

Medicare and Medicaid a Brief Explanation

Sources:

<http://www.cms.hhs.gov/>

<http://www.medicare.gov/>

MEDICARE

Medicare is an insurance program for people age 65 or older, people under age 65 with certain disabilities or people of any age with End-Stage Renal Disease.

Medicare has four parts: Part A (Hospital Insurance), Part B (Medical Insurance), Part C (Medicare Advantage Plans) and Part D (Medicare Prescription Drug Plans). Part A covers inpatient hospital care, skilled nursing facilities, hospice care and some home health care. Part B covers doctors' services, outpatient hospital care, physical and occupational therapists, some home health care and medically necessary supplies. While Part A is free for most people, generally everyone is required to pay to participate in Part B.

Part C consists of health plan options. These plans include: Medicare Health Maintenance Organization (HMOs), Preferred Provider Organizations (PPO), Private Fee-for-Service Plans, Medicare Special Needs Plans. You must have Part A and Part B to join Part C. For people with a Medigap policy, this policy won't work if you join Part C. You will have to pay a monthly Part B premium to Medicare and you might have to pay a monthly premium to your Medicare Advantage Plan for the extra benefits.

Part D consists of prescription drug plans that add coverage to Part A, B and C. These plans are offered by insurance companies and other private companies approved by Medicare. Everyone with Medicare is eligible for Part D.

MEDICAID

Medicaid provides medical benefits to groups of low-income people with no medical insurance or inadequate medical insurance. Eligibility depends on the State where you live and Medicare recipients can qualify for Medicaid. There are two types of eligibility groups: mandatory and categorically needy.

Mandatory groups must receive Medicaid coverage and are generally people receiving some form of federal assistance (e.g. income maintenance payments). This group includes limited income families with children, Supplemental Security Income (SSI) recipients, infants born to Medicaid-eligible pregnant women, children under age 6 and pregnant women whose family income is at or below 133 percent of the Federal poverty level and children under age 19 up to 100% of poverty.

Categorically needy groups share some characteristics of the mandatory groups but must meet additional eligibility criteria chosen by the state. This group includes children under age 21 who meet income and resources requirements for Aid to Families with Dependent Children (AFDC) but who otherwise are not eligible for AFDC, institutionalized individuals with limited income and resources, persons who would be eligible if institutionalized but are receiving care under

home and community-based services waivers and low-income, uninsured women in need of treatment for breast or cervical cancer.