



Medicare & Medicaid Basics

Medicare

Federal health care coverage for:

People
age **65**
or older



Certain
people
under **65** with
disabilities



People of any age with **ESRD**



More than **99.8 million** beneficiaries enrolled

More than **6,214** hospitals



15,015 skilled nursing facilities



1.4 million physicians and other providers



Medicaid

Cooperative federal and state health care coverage for:

People with disabilities



Elderly people

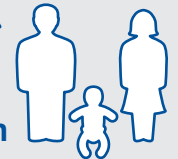


Pregnant women



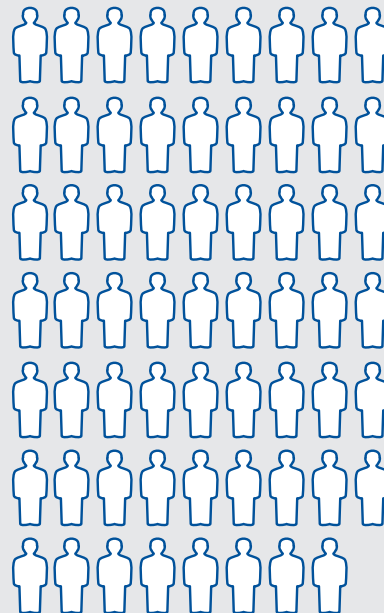
\$ Low-income adults

Children



More than **72 million** individuals enrolled, including more than

39.7 million children



enrolled in Medicaid and the Children's Health Insurance Program (CHIP)



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, and includes:

- **Part A – Hospital Insurance**
Inpatient hospital, inpatient skilled nursing facility, hospice, and some home health services
- **Part B – Medical Insurance**
Physician services, outpatient care, Durable Medical Equipment (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 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 elderly inpatient hospital services and people with ESRD.

Medicaid

Health care coverage for:

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

Eligibility varies from state-to-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 42% of all births.



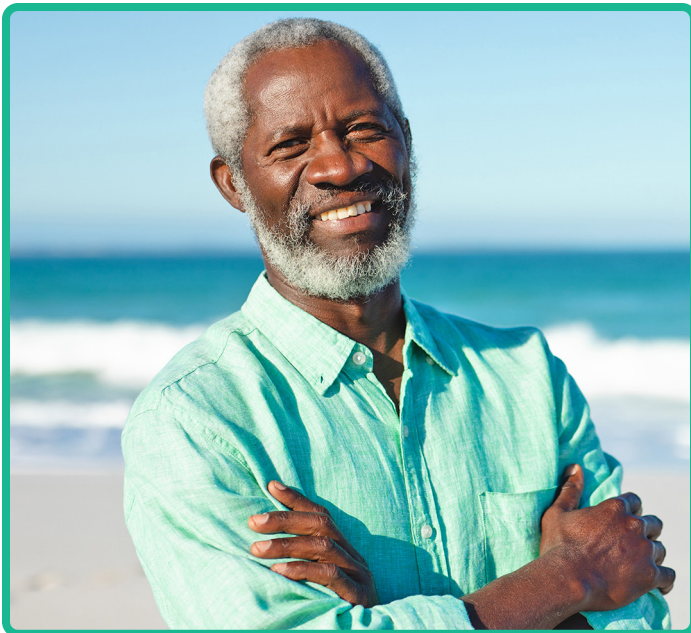
Beneficiaries

Medicare

Health insurance for:

- People age 65 and 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 cover certain eligibility groups and provides them the flexibility to cover others.

Individuals must meet eligibility requirements and state rules.

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 women

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

Individuals must meet state and federal requirements for:

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

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

Dually Eligible Beneficiaries

Dually eligible beneficiaries are eligible for both 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) Program:** Helps pay Part A, Part B (or both premiums), [deductibles, coinsurance, and copayments](#).
- **Specified Low-Income Medicare Beneficiary (SLMB) Program:** Helps pay **only** Part B premiums.
- **Qualifying Individual (QI) Program:** Helps pay **only** Part B premiums. Funding is limited to a certain amount each year per state. An individual can't be eligible for another Medicaid eligibility group.
- **Qualified Disabled Working Individual (QDWI) Program:** Pays **only** Part A premiums for disabled and working beneficiaries.

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

Note

Medicare providers **can't** bill QMB beneficiary services and items we cover. This includes [deductibles, coinsurance, and copayments](#). We consider all your Medicare and Medicaid QMB service payments 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 some 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:

- Doctors and other provider services
- Outpatient care
- Home health care
- Ambulance services
- DME
- Many preventive services

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 beneficiary qualifies for [Extra Help With Medicare Prescription Drug Plan Costs](#).

Medicaid

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

States **must** cover certain services through their Medicaid Programs, including:

- Doctor visits
- Inpatient and outpatient hospital services
- Mental health services
- Prescription drugs
- Prenatal care and maternity care
- Preventive care like immunizations, mammograms, and colonoscopies

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

- Dental services
- Home- and community-based services
- 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
 - Ensure accurate, legible, signed, and dated medical records

Covered Services (cont.)

Medicaid

- Return overpayments within 60 days

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

Other Common Types of Coverage

You may see beneficiaries 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 Provisions](#) web-based training has more information on coverage types.

Resources

Medicare

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

Medicaid

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

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