medicaid to help cover the cost, as Medicare does not offer benefits for extended nursing home stays. In these instances, there is a five-year look back period, during which the government will evaluate all income and assets over the last five years to determine an elder's eligibility to receive Medicaid benefits. Individuals in this situation will have to 'spend down to Medicaid,' in an approved way—meaning that an applicant may not give away more money or property for the five years leading up to their application, or risk incurring a penalty. Consequently, there is often a great deal of confusion with regards to the best way to go about spending down an elder's assets so that they qualify for assistance.

**Social Security:** Currently, Social Security benefit payments are available to individuals who are over age 62 and who were active in the workforce for at least 10 years. Monthly payment amounts are allotted based on how much income the recipient made while working, as well as how early they applied to receive benefits (the longer a person waits to apply, the greater their benefits will be). There are no restrictions on what these funds can be used to pay for.

**Veterans Benefits:** An elder who served in the military, is over age 65, has a limited income, and wasn't dishonorably discharged may be able to receive financial assistance, in the form of a pension, from the Department of Veterans Affairs (VA). In addition to this money, aging veterans who need long-term care may also be eligible for Aid and Attendance or Housebound benefits which can be used to pay for home health care, assisted living expenses and nursing home care.

Enrolling in government programs can be a confusing process. It's often difficult to determine which plans best fit your loved one's individual medical and financial needs.