Medicare and Medicaid
Overview and Comparison
History and Description

• Medicare and Medicaid were enacted in 1965.
  – Medicare (Title XVIII of the Social Security Act) extended coverage to nearly all Americans aged 65 or older and those with disabilities and end-stage renal disease (ESRD.)
  – Medicaid (Title XIX of the Social Security Act) provided health care services to certain low-income and disabled individuals

• The programs have expanded and changed some over the years, but the basic purpose of each program remains the same.
### Medicare vs. Medicaid

<table>
<thead>
<tr>
<th>Medicare</th>
<th>Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>National program that is consistent across the country</td>
<td>Statewide programs that vary between States</td>
</tr>
<tr>
<td>Administered by the Federal government</td>
<td>Administered by State governments within Federal rules</td>
</tr>
<tr>
<td>Eligibility based on age, disability, or ESRD</td>
<td>Eligibility based on income and resources</td>
</tr>
<tr>
<td>Nation’s primary payer of inpatient hospital services to the elderly and ESRD</td>
<td>Nation’s primary payer of long-term care services</td>
</tr>
</tbody>
</table>
Dually Eligible Individuals

• Dual Eligible: Person entitled to both Medicare and Medicaid
  – Medicare because of age, disability, or ESRD
  – Medicaid because of limited income and resources

• Dual eligibles may receive:
  – Payment by Medicaid of Part A and/or Part B premiums, and sometimes other Medicare cost-sharing
  – Medicaid coverage of certain services not covered under Medicare
Service Delivery

- Medicare – beneficiaries choose the delivery system
  - “Medicare Advantage” is the managed care option
  - Fee-for-service is the other option
- Medicaid – State government determines what delivery systems are available
  - There may be a choice between managed care or fee-for service
  - Some States mandate managed care for all services
  - Some States mandate some services through managed care and others through fee-for-service.
  - Some States have no managed care option and use fee-for service.
- How do we make it make sense for people using the programs?
CMS PRIORITY

- Special workgroup formed within CMS
- Reports directly to the Administrator
- Working with outside groups
  - Center for Health Care Strategies
  - National Health Policy Group
  - Reforming States Group
ADDRESSING BARRIERS: ADMINISTRATIVE COMPLEXITY

- “How To” Guides for Marketing, Enrollment and Quality
  - Posted on CMS website
  - Clarify Medicare and Medicaid rules
  - Suggest ways to streamline administrative processes

- Working on additional ways to facilitate three way discussions between CMS, the plans and the States to resolve administrative barriers