



## Medicare & Medicaid Basics

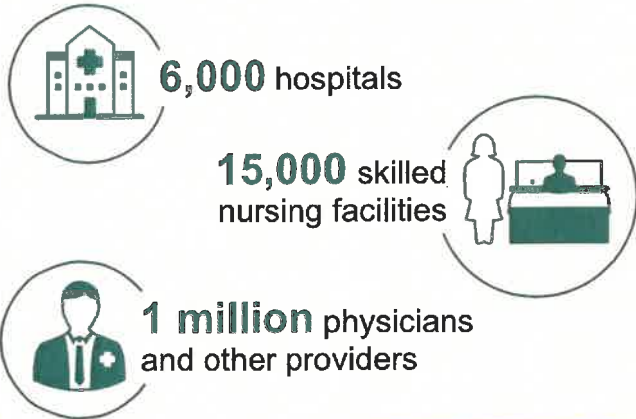
### Medicare

Federal health care coverage for:



More than **67 million** beneficiaries enrolled

More than



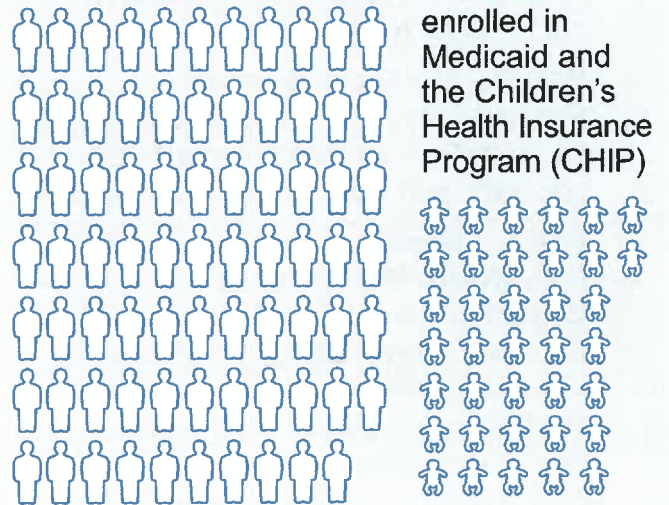
### Medicaid

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

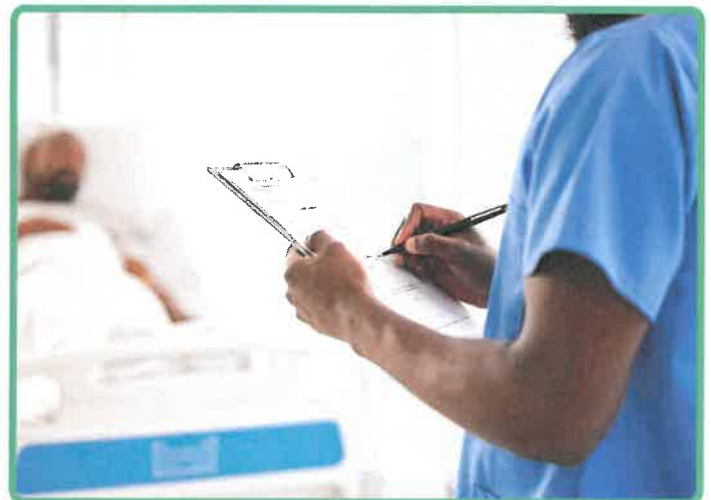
Medicare is a national program the federal government administers that includes:

- **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



## 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.medicicaid.gov) has more information and resources.

## 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.



## 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](https://www.Medicaid.gov).



## Other Common Types of Coverage

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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

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### 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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## Medicare true-or-false

Circle "True" or "False" for each of the statements based on your knowledge of Medicare.

- 1) There are five parts to the Medicare Program: A, B, C, D and M(edigap).  
**True / False**
- 2) Part A covers hospice care and long-term care. **True / False**
- 3) If you have not paid Medicare taxes for at least 10 years, you cannot qualify for Part A. **True / False**
- \*4) There is no out-of-pocket maximum for Medicare. **True / False**
- \*5) Medicare Advantage plans must cover everything provided by Parts A, B and D.  
**True / False**
- 6) Part D enrollees pay monthly premiums, a deductible and copayments or coinsurance. **True / False**
- 7) Medigap is designed to close the coverage gap between the services offered under Original Medicare and what is needed (hearing aids, prescriptions, eye and vision care, etc.). **True / False**
- 8) All Medigap plans of the same letter (G, K, L, etc.) provide the same coverage at the same cost. **True / False**
- 9) You'll have the greatest amount of coverage if you enroll in both an Advantage plan and a Medigap plan. **True / False**
- 10) If you are enrolled in an Medigap plan, you may be limited to providers within the provider network. **True / False**
- 11) If you don't buy a Medigap policy within six months of signing up for Part B, you can be turned down for coverage due to pre-existing conditions. **True / False**
- 12) To be eligible for Medicare Part A and Part B, you must be a U.S. citizen or a permanent legal resident for at least 10 continuous years. **True / False**
- 13) The Initial Enrollment Period (IEP) for Medicare Part A and Part B is the seven-month period that starts six months before the month you turn 65 and includes the month you turn 65. **True / False**
- 14) "Creditable" medical coverage is insurance that allows you to postpone enrolling in Medicare Part B. **True / False**

