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How Does Medicaid Pay For My Care?

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If an individual meets both the health and financial eligibility requirements, Medicaid pays the majority of costs for care services received at home or in a facility. Services provided in the home are under “Medicaid Waiver.”

Medicaid supplements the recipient’s income to pay for the long-term care services provided.

Example - Single Person

- A Medicaid recipient entered a nursing home that charges $10,000 per month. The recipient has less than $2,400 of assets and receives a monthly income of $2,000.
- The first $45.00 of income will be allocated to the Medicaid recipient. This is called a personal needs allowance.
- The remaining income will be paid to the nursing home as the recipient’s share of payment. The remaining roughly $8,000 per month will be Medicaid’s responsibility to pay.
- Medicaid will pay the nursing home a specific amount that the nursing home accepts as full payment for the month.

If the recipient has a community spouse (CS), the income issue can become very complicated. Special rules apply to ensure the CS has enough income to pay monthly bills by allowing the CS to receive some of the Institutionalized Spouse’s (IS) income. **This is called the Minimum Monthly Maintenance Needs Allowance or MMMNA.** The Medicaid agency determines a CS's MMMNA.

Example - Married Couple

- For 2020 in Pennsylvania, the minimum MMMNA is $2,155 and the maximum is $3,216.
- If the IS’s income is $2,500 and the CS’s income is $1,500, the CS will be able to request a minimum of $655 to be allocated to CS’s needs.
- This means the IS will be paying $1,800 monthly for his care instead of $2,500.

It is important to remember that this allocation applies ONLY if the CS needs to take income from the IS.

See also: ***What is Medicaid?,How Do I Qualify for Medicaid?, MEDICARE vs. MEDICAID: What's the difference? and What Is the 5-Year Look-Back Period for Medicaid?***

A more detailed discussion on Medicaid can be found here: Demystifying Medicaid Planning

If you have questions about Medicaid eligibility or have other Elder Law or Estate Planning concerns, please contact one of our Elder Law Attorneys or call 814-459-2800.

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