

Chapter 4

Equipping California Long-Term Care Ombudsman Representatives for Effective Advocacy: A Basic Curriculum

PAYING FOR LONG-TERM CARE TEACHING NOTES

Curriculum Resource Material for
Local Long-Term Care Ombudsman Programs

**Developed by the California State Long-Term Care
Ombudsman Program
Curriculum Development Task Force**

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INTRODUCTION

PURPOSE

This chapter provides basic information about the primary sources of payment for long-term care (LTC) services.

LEARNING OBJECTIVES

At the conclusion of this chapter, Ombudsman representatives (LTCO) will know:


- The basic sources of payment for LTC services,
- The basic differences in Medicare and Medi-Cal;
- Some issues related to payment; and
- Where to refer individuals for more assistance with payment issues related to eligibility or coverage.

SUGGESTION FOR USING THE CURRICULUM

Combination of Self-Study and Classroom: Distribute the curriculum resource material and ask trainees to read this and to make notes of any questions they have before the scheduled classroom training.

Use one hour of classroom time to quickly review salient points about the differences in types of payments and the major issues to be sure that trainees understand the primary content. Refer to the Teaching Outline for tips on covering this content in class.

Supplies You Will Need

- Flip chart and markers
- Copies of handouts 
 - ► Provide the most current figures for Medicare, Medi-Cal, and SSI.
 - ► If you have the current Medicare handbook for consumers or other resources on paying for LTC, distribute to trainees.

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Purpose

This chapter provides an understanding of the different types of payment for LTC services.

Learning Objectives

At the conclusion of this chapter, LTCO will know:

- The primary sources of payment for LTC services;
- Differences in Medicare and Medi-Cal;
- A few issues related to source of payment; and
- The role of LTCO in making referrals.

(One hour, choose among the following exercises to cover the content and time. You must stay focused on key points and move quickly. Allow time to address questions as they arise or areas where it becomes apparent that some teaching points need to be covered.)

I. Types of Payment for Long-Term Care Services

(10 minutes)

A. Introduction

1. This is a cursory overview of the primary sources of payment for LTC services.
2. You will not teach the details regarding eligibility, payment, and appeal mechanisms. LTCO will not become Medicare or Medi-Cal specialists in this course.
3. Write the following key words on a flip chart as you list the main points of the LTCO role. The LTCO role is to:
 - a. *listen for issues* or statements in discussions with residents that might indicate a need for more information or further assistance,
 - b. *know key issues* related to residents'
 - c. rights and payment, and
 - d. know when and how to *encourage residents to file an appeal or contact* someone else.

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- B. Ask, "What are the primary sources of payment for LTC services?"
1. List the responses on a flip chart.
 2. Add any primary sources that may be missing.
 3. Group the responses into the primary categories:
 - a. Self-Pay (private sources or out-of-pocket),
 - b. Managed Care or other insurance,
 - c. Medicare,
 - d. Medi-Cal, and
 - e. SSI.
 4. Ask, "Of these types of payment, which one makes up the largest percentage of all sources of payment?" (Medi-Cal) Refer to the pie chart in the curriculum resource for additional information or to provide a visual.
 5. Ask, "What is the next largest percentage of payments for long-term care?" (Medicare)
 6. Since Medicare and Medi-Cal are the largest payers and are connected with most of the questions and issues you will encounter, we are going to focus on these two programs.

II. Medicare

(15 – 20 minutes)

Prepare a flip chart with the heading, Medicare. Or make parallel columns on a flip chart page, with Medicare and Medi-Cal as the headers. Ask trainees the following questions and write the correct answers on flip chart.

1. "What type of program is Medicare: federal, state, combination, private?" (Federal)
2. "What agency administers the Medicare program?" (CMS and the Social Security Administration, both under U.S. Department of Health and Human Services)

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3. "Who is covered through Medicare?"
 1. Most people age 65 and older,
 2. some people under age 65 who are disabled, and
 3. Those with end-stage renal (kidney) disease or ALS.

4. "How is Medicare structured? What are the main parts of Medicare?" Refer trainees to the Medicare chart at the end of the curriculum resource material, or to the appropriate page in any Medicare handout, as you discuss these questions.
 - ▶ If you have a handout with the current figures related to Medicare, distribute it.
 1. Medicare is structured as an *insurance* program. The terms used in the Medicare program are the same as you find in other insurance programs: benefits, co-payments, deductibles, and qualifying or benefit periods.
 2. Part A is for acute types of conditions, covers hospitalization and some related services.
 3. Part B is similar to a major medical benefit, paying for physician services, some in-home services, and medical equipment. Part B has an additional premium payment.
 4. Part C private health insurance companies can contract with the federal government to offer Medicare benefits through their own policies.
 5. Part D is the optional prescription drug benefit that has an additional premium payment, depending upon the plan a beneficiary chooses.

