

Medicare & Medicaid Basics

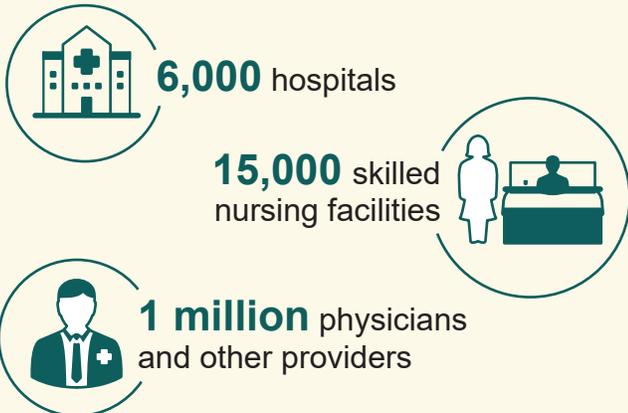
Medicare

Federal health care coverage for:



More than **67 million** beneficiaries enrolled

More than



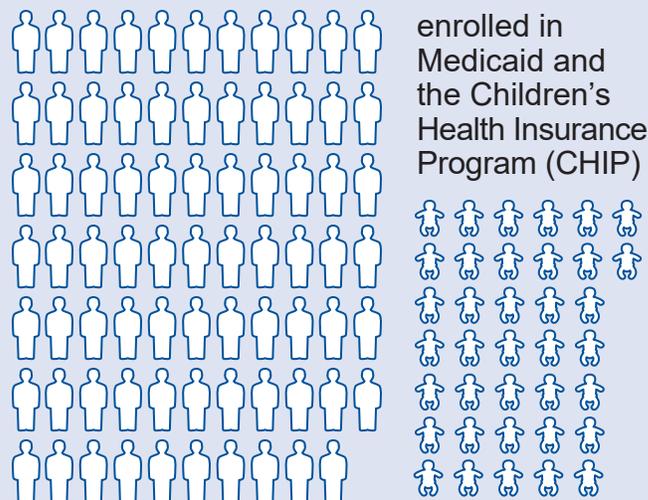
Medicaid

Cooperative federal and state health care coverage for:



More than **76 million** beneficiaries enrolled, including more than

37 million children



What's Changed?

Note: No substantive content updates.

CMS administers Medicare, Medicaid, and other federal health care programs and services. This fact sheet explains the Medicare and Medicaid programs and provides brief information on other types of health coverage.

Together we can advance health equity and help eliminate health disparities for all minority and underserved groups. Find resources and more from the [CMS Office of Minority Health](#):

- [Health Equity Technical Assistance Program](#)
- [Disparities Impact Statement](#)

Quick Facts

Medicare

Medicare is a national program the federal government administers that includes:

- **Part A – Hospital Insurance**
Inpatient hospital, inpatient skilled nursing facility (SNF), hospice, and some home health services
- **Part B – Medical Insurance**
Physician services, outpatient care, DME, lab and X-ray services, home health services, and many preventive services
- **Part C – Medicare Advantage (MA) (like Health Maintenance Organizations (HMOs) or Preferred Provider Organizations (PPOs))**
Medicare-approved private insurance companies provide all Part A and Part B services and may provide prescription drug coverage and other supplemental benefits
- **Part D – Prescription Drug Benefit**
Medicare-approved private insurance companies provide outpatient prescription drug coverage

Medicaid

Medicaid is a network of statewide programs the federal and state governments fund. Each state administers their own program, following broad national federal guidelines, statutes, regulations, and policies. Each state:

- Establishes eligibility standards
- Decides type, amount, duration, and scope of services
- Sets payment rates



Quick Facts (cont.)

Medicare

Health care coverage for:

- People age 65 or older
- People of any age with certain disabilities
- People of any age with ESRD

Medicare is the nation's largest payer of inpatient hospital services for the elderly and people with ESRD.

Medicaid

Health care coverage for:

- Low-income adults
- Pregnant individuals
- Children
- Elderly people
- People with disabilities

Eligibility varies by state.

Medicaid is the nation's largest source of health care coverage and covers mental health services, long-term care services, and births. Medicaid pays for over 40% of all births.



Beneficiaries

Medicare

Health insurance for:

- People age 65 or older
- People younger than age 65 with disabilities entitled to Social Security disability or Railroad Retirement Board benefits for 24 months (the 24-month waiting period is waived for people with amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig's disease)
- People of any age with ESRD

[Medicare.gov](https://www.medicare.gov) has more information and resources.



Medicaid

Federal law requires states to cover certain eligibility groups and provides them the flexibility to cover others.

Enrollees must meet state eligibility requirements.

