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Fact Sheet: Paying for Short-Term and Long-Term Care in a Nursing Home

Overview

In general, Medicare does not pay for long-term care in a nursing home. Medicaid is the primary payer for nursing home care. This fact sheet discusses what Medicare does cover, and what happens when that coverage exhausts or the nursing home stay is not covered.

Medicare Coverage in a Nursing Home

Most nursing home residents have Medicare:

- When turning age 65 you should enroll in a Medicare Part A (and maybe Parts B and D) or a Medicare Advantage Plan.
- Individuals younger than 65, who have received 24 months of Social Security Disability benefits, are automatically enrolled in Medicare.

Pre-requisite requirements prior to entering a nursing home:

- For Medicare Part A coverage of a short-term nursing home stay, you have to have at least a three-day hospital stay as an inpatient.
- If the nursing home admits you directly from the community and you had no recent hospital stay, Medicare Part A cannot cover the nursing home stay.

Medicare only covers “skilled care” and not “custodial care”

- If you have the requisite 3-day hospital inpatient stay, in order for Medicare Part A to cover the short-term nursing home stay, you must receive daily skilled care.
- “Skilled care” is care that only a professional nurse or therapist can provide. Care includes direct care but also supervision and monitoring the resident’s condition.

- “Custodial care” is what you can do, with no special medical training. For example, help with activities of daily living like bathing, dressing, or eating.

Medicare limits the number of days it covers and requires a co-payment for most days

- Medicare Part A can cover up to 100 days of a nursing home stay
- Medicare Part A covers in full the first 20 days of the stay, with a co-insurance of \$176 for each of the next 80 days (2020 figure, coinsurance changes yearly).

If you need long-term care or otherwise do not qualify for Medicare Part A coverage for your nursing home stay, you will need other ways to pay for the care.

- Once you exhaust the 100 days of Medicare nursing home benefits, or are properly reevaluated as “custodial care”, Medicare coverage of the stay will end.
- You will now have to pay for your room, board, and services; typically through private pay or Medicaid.

Private Paying for Nursing Home Care

When you enter a nursing home, you sign an admission agreement (contract) and agree to pay the nursing home its daily rate in return for receiving services. The private pay rates will be listed in the contract you sign.

Medicaid Coverage in a Nursing Home

Long-term nursing home residents typically use up or lose Medicare coverage and cannot afford to private pay for an extended period. When you are no longer able to have your nursing home stay paid for by Medicare or privately (or through long-term care insurance), you will likely need to apply for and enroll in Medicaid in order to remain in the nursing home. Medicaid is a “needs-based” program that enrolls only those who show financial eligibility and covers the nursing home stay.

For information on Medicaid and eligibility, see CELJ’s General Medicaid Letter for 2020. <https://elderjusticenyc.org/wp-content/uploads/2019/12/General-Medicaid-Letter-2020.pdf>

For potential individual advice about paying for long-term care and options, call CELJ at (716) 853-3087.