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Proposed budget resolution and nursing home care

The Center for Medicare Advocacy has issued an alert about the proposed Budget Resolution that has been passed by Republicans in the House of Representatives. This budget resolution claims not to affect Medicare beneficiaries until 2022. However, many nursing home residents, if this is adopted, could immediately lose all coverage for nursing home care.

Obviously, there needs to be a way to control or eliminate the runaway government financial deficit, and budget proposals are flying fast and furious. Unfortunately, this particular budget resolution is reminiscent of the 2005 Deficit Reduction Act (DRA) that changed Medicaid planning dramatically, especially regarding gifting. At the time the DRA was passed, legislators did not understand what the provisions to which they were agreeing would mean to their constituents.

Medicare pays relatively little toward nursing home care. As a result, most nursing home residents rely on Medicaid for payment for care. The Budget Resolution as proposed would essentially eliminate the current Medicaid program. The States would likely continue some funding of Medicaid programs, most likely through block grant programs, but without the federal Medicaid rules being imposed, the landscape of Medicaid covered care would change dramatically, since the current Budget Resolution does not require States to continue to follow the current federal rules for Medicaid coverage of nursing home care.

The financial protections would likely disappear. These include the current prohibition that relatives of the person in the nursing home (e.g. adult children) must pay toward the cost of their loved one's care. At this time, nursing homes are not permitted to hold the family responsible from their own personal resources to pay for a parent's or sibling's care. Furthermore, the Medicaid program requires that nursing homes in the Medicaid program accept the Medicaid rate as coverage in full for services. Supplementation of the difference could be the way of the future, with personal funds of family members being required to supplement the Medicaid rate. Failure to be able to supplement could disqualify a family member from being able to be admitted to a facility.

Additionally, federal law exists to be sure that the spouse who stayed at home was protected from impoverishment. Loss of federal protection could result in the spouse in the community being left with no assets and no income. The Estate Recovery program could also change entirely without the federal protections. A lien could be placed on the home where the Medicaid beneficiary's spouse, dependent or disabled children, or siblings might live. Liens can force foreclosure, which will result in loss of homes and other assets.

Furthermore, Medicaid law establishes the standard of care in nursing facilities. Loss of this protection can result in facilities not having standards to meet, as well as the loss of a regulatory structure to insure that any existing standards are met.

Follow developments on this closely, and talk with your Congressmen and Senators so that they understand what is at stake with an elimination of Medicaid.