US guide for family caregivers.

GUIDE · 9 MIN READ

Medicare and Medicaid for dementia care: what's covered, what isn't

The single most common shock for US families is that Medicare doesn't pay for long-term dementia care. Here's what each program actually covers, and the steps to get the help that exists.

What Medicare covers

- Doctor visits (Part B), including the Annual Wellness Visit, which includes a cognitive assessment — ask for it by name.
- Inpatient hospital stays (Part A).
- Short-term skilled nursing facility care after a qualifying hospital stay — up to 100 days, with co-pays from day 21.
- Home health services (skilled nursing, physical therapy, occupational therapy, speech therapy) if homebound and ordered by a doctor.
- Hospice care — fully covered for terminal diagnoses with a prognosis of six months or less.
- Durable medical equipment (walkers, hospital beds, commodes).
- Prescription drugs (Part D or via a Medicare Advantage plan).
- Care planning visit specifically for cognitive impairment (CPT 99483) — once a year, billed by the PCP.

What Medicare does NOT cover

- Long-term custodial care — help with bathing, dressing, eating, supervision. This is the bulk of dementia care.
- Assisted living facility rent or 24-hour home aide care.
- Adult day programs (most states), unless billed under a Medicaid waiver.
- Most personal care at home beyond the short window after a hospital discharge.

This is where most family caregiving costs land. If you've been told "Medicare doesn't cover Mom's home aide," that's why.

Where Medicaid fills the gap

- Long-term nursing facility care for those who meet income and asset limits (limits vary by state — typically ~$2,000 in countable assets for the individual).
- Home and Community-Based Services (HCBS) waivers — adult day care, home aides, respite, assisted living in some states. Often have waiting lists; apply early.
- PACE (Program of All-Inclusive Care for the Elderly) in many states — comprehensive in-home and clinic-based dementia care for those who would otherwise need a nursing home.
- Spousal impoverishment protections — a 'community spouse' can keep a portion of income and assets without losing the other spouse's Medicaid eligibility.

Six steps to take this month

1. Book the Annual Wellness Visit with the PCP and ask explicitly for cognitive assessment and the 99483 care planning visit.
2. Get the diagnosis in writing — it unlocks home health referrals, hospice eligibility, and benefits.
3. Call your local Area Agency on Aging (eldercare.acl.gov or 1-800-677-1116). They are free, know your state's specific programs, and will save you weeks.
4. Apply for Medicaid early if long-term care is on the horizon. The 'lookback period' is typically 5 years — talk to an elder-law attorney before transferring assets.
5. Apply for VA Aid and Attendance if your loved one is a veteran or surviving spouse — up to ~$2,700/month tax-free, on top of regular VA pension.
6. Check eligibility for SNAP, LIHEAP (energy assistance), and the Medicare Savings Program — many older adults qualify but never apply.

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