Medicaid

While Social Security and Medicare continue to provide a basis for financial security after retirement, they do have inherent limitations.

Medicaid is the nation’s health program to low-income people, but does not cover all the poor. Historically, to qualify for Medicaid, a person must be both low-income and fall into one of the covered eligibility groups, which generally include:

* Children
* Their parents
* Pregnant women
* Individuals with disabilities
* The elderly

About 20% of Americans now receive health care coverage through Medicaid at some point during the year. Of the 63 million people served by Medicaid each year, one-half are children. With the expansion, it is anticipated that another 16 million people will join the Medicaid rolls.

Although elderly and disabled adults only make up 25% of the Medicaid beneficiaries, they account for 66% of the total cost.

Medicaid is the primary payer for long-term care (LTC) services and support for low-income individuals and individuals across the age spectrum, paying for 40% of all LTC services each year.

Eligibility for children in Medicaid is more generous than for adults. In most states, adults without dependent children are ineligible for Medicaid regardless of how low their income is.

Medicare and Medicaid

As previously mentioned, one of the most common scenarios in which some has Medicare and other insurance is when they are on Medicaid. Individuals who qualify for Medicare and Medicaid are called “dual eligible.”

To manage and coordinate care for individuals who are dual eligible, the Affordable Care Act (ACA) established the Medicare-Medicaid Coordination Office (MMCO). It is intended to create a system in which individuals who are dual eligible can receive a higher level of care through coordination between states and federal agencies, which also brings down costs.

Note that Medicaid will never pay as primary for any service covered by Medicare. Additionally, if there is other coverage in place, Medicaid will pay third after Medicare and other coverage in place. Also, if the additional coverage pays benefits that Medicare does not, Medicaid will still pay after the plan that has benefits not covered by Medicare.

Much of this coordination occurs at the state level. Each state has different rules for Medicaid. Additionally, each state decides how it will actually coordinate with the federal government. So it is important for agents to refer to their local Medicaid office for guidelines on how they coordinate with Medicare. However, the current trend has more and more states establishing relationships with Centers for Medicare & Medicaid Services (CMS) to engage in coordinated care for dual eligible participants. Even so, many states are holding out due to various concerns.