



Understanding Medicare and Medicaid – Comparison Chart

	Medicare	Medicaid
Legislated	1965	1965
Type	Mandated federal program	Voluntary state program with federal rules
Program Financing	Individuals contribute through their taxes, or buy-in	Federal-state partnership, the federal government matches state spending with no cap
Beneficiaries	<ul style="list-style-type: none"> • 65+ years old (Aged), or • Disabled: <ul style="list-style-type: none"> • Recipient of Social Security Disability for 24 consecutive months, or • End-stage renal disease, or • Gehrig's disease 	<ul style="list-style-type: none"> • Pregnant Woman, or • Child, or • Parent or Caretaker Relative, or • Childless adult aged 19-64 (expansion states only), or • 65+ years old (Aged), or • Blind, or • Disabled
Financial Eligibility	Paid Medicare taxes for at least 10 years, or monthly premium between \$259 and \$471 (2021) for Part A. All other Medicare plans require monthly premiums.	Need-based entitlement with income and/or resource limits
Focus	In-hospital care and basic medical services as well as serious ailments and disabilities. Coverage is broken up into "Parts."	In-hospital care, outpatient, observation, long-term care, doctor visits, prescriptions drugs, sometimes dental, vision, and/or hearing. Covers nearly half of all births in the U.S. and 48 percent of children with special health care needs. Helps 1 in 5 Medicare beneficiaries with their Medicare premiums and cost sharing and provides coverage for benefits that Medicare doesn't cover.
Part A	Inpatient care in a skilled nursing facility or hospital. Long-term or custodial care isn't covered. It also contributes to hospice care and some aspects of home health care. <i>Deductible, Coinsurance (Patients pay a portion of the bill.)</i>	Medicaid is not broken up into "Parts" but does cover inpatient care in a skilled nursing facility or hospital, long-term or custodial care, hospice, and home health. In most states there is not a deductible but may be a small co-pay.

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Part B	<p>Doctor visits, some preventive services and supplies like shots, exams, screenings and lab tests, health monitoring programs, as well as counseling and education on health matters. Yearly “Wellness” visit. Ambulance services, medical equipment, mental health coverage and some types of prescription drugs.</p> <p><i>Premiums, Deductible, Coinsurance (Patients pay a portion of the bill.)</i></p>	<p>Medicaid is not broken up into “Parts” but does cover doctor visits, preventive services and supplies, ambulance, medical equipment, and mental health coverage. In most states there is not a deductible but may be a small co-pay.</p>
Part C (Medicare Advantage)	<p>All-in-one alternative to Parts A, B and typically D. Fills some of the gaps left by the other two Medicare options as well as Part D. Coverage is offered by private insurance companies (managed care) and each has its own rules and benefits. Unlike Original Medicare, Advantage plans offer a cap on annual out-of-pocket costs.</p>	<p>Medicaid is not broken up into “Parts.” Some states use private insurance companies (managed care) to administer their Medicaid program(s). Some states assess beneficiaries a monthly premium.</p>
Part D	<p>Covers some of the cost of prescription drugs.</p> <p><i>Premiums, Coinsurance</i></p>	<p>Medicaid is not broken up into “Parts.” Most state Medicaid programs include prescription drugs. There may be a small co-pay.</p>
Observation, Rehabilitation	<p>Observation means you aren’t formally admitted. This means your stay counts as outpatient care. It also means you aren’t covered under Medicare Part A. What’s more, if you’re admitted for more than three days, Medicare will pay for any rehabilitation you need afterward. If you aren’t admitted, rehab isn’t covered.</p>	<p>Medicaid covers rehabilitation care, regardless of hospital admission status.</p>
Long-Term Care	<p>Not applicable</p>	<p>Medicaid pays for long-term care, accounting for a little over half of the nation’s nursing home bill.</p>
Hospice	<p>Once you choose hospice care, your hospice benefit will usually cover everything you need.</p>	<p>Optional state plan service</p>
Dental	<p>Not applicable unless through Medicare Advantage</p>	<p>State-specific</p>
Vision	<p>Not applicable unless through Medicare Advantage</p>	<p>State-specific</p>
Hearing	<p>Not applicable unless through Medicare Advantage</p>	<p>State-specific</p>