All states cover eligible groups in these populations:

- Elderly people
- Former foster care children
- Infants and children under age 19
- Low-income parents or caretaker relatives
- Newborns
- People with disabilities or blindness
- Pregnant individuals

For many eligibility groups, people must meet certain income and resource limits.

Enrollees must meet state and federal requirements for:

- State residency
- U.S. citizenship (or satisfactory immigration status)

[Medicaid.gov](https://www.medicare.gov) has more information and resources.

Dually Eligible Beneficiaries

Dually eligible beneficiaries are eligible for Medicare and Medicaid. They include beneficiaries enrolled in Medicare Part A, Part B, or both, and getting full Medicaid benefits or help with Medicare premiums or cost-sharing through 1 of these Medicare Savings Programs ([MSPs](#)) eligibility groups:

- **Qualified Medicare Beneficiary (QMB):** Covers Part A and Part B premiums, [deductibles, coinsurance, and copayments](#).
- **Specified Low-Income Medicare Beneficiary (SLMB):** Covers only Part B premiums.
- **Qualifying Individual (QI):** Covers only Part B premiums. Funding is limited to a certain amount each year per state. A person can't be eligible for another Medicaid eligibility group.
- **Qualified Disabled Working Individual (QDWI):** Covers Part A premiums for disabled and working beneficiaries who have lost Social Security disability benefits and Medicare premium-free Part A because they returned to work.

[Beneficiaries Dually Eligible for Medicare & Medicaid](#) has more information.

Note

Medicare providers **can't** bill QMB services and items we cover. This includes [deductibles, coinsurance, and copayments](#). We consider all your Medicare and Medicaid QMB service payments to be payment in full. You're subject to sanctions if you bill a QMB above the total of all Medicare and Medicaid payments (even when Medicaid pays nothing).



Covered Services

Medicare

Beneficiaries may choose coverage:

- Part A and Part B services through Original Medicare with optional Part D coverage through an approved stand-alone Medicare drug plan
- Part A and Part B services through an MA Plan if they live in its service area, with a drug plan included in most plans

Note: Some beneficiaries get a Medicare [supplemental insurance \(Medigap\)](#) to expand coverage in Original Medicare.

Part A helps cover:

- Inpatient hospital care
- SNF care
- Hospice care
- Home health care

Part B helps cover:

- Services from doctors and other health care providers
- Outpatient care
- Home health care
- Ambulance services
- DME
- Many preventive services

Medicaid

Some Medicaid programs directly pay for care through Fee-for-Service coverage. Others offer Medicaid through managed care or other integrated care models.

States **must** cover mandatory services through their Medicaid program, which include:

- Physician services
- Inpatient and outpatient hospital services
- Lab and X-ray services
- Nursing facility services
- Medication assisted treatment

States **may** cover optional services, including:

- Dental services
- Other diagnostic screening, preventive, and rehabilitative services
- Needed medications
- Physical therapy
- Prosthetic devices
- Vision and eyeglasses
 - Children and adolescents get vision, dental, hearing, and other services through the [Medicaid Early and Periodic Screening, Diagnostic, and Treatment \(EPSDT\) benefit](#)
- While each state Medicaid Program varies, generally you must:
 - Bill only covered services
 - Ensure beneficiary eligibility for services where they're provided

Covered Services (cont.)

Medicare

Part C includes all benefits and services covered under Part A and Part B and may include extra benefits and services for an extra cost.

Part D helps cover prescription drug costs.

See if your patient qualifies for [Extra Help With Medicare Prescription Drug Plan Costs](#).

Medicaid

- Ensure accurate, legible, signed, and dated medical records
- Return overpayments within 60 days

Share [easy-to-read infographics on common Medicaid questions](#) or find key messages and tips from [Medicaid Program Integrity Education](#).

For more information about Medicaid mandatory and optional services, visit [Medicaid.gov](#).



Other Common Types of Coverage

You may see patients with health care coverage other than Medicare or Medicaid. These programs include:

- Private insurance coverage (like a group health plan or retiree coverage)
- TRICARE
- [Consolidated Omnibus Reconciliation Act](#) (COBRA)
- Workers' Compensation
- Liability insurance coverage

[Medicare Secondary Payer](#) has more information on coverage types.

Resources

Medicare

- [Medicare Provider Enrollment](#)
- [Medicare Billing: 837P & Form CMS-1500](#)
- [Medicare Billing: 837I & Form CMS-1450](#)
- [Medicare Payment Systems](#)

Medicaid

- [Medicaid & CHIP Coverage](#)
- [Medicaid Federal Policy Guidance](#)
- [State Overviews](#)
- [Understanding Medicaid Fair Hearings](#)

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