



## **Medicare and Medicaid**

As a representative payee, you should know some things about Medicare and Medicaid coverage because you may be asked to use funds to pay some of the beneficiary's medical bills.

### **Medicare**

Medicare is a federal health insurance program, administered by the Centers for Medicare and Medicaid Services (CMS) [formerly known as the Health Care Financing Administration (HCFA)]. Social Security beneficiaries are entitled to Medicare automatically at age 65. If the beneficiary is under age 65, Medicare usually starts after 24 continuous months of disability benefits. Medicare beneficiaries must pay certain deductibles and coinsurance payments. Part B, Supplementary Medical Insurance, also requires beneficiaries to pay a monthly premium that is usually deducted from the Social Security benefit payment. The Medicaid program, described below, may be able to help beneficiaries with limited income and resources pay Medicare premiums and/or Medicare deductibles and coinsurance.

### **Medicaid**

Medicaid is a joint federal-state health insurance program, administered by the state. States have some discretion in determining which groups of people Medicaid will cover and the financial criteria for Medicaid eligibility. States usually provide Medicaid for individuals who receive federally funded cash assistance payments such as SSI. In many states, an SSI application also serves as a Medicaid application. Even in states where this is not the case, SSI beneficiaries usually qualify for Medicaid. Some Medicaid programs do not require receipt of cash assistance for eligibility. A person may qualify even if his or her income and resources are too high for SSI. These programs include help with Medicare expenses; others vary from state to state. For more information about Medicaid, contact the beneficiary's medical assistance (Medicaid) agency, social service or welfare office.

The next two pages will show a chart of the Key Differences between Medicare and Medicaid.

**Differences**

**Medicare**

**Medicaid**

Eligibility

**Part A - (Hospital Insurance)**

Automatically eligible if over 65 and receiving Social Security or under 65 and receiving Social Security disability benefits for over 24 months. There are special rules for people with permanent kidney failure, people with ALS (amyotrophic lateral sclerosis) and certain people with previous eligibility to Social Security or SSI.

**Part B (Medical Insurance)**

Automatically eligible if eligible for Part A

May be eligible, depending on income, resources and state eligibility criteria. In 32 states and the District of Columbia, SSI beneficiaries are automatically eligible.

Administration

Federal government: CMS (Centers for Medicare and Medicaid Services) [formerly known as HCFA (Health Care Finance Administration)] administers

State/local: The state oversees the program; usually administered at the county level. CMS oversees the states.

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| Funding   | All federal. A portion of the FICA (Federal Insurance Contributions Act) contribution goes to the Medicare trust fund.  | Federal/state   |
| COST-SHARING (PORTIONS OF THE COVERAGE THAT THE BENEFICIARY MUST COVER) | <p><b>Part A:</b> deductibles and co-insurance</p> <p><b>Part B:</b> premiums, deductibles and co-insurance</p>   | States may impose nominal deductibles, coinsurance, or co-payments for certain services. In many states with "medically needy" programs, persons whose SSA benefits are too high to qualify for SSI may qualify for Medicaid by spending their excess income on premiums and medical care. This includes people in long- term care. |
| Services covered  | <p><b>Part A:</b> Hospital and related health care services, skilled nursing homes and home health care.</p> <p><b>Part B:</b> Some physician's services, home health (if you do not have Part A), laboratory work, durable medical equipment, other</p> <p>No prescription coverage.</p> | Necessary medical and rehabilitative services. May vary by state.<br><br>Prescriptions  |