Exercise for *Get Covered: Choosing and using Medicare*

15) If you don't sign up for Medicare Part B when you first become eligible, you may have to pay a penalty of up to 10% of your Medicare premiums for the year you enroll. **True / False**

16) Coinsurance is the flat fee you must pay for certain services and prescriptions. **True / False**

\*17) A Medicare Savings Program allows workers age 55 and older to save money in a tax-advantaged account to be used for Medicare-related expenses after retirement. **True / False**

\*18) The program known as "Extra Help" provides financial assistance with uncovered costs related to hospitalization. **True / False**

19) Your Medicare Summary Notice (MSN) can alert you to errors or signs of fraud. **True / False**

~~20) The "donut hole" is the coverage gap in Medicare Part D. **True / False**~~



## Medicare Savings Program

### How to Get Help to Pay Medical Expenses

There are programs that may help you pay part of your medical expenses. If you qualify, you may not have to pay your Medicare premiums or out-of-pocket expenses. To know if you qualify you must meet the following:

1. You must have Medicare Hospital Insurance (Part A). If you're not sure whether you have it, look on your Medicare card or call Social Security toll free, at 1-800-772-1213 to find out.
2. Your income is below certain limits - look at the table below to see if you might qualify.
3. Your financial resources or the things you own are below \$9,430 for an individual and \$14,130 for a couple. Financial resources are items like bank accounts, stocks and bonds. Some things are not counted like the home you live in, one car, furniture, and some life insurance policies.

Monthly Income Limits in 2023*	Program Will Pay	Program Name
<b>\$1,275 Individual</b> \$1,724 Couple	Medicare Part B premiums, deductibles, and coinsurance	Qualified Medicare Beneficiary (QMB)
<b>1,526 Individual</b> \$2,064 Couple	Medicare Part B premiums	Specified Low-Income Medicare Beneficiary (SLMB)
<b>\$1,715 Individual</b> \$2,320 Couple	Medicare Part B premiums	Qualifying Individual (QI)

\* Income limits change annually based on the publication of the Federal Poverty Levels (FPL).

### How to Apply

The ways to apply for Medicare Savings Program are by visiting the DMS Medicare Savings Program page at <https://chfs.ky.gov/agencies/dms/dpo/epb/Pages/msp.aspx> to download an application, visiting the local Department for Community Based Services (DCBS) office, contacting the DCBS call services at 1- 855-306-8959 or by applying through kynect yourself or with the help of an Insurance Agent and/or a kynector.

## Documents and Verification

To be sure you qualify for these programs below are some of the documents that will be needed if you have them. If you do not have this information it can be submitted after the application.

- Your Medicare card
- Proof of citizenship
- Proof of identity
- Proof of all income - this includes pension checks, social security payments, etc.
- Current and prior 3 months bank statements
- Insurance policies
- Financial statements from any stocks or bonds you own
- Proof of any funeral or burial policies you may have

**Please Note:** Generally speaking, caseworkers **cannot** process documents by calling 855-306-5959. For assistance with document processing, you will need to go to the local DCBS office and work with a case worker to have your case reviewed.

## More information

For more information, please visit

<https://www.chfs.ky.gov/agencies/dms/dpo/epb/Pages/msp.aspx>

You can contact your local DCBS office at 855-306-8959. You can also use the DCBS local office search at [https://prdweb.chfs.ky.gov/Office\\_Phone/index.aspx](https://prdweb.chfs.ky.gov/Office_Phone/index.aspx).

Call 1-800-635-2570 and a specialist can provide you with the contact information for your local DCBS office. For deaf or hearing impaired who use a TTY/TDD call 1-800-627-4702

The Kentucky State Health Insurance Assistance Program (SHIP) provides information, counseling and assistance to seniors and disabled individuals, their families and caregivers. This service is provided at no charge by local, well-trained counselors. You can contact the State Health Insurance Assistance Program (SHIP) at 1-877-293-7447 or visit:

<https://chfs.ky.gov/agencies/dail/Pages/ship.aspx>



kynect.ky.gov

1-855-459-6328 (TTY) 1-855-326-4654

