Long-Term Care in Minnesota

What is long-term care?

Long-term care is a variety of services and supports that includes medical and non-medical care to people who have either a short term health condition or a chronic illness or disability. Most long-term care is provided to assist people with support services such as activities of daily living like dressing, bathing, and using the bathroom. Long-term care can be provided at home, in the community, in assisted living or in nursing homes. It is important to remember that even though most of long term care is provided to individuals over age 85, individuals may need long-term care at any age.

Where is long-term care delivered?

There are many settings where long-term care services are delivered: Assisted living (also known in Minnesota as Housing with Services), care delivered in a person’s home (called home care), adult day services, adult foster care, and nursing homes.

How do you pay for long-term care?

Primary Sources of Payment for Long-Term Care in Minnesota are as follows:

- Medicaid
- State-only funded programs including Alternative Care and Group Residential Housing
- Medicare – very limited source of payment for long-term care services and generally requires cost sharing by participant
- Long-Term Care and other Insurances
- Veterans health benefits
- Private Pay/Other

What is Medicaid (also called Medical Assistance in Minnesota)?

Is a means-tested State and Federal Government program that provides health and medical services for certain individuals and families with low incomes and few assets. Medicaid pays for certain health services and nursing home care for older people with low incomes and limited assets. In most states (Minnesota included), Medicaid also pays for some long-term care services at home and in the community, called Home and Community Based Waivers. Who is eligible and what services are covered vary from state to state and eligibility is based on your income, assets and level of care requirements.

What services are provided/covered with Medicaid?

Although each state determines the extent of the benefit that Medicaid provides, there are some
mandatory federal requirements that must be met by the states in order to receive federal matching funds. Minnesota's current Medicaid match rate is 50%. Required services include: nursing facilities services for persons aged 21 and older, home health care for persons eligible for skilled-nursing services, home and community based services, and ICFMR'S. Minnesota also offers Home and Community Based Services (HCBS) waivers.

**What are Home and Community Based Services (HCBS) waivers?**

A state may request federal waivers Medicaid waivers to some of the Medicaid requirements. Minnesota provides the following HCBS Waivers: Elderly Waiver (EW), Developmental Disability Waiver (DD), Community Alternatives for Disabled Individuals Waiver (CADI), Community Alternative Care (CAC), and the Brain Injury Waiver (BI). The requirement of providing the waivers is that the cost of care to an individual on a waiver is less than the cost of institutionalized care. Medicaid services must be obtained from "qualified providers." A state must spell out the qualifications that an individual or agency must meet in order to furnish services. States have considerable latitude in specifying these qualifications.

**More specifics about the Elderly Waiver (EW)**

The EW program funds home and community-based services for people age 65 and older who are eligible for Medical Assistance (MA) and require the level of medical care provided in a nursing home, but choose to reside in the community. Counties administer the program.

Covered services include visits by a skilled nurse, home health aide, homemaker, companion, personal care assistant, as well as home-delivered meals, adult day care, supplies and equipment, home modifications, and certified community residential services (assisted living, foster care, residential care).

**Medicare**

Is administered by the federal government. It provides health insurance to people age 65 and over, under 65 and disabled, or any age with End-Stage Renal Disease (permanent kidney failure that requires dialysis or a transplant.)

Generally, Medicare does not pay for long-term care. Medicare pays only for medically necessary skilled nursing facility or home health care under very limited and narrow conditions and generally there is cost sharing by the participant. Further, Medicare doesn’t pay for the type of care called "custodial care". Custodial care (non-skilled care) is care that helps you with activities of daily living. Custodial care may also include care that most people do for themselves, for example, diabetes monitoring. Additionally, for services the limited long-term care services that Medicare does cover, the participant may have to pay some of the costs.

**What is Rate Equalization?**

Minnesota Statue 256B.48, Subd. 1 prohibits nursing homes from charging private paying residents any more than the Medicaid rate. Residents who can afford to pay something more toward the costs of their own care are prevented by the equalization law from doing so, shifting a greater responsibility to the public sector.

Currently, Medicaid underfunds by $28.30 per patient per day the costs of providing care. Because of Rate Equalization, this underpayment extends to private pay individuals as well.