

Drawbacks to Medicaid Assistance for Long-term Care

If an individual needs to utilize Medicaid, he or she will run into some problems. These problems will be:

- No ability to choose where he or she will receive nursing care;
- A loss of financial independence; and
- A possible inability to pass on assets to heirs.

When individuals or families have the financial resources to pay for the long-term care on their own, the type of care provided would become a matter of choice and availability. The individual and/or family could decide which facility to go to or if not a nursing facility, the care could be provided in the home. Unfortunately the options with Medicaid are limited. Medicaid will provide for the individual where there is a bed available. We should realize that nursing homes will fill their beds with customers that are paying the full rate and not the discounted rate paid by Medicaid. It is just good business economics. Another important point to realize is there has to be a bed available.

Since nursing homes fill the beds with “paying” customers, a bed may not be readily available when the need arises for the Medicaid recipient. Lack of availability of a bed will cause a delay in placement of the individual and likely force the family (assuming there is a family) to take care of the individual until a bed is available.

The bed available may be in the same community or it may be in another. The facility may be an “adequate” facility meeting the requirements of Medicaid, but not as nice as a facility if the Medicaid recipient had his or her choice. Medicaid will try to place the recipient as close to his or her home as possible, but bed availability is the key.

If the Medicaid recipient is placed in a nursing facility that is not in the same community as the family lives in, it could create a hardship for the family to visit and help care for the individual. This would very likely impact the elderly spouse that may not be able to drive. Getting mom or dad to go visit his or her spouse could become the responsibility of a family member.

Money or the lack of it is the issue as well as a lack of planning. A long-term care need could arise suddenly and without money or planning the issue could be devastating.

The financial side of Medicaid has already been discussed in this text. What we should realize is Medicaid may impoverish the recipient by requiring the "spend down" of assets and limiting the amount of resources available for the recipient when utilizing Medicaid. For example, Medicaid will take all income except that for the community spouse and between \$30 and \$90 per month for personal needs of the recipient.

A final point about the financial side of long-term care is that if Medicaid is utilized or not it is very likely that the resources of the individual will be used to pay for long-term care needs and that may very well result in a loss of inheritable assets to the family of the individual. Many individuals would like to provide for their families by passing along accumulated assets, but Medicaid assistance may very well make that impossible.