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### **How to Pay for Residential Care**

For many people, finding a way to pay for residential care is a major concern. Typically, there are four ways in which these costs are financed:

1. Personal Resources-About one-half of all residents pay for costs out of personal resources. When many people enter a nursing home or other care facility, they pay for their care out of their own income and savings. Because of the high cost of such care, however, some people deplete their resources and apply for Medicaid.
2. Private Insurance-Some Medicare supplementary insurance policies, often referred to as "Medigap" insurance, also provide a source of payment for residential care. Private, long-term care insurance also is available.
3. Medicaid-State and federal coverage is available to eligible low-income individuals who need care above the level of room and board.
4. Medicare-Under some limited circumstances, Medicare hospital insurance (Part A) will pay for a fixed period of skilled nursing home care. The nursing home must be Medicare-certified.

Many health maintenance organizations (HMOs) and other coordinated care plans participate in the Medicare and Medicaid programs. These plans often cover certain benefits in addition to those supplied by Medicare and Medicaid and are experienced in "coordinating" a member's health care. Some HMOs also offer more medical or supportive services; others may not require a hospital stay before approving nursing home admission.

If a loved one is enrolled in a health maintenance organization (HMO) or competitive medical plan (CMP), ask a representative of the plan about coordination of health care services between the HMO/CMP and the residential care facility. Find out which facilities the HMO or health plan works with in the area. If you're interested in a facility outside of the area served by your loved one's HMO, discuss this with the plan's representatives.

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