



# Alzheimer's Disease and Financial Planning

Medically Reviewed by [Arefa Cassoobhoy, MD, MPH](#) on November 13, 2020

Long-term financial planning is important for everyone, but it is essential if you are coping with the expense of a long-term illness such as [Alzheimer's disease](#). Many people pay careful attention to their health after they are diagnosed with Alzheimer's. They research their treatment plan, take their [medications](#) on schedule, and consult with their doctors regularly. However, it may take some time for people with [Alzheimer's disease](#) and caregivers to realize that a progressive illness like Alzheimer's can have a tremendous effect on their financial well-being.

It's critical to educate yourself about government-backed health coverage through [Medicare](#) and [Medicaid](#).

This article offers some basic information on the programs available to help you financially manage your treatment for [Alzheimer's disease](#).

## Developing a Plan

Alzheimer's disease gets worse over time, and dealing with a progressive illness is difficult. There is no way to know how you will feel or what you will be able to do days, months, or years from now. But for your own security and that of your family, you need to plan ahead, knowing that Alzheimer's disease will lead to increasing disability. There are professional financial managers and medical lawyers who focus on financial planning for people with long-term or progressive illnesses. Ask your doctor for a referral, or speak with a national association or support group to find a reputable professional in this area.

## Medical Coverage

- If you are insured, either through your employer or a retirement policy, read all of the policies pertaining to long-term/progressive illnesses and make sure you understand what is and isn't covered by your plan. If you are unsure about the language or terminology, contact the personnel department or your financial planner.
- If you are unemployed and don't have coverage, you should look for the highest level of coverage that you can afford. The Alzheimer's Association may be able to give you a list of insurers with a high level of Alzheimer's coverage.
- If you are age 65 or over, you qualify for Medicare. You can supplement this insurance with a "[Medigap](#)" policy available through a private insurer. Note also that many states have prescription assistance/reimbursement programs for low-income senior citizens.
- If you are disabled but too young to qualify for Social Security, you may be eligible to receive a form of Medicare for the disabled.
- If you cannot get [insurance](#) and your income is low, you may qualify for Medicaid, a government "safety net" program that pays for medical costs that exceed a person's ability to pay.

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### Investigate Long- and Short-term Disability Insurance

If you are no longer able to work, look into these options:

- **Private disability insurance.** Check to see if your employer has private disability insurance, and contact your human resources department to investigate your eligibility, the cost of enrolling, and how much of your salary it will cover.
- **State-run disability programs.** If you are too young to qualify for Social Security, state-run disability programs may be an option, unless you are

enrolled in your employer's disability coverage.

- **Supplemental Security Income (SSI).** If your total income is below a certain level, you may qualify for federally-subsidized SSI. If you collect SSI, regardless of your age, you are a candidate for Medicaid.

## Medicare and Medicaid

### What Is Medicare?

Medicare is a federal health insurance program providing health care benefits to all Americans age 65 and over, as well as some disabled individuals under age 65. Eligibility for Medicare is linked to Social Security and railroad retirement benefits.

Medicare has co-payments and deductibles. A deductible is an initial amount you are responsible for paying before Medicare coverage begins. A co-payment is a percentage of the amount of covered expense you are required to pay.

### What Are Medicare's Coverage Options?

Medicare has two parts:

1. Part A (hospital insurance)
2. Part B (medical insurance)

Part A Medicare coverage includes:

- All normal hospital services.
- Skilled nursing facility care.
- Home health services, including a visiting nurse or a physical, occupational, or speech therapist.
- Inpatient psychiatric services
- [Hospice](#) services.

Part B Medicare coverage includes:

- Physician services

- Physical, speech, and occupational therapy.
- Home health care services (physician certification is necessary).
- Medical equipment.
- Outpatient hospital services
- Diagnostic x-rays
- Labs and blood work
- Mental health services

Part B Medicare benefits require that you pay a monthly premium. You must also be entitled to Part A benefits to receive Part B benefits.

**Medicare part D** is supplemental **prescription drug coverage** that is usually not part of a government program and is purchased separately from Medicare.

