

What Is Medicare? ★ ★ ★

Medicare is health insurance for people age 65 or older, under age 65 with certain disabilities, and any age with permanent kidney failure (called “End-Stage Renal Disease”). You must have entered the United States lawfully and have lived here for 5 years to be eligible for Medicare.

Medicare has two parts:

Medicare Part A (Hospital Insurance)

helps pay for inpatient care you get in a hospital, skilled nursing facility, or hospice, and for home health care if you meet certain conditions. Most people don't have to pay a monthly premium for Medicare Part A because they or a spouse paid Medicare taxes while working in the United States. If you don't automatically get premium-free Part A, you may still be able to enroll, and pay a premium.

Medicare Part B (Medical Insurance)

helps pay for medically-necessary doctors' services and other outpatient care. It also pays for some preventive services (like flu shots) to help keep you healthy and some services that keep certain illnesses from getting worse. Most people pay the standard monthly Medicare Part B premium (\$96.40 in 2008).

You have choices about how you get your Medicare coverage. Here are the two main options:

Original Medicare

Managed by the Federal government, it provides your Medicare Part A and Part B coverage. (You can choose to have either one, or both parts.) You have to pay a deductible, and you are usually charged coinsurance each time you get services.

- You can add Medicare prescription drug coverage (Part D) by joining a Medicare Prescription Drug Plan. Costs and benefits vary by plan.
- You can also choose to buy a Medigap (Medicare Supplement Insurance) policy to help pay some of the health care costs' “gaps” (like copayments, coinsurances, and deductibles).

Medicare Advantage Plans (called Part C)

You must have both Part A and Part B to join one of these plans. The plans provide all of your Part A and Part B services and generally provide additional services. You usually pay a monthly premium, and copayments that will likely be less than the coinsurance and deductibles under Original Medicare. In most cases, these plans also offer Part D prescription drug coverage. These plans are offered by private insurance companies approved by Medicare. Costs and benefits vary by plan.

Note: Help is available. If you have limited income and resources, you may qualify for help paying your Medicare health care and/or prescription drug coverage costs. For more information, call Social Security at 1-800-772-1213, visit www.socialsecurity.gov on the web, or apply at your State Medical Assistance (Medicaid) office.

If you have a question about Medicare or the Medicare health and prescription drug plans in your area, visit www.medicare.gov on the web, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

What Is Medicaid? ★ ★ ★

Medicaid is health insurance available to certain people and families who have limited income and resources. The rules for counting your income and resources (like bank accounts or other items that can be sold for cash) usually depend on which state you live in. Eligibility may also depend on how old you are and whether you are pregnant, whether you are blind or have other disabilities, and whether you are a U.S. citizen or a lawfully admitted immigrant. If a woman's labor and delivery of her child is covered by Medicaid, her baby may be covered for up to 1 year without needing to apply.

Even if you aren't sure whether you qualify, if your income is limited, and if you or someone in your family needs health care, you should apply for Medicaid and have a qualified caseworker in your state look at your situation.

People with Medicaid may also get coverage for services such as nursing home care. Depending on your state's rules, you may also be asked to pay a small part of the cost (copayment) for some medical services. If you qualify for both Medicare and Medicaid, most of your health care costs will be covered.

If you have questions about Medicaid (to find out if you qualify or to sign up), you can call your State Medical Assistance (Medicaid) office for more information. Visit www.medicare.gov on the web. Under "Search Tools," select "Find Helpful Phone Numbers and Websites," or call 1-800-MEDICARE (1-800-633-4227) to get the telephone number. TTY users should call 1-877-486-2048.