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- 5. "Does Medicare pay for nursing home services?"
 - 1. Yes although coverage is limited.
 - a. Requires prior hospitalization of 3 days or longer for a condition related to the need for nursing home care.
 - b. Pays different amounts, depending upon the number of days, with the beneficiary paying the remaining daily cost.
 - c. Has a narrow definition of types of conditions for which Medicare will pay for nursing home services.
- 6. "What type of nursing home does Medicare cover?"
 - a. Skilled nursing facility
 - b. Facility must be certified by CMS to participate in the Medicare program.
- 7. "Can a Medicare decision about payment and coverage be appealed?"
 - a. Yes.
 - b. Provide name of entity that receives appeals.


III. Medi-Cal

(15 – 20 minutes)

Prepare a flip chart with the heading, Medi-Cal. Or write in the parallel column on the flip chart page with Medicare and Medi-Cal as the headers. Ask trainees the following questions and write the correct answers on flip chart.

- 1. "What type of program is Medi-Cal: federal, state, combination, private?" Federal and State
- 2. "What agency administers the Medi-Cal program?"
- 3. "Who can be covered through Medi-Cal?"
 - 1. All ages, depending upon other types of categorical eligibility such as medical need, income, and residency.

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2. Individuals can be qualified to receive health services through Medi-Cal for a limited time period and may re-qualify later if their situation (medical and income) changes.
4. “How is Medi-Cal structured?” Refer trainees to the Medi-Cal chart at the end of the curriculum resource material as you move through this discussion.
 1. Medi-Cal is structured as a benefits program.
 2. Individuals must meet specific eligibility criteria to receive Medi-Cal.
 3. The eligibility criteria are different for individuals who need nursing home services than the criteria for individuals living in other types of settings such as their own homes.
5. “Does Medi-Cal pay for nursing home services?”
 1. Yes, coverage is limited but is broader than Medicare coverage.
 - a. Must be in a certified skilled nursing facility. Certified by Medi-Cal, which is different than Medicare certification. Some facilities may be certified for Medi-Cal but not for Medicare or vice versa.
 - b. Requires physician order saying that nursing home care is medically necessary.
 - c. The other eligibility Medi-Cal criteria must be met as previously described.
 ► If you have a handout with the current figures related to Medicare, distribute it.
 - d. Medi-Cal pays for specified services and supplies in nursing homes. These are listed in California’s state

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- plan. The list of covered services can change, depending upon the State's decisions.
- e. Individual recipients of Medi-Cal also contribute to the cost of nursing home services. Review the case examples in the curriculum resource material. Write the numbers on the flip chart as you quickly walk through the points.
 - f. Personal Needs Allowance: PNA.
 - i. Explain what this is and how it works, the individual keeps the PNA amount from his or her income/resources, the remaining amount goes to the facility to offset the State and Federal payment for care.
 - ii. This amount can change. A minimum is set by the federal government. States can supplement this amount.

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IV. SSI = Supplemental Security Income

(10 – 20 minutes)

For some low income elders living in residential care facilities for the elderly (RCFEs), Supplemental Security Income (SSI) will pay for the board and care received in the RCFE. Meals, laundry, and assistance with personal care are included in the RCFE basic rate.

Ask trainees the following questions and write the correct answers on flip chart.

1. "What type of program is SSI: federal, state, combination, private?" Federal and State
2. "What agency administers the SSI program?"
3. "Who can be covered through SSI?"

Refer trainees to the Medi-Cal chart at the end of the curriculum resource material as you move through this discussion.

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V. Issues in Paying for Long-Term Care

(10 – 20 minutes)

1. Introduce a few of the issues described in the curriculum resource material. Supplement this introduction by building some aspects of these issues into cases used in teaching problem-solving or examples you give in class.
 1. Pick 2 – 3 issues that you know are frequently encountered in the facilities in your area.
 2. Identify the issue.
 3. Tell trainees what to listen for in conversations with residents that might indicate that an issue is occurring if it is not obvious.
 4. Ask, “If you hear this as a LTCO, how might you respond?”
 5. List correct actions on the flip chart. Add any other *major* actions that might be missing.

VI. Summary

(1-2 minutes)

1. Encourage trainees to call you or the appropriate local Program staff person if questions about paying for long-term care arise when they are working with residents.
2. Reassure trainees that they will “learn how to work with payment issues by doing”. As issues are encountered, their knowledge and confidence will grow.

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