### **Medicare Coverage of Skilled Nursing Care Facilities**

Medicare will cover up to 100 days in a skilled nursing home if:the beneficiary::

- Was admitted to the facility after a minimum of three days admission as a hospital inpatient and within 30 days of discharge.
- Requires and receives daily skilled care for a condition that required hospitalization

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### **Medicare Coverage of Home Care**

Parts A and/or B will cover:

- Intermittent skilled nursing care
- Physical therapy
- Speech-language

- Pathology services
- Continued occupational services

It doesn't cover

- 24-hour home care
- Home-delivered meals
- Homemaker services
- Personal care.

Home care claims can be denied if it is determined that the beneficiary is not confined to the house.

## **Hospice Care**

Hospice care for the terminally ill is covered if the patient's life expectancy is less than six months and they elect to receive the Part A and B benefits instead of medical treatment for their terminal condition. They may choose between accepting the benefits for two 90-day periods or for an unlimited number of 60-day periods. During this time there's no deductible or limit to coinsurance for drugs and relief care for primary healthcare givers.

Included in the benefits are:

- Doctor services
- Nursing care
- Home health aide
- Physical and/or occupational therapy
- Speech therapy
- Housekeeping services.
- Prescription drugs to control symptoms and/or pain relief.
- Medical equipment and supplies.

- Grief counseling services for the beneficiary as well as their family.
- Short-term relief for primary caregivers

## **What Is Medicaid?**

Medicaid is a joint federal-state health insurance program providing medical assistance primarily to low-income Americans. It also is available to people under age 65 if they are blind or disabled.

The purpose of Medicaid is to provide preventive, therapeutic, and rehabilitative health services and supplies that are essential to attain an optimum level of well-being.

## **How Do People Receive Medicaid Benefits?**

There are two ways to receive Medicaid:

- Supplemental Security Income (SSI) -- People who receive a cash grant under SSI and Aid to Dependent Children are automatically eligible for Medicaid benefits.
- Medicaid spend down -- This is similar to a deductible or a co-payment that you must pay every month. Once you meet your "spend down" amount, you are eligible for Medicaid for the remainder of the month.

## **Who Is Eligible for Medicaid?**

Medicaid eligibility requirements depend on financial need, low income, and low assets. In determining Medicaid eligibility, officials do not review rent, car payments, or food costs. They only review medical expenses. Medical expenses include:

- Care from hospitals, doctors, clinics, nurses, dentists, podiatrists and chiropractors
- Medications
- Medical supplies and equipment
- Health insurance premiums

- Transportation to get medical care

## Medicaid Coverage

Medicaid coverage varies from state to state. For specific coverage guidelines, contact your state's Department of Human Services. Generally, Medicaid benefits include:

### Transportation

- Ambulance services when other means of transportation are detrimental to your health
- Transportation to and from the hospital at time of admission or discharge when required by your condition
- Transportation to and from a hospital, outpatient clinic, doctor's office, or other facility when the doctor certifies the need for this service

### Ambulatory Centers

- Ambulatory health care centers are often private corporations or public agencies that are not part of a hospital. They provide preventive, diagnostic, therapeutic, and rehabilitative services under the direction of a doctor. Ambulatory services covered by Medicaid include dental, pharmaceutical, diagnostic, and vision care.

### Hospital Services

- Inpatient hospital care
- Private hospital rooms only when the illness requires you to be isolated for your own health or the health of others
- Outpatient preventive, therapeutic, and rehabilitative services
- Professional and technical laboratory and radiological services

### Medical Supplies and Medications

- General medical supplies (when prescribed by a doctor)
- Durable medical equipment (such as hospital beds, wheelchairs, side rails, oxygen administration apparatus, special safety aids, etc.)
- Medications prescribed by a doctor, dentist, or podiatrist

## Home Health Care

- Visiting nurse
- Home health aide
- Physical therapist

## Skilled Nursing Facilities

Skilled nursing facilities and intermediate care facilities (providing short-term care for a patient whose condition is stable or reversible) are covered through Medicaid with a doctor's authorization.

For More Information:

U.S. Department of Health and Human Services  
The U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201  
1-877-696-6775

[medicaid.gov](https://www.medicaid.gov)

WebMD Medical Reference

Sources 

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