

## Medicare and Medicaid: What's the Difference?

It's important to understand the differences between Medicare and Medicaid and the services individuals receive under each program. When talking to health care entities or policy makers about the potential value that affordable senior housing can bring to each program, you need to be clear about which benefits accrue to which program. For individuals age 65 or older or younger adults with disabilities who receive Medicare, here's a basic summary:



The chart below defines the basic features of Medicare and Medicaid. For individuals who are eligible for both Medicare and Medicaid, commonly referred to as “dual eligibles,” be sure to read the final row in the chart to understand which program pays for what services. The primary points to understand about duals eligibles are:

1. Medicare is the primary payer for all health care services.
2. If the dual eligible individual qualifies for full Medicaid benefits, Medicaid pays for long-term care services.

	Medicare	Medicaid
<b>What is it?</b>	<p>A federal insurance program that provides health coverage to individuals age 65 or older or those under age 65 with a permanent disability.</p> <p>Because Medicare is run by the federal government, its coverage, rules, and regulations are the same across all states.</p>	<p>A state and federal financial assistance program that provides health coverage for low-income children and adults.</p> <p>Because Medicaid is jointly run by states and the federal government, the program varies across states. The federal government sets minimum thresholds and each state establishes its own:</p> <ul style="list-style-type: none"> <li>• Eligibility standards</li> <li>• Type, amount, duration, and scope of services</li> <li>• Rates of payment</li> </ul>
<b>Who is eligible?</b>	<p>People age 65 or older, if they or their spouse:</p>	<p>The federally required core eligibility groups are:</p>

	Medicare	Medicaid
	<ul style="list-style-type: none"> <li>• Are eligible for Social Security payments, and</li> <li>• Have made payroll tax contributions for 10+ years</li> </ul> <p>Nonelderly people who receive Social Security Disability Insurance (SSDI) generally become eligible after a 2-year waiting period. Individuals with end-stage renal disease or amyotrophic lateral sclerosis become eligible immediately.</p>	<ul style="list-style-type: none"> <li>• Individuals age 65 and older</li> <li>• People with disabilities</li> <li>• Pregnant women</li> <li>• Children under age 18</li> <li>• Parents of dependent children</li> </ul> <p>Each group is subject to specific income limits. States can choose to expand coverage to other individuals and to raise income limit thresholds.</p>
<b>What are the income and asset limitations?</b>	There are no income or asset limitations.	Income and asset limits vary by state. Income limits are generally set in relation to a percentage of the Federal Poverty Level.
<b>What does it cover?</b>	<p>Benefits include:</p> <ul style="list-style-type: none"> <li>• Inpatient hospital stays, skilled nursing facility stays, home health services, and hospice care (Part A)</li> <li>• Doctors' services, durable medical equipment, preventative services, outpatient rehabilitation services, outpatient mental health services, home health services, x-rays and lab tests (Part B)</li> <li>• Prescription drugs (Part D)</li> </ul> <p>Medicare does not cover long-term care services. Medicare Part A only covers up to 100 days of care in a "skilled nursing" facility per spell of illness. The care must follow a stay of at least three days in a hospital.</p> <p>Participants can enroll in "original" Medicare or Medicare Advantage (Part C). With original Medicare, participants can go to any provider they choose that accepts Medicare. With Medicare Advantage, participants receive services through a private health plan, which are most often HMOs or PPOs.</p>	<p>There are mandatory benefits and optional benefits. Mandatory benefits include*:</p> <ul style="list-style-type: none"> <li>• Inpatient and outpatient hospital services</li> <li>• Physician, midwife, and nurse practitioner services</li> <li>• Laboratory and x-ray services</li> <li>• Nursing facility and home health care for individuals age 21+</li> <li>• Early and periodic screening, diagnosis, and treatment for children under age 21</li> <li>• Family planning services and supplies</li> </ul> <p>Many states also offer optional services, including prescription drugs, dental care, durable medical equipment, and personal care services.</p> <p>Through Medicaid waivers, states are also able to offer eligible individuals community-based long-term care services.</p> <p><b>*Note:</b> For individuals who also have Medicare, i.e. dual eligibles, Medicare will continue to cover all</p>

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	Plans must offer everything covered by original Medicare (Parts A and B) and most include Part D coverage. Many also offer additional benefits.	<i>health services. Medicaid will cover long-term care services. See last row in this chart for further explanation.</i>
<b>What do participants pay?</b>	<p>Participants pay monthly premiums, deductibles, coinsurance and copayments.</p> <p>Participants can purchase a Medicare Supplement Insurance, often referred to as a Medigap policy. These policies are sold by a private company and help pay health care costs not covered by original Medicare, such as copayments, deductibles and coinsurance.</p>	Participants usually have no out-of-pocket costs. A small co-payment is sometimes required, but this is determined by each state.
<b>What if participants are eligible for both Medicare and Medicaid?</b>	<p>Individuals who are dually eligible for both programs receive all Medicare benefits and some level of Medicaid benefits, depending on their income.</p> <p>Dual eligibles can be categorized as either “full-benefit” or “partial-benefit.” Full-benefit duals receive full Medicaid benefits and Medicaid pays for their Medicare premiums, deductibles co insurance and copayments. Partial-benefit duals do not receive Medicaid-covered services, but Medicaid pays for some combination of their Medicare premiums, deductibles, coinsurance and copayments.<sup>1</sup></p> <p>One study looking at the Medicare and Medicaid enrollment status of a sample of HUD-assisted beneficiaries found that almost 70% of residents identified as dual eligibles were eligible for full Medicaid benefits.<sup>2</sup></p> <p>Regardless of the dual eligible status, Medicare continues to be the primary payer for all health care services (hospital stays, physician visits, etc.). For those who qualify for full Medicaid benefits, Medicaid would pay for services offered by Medicaid but not covered by Medicare. For example, dental care would be covered if it was part of the state’s Medicaid benefit package. Medicaid would also pay for any long-term care services, either in the community or in an institution.</p>	

<sup>1</sup> For more information about partial-benefit dual eligibles, see: [Dual Eligible Beneficiaries Under the Medicare and Medicaid Programs](#).

<sup>2</sup> See: [Picture of Housing and Health: Medicare and Medicaid Use Among Older Adults in HUD-Assisted Housing](#), Appendix C, Table C10.