Dual Eligible Beneficiaries Under Medicare and Medicaid

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There are an estimated 11.4 million individuals receiving services through *both* Medicare and Medicaid. These individuals, or *"dual eligible beneficiaries,"* are among some of the most vulnerable members of the patient population, due to a combination of low income and a high incidence of chronic health conditions. However, dual eligible beneficiaries face distinct challenges to receiving the services to which they are entitled.

Who Qualifies?

To be designated a dual eligible, one must be:

- enrolled in Medicare Part A, B or C and
- receiving full Medicaid benefits and/or financial help with Medicare premiums or cost sharing.

Medicare is a federal program, while Medicaid is a joint federal and state initiative. For that reason, Medicaid eligibility differs across the country, as do the services it delivers.

Medicare is available to all U.S. citizens who are 65 or older, and to individuals of any age who are eligible to receive Social Security Disability Insurance (SSDI) for at least 24 months. Medicaid, on the other hand, is a means-tested benefit. In general, it is available to individuals with incomes at or below 138 percent of the federal poverty level, which is $34,638 for a family of four in 2018. Certain states have raised that limit in order to qualify more of their residents.

What Is Covered?

While Medicare and Medicaid provide many overlapping services, Medicaid is the payer of last resort. For dual eligible beneficiaries, services are covered as follows:

Medicare Part A covers hospitalization, related care in skilled nursing facilities and, in some cases, home services.

Medicare Part B covers physician visits.

Medicare Part C, offered by private insurers, combines the coverage of Medicare A and B.

Medicare Part D covers drugs.

Medicaid covers long-term care, certain behavioral health services, hearing, vision and dental costs, and related transportation expenses.

How Are Services Delivered?

Medicare is available through either Original Medicare or various Medicare Advantage Plans (Part C). One type of Medicare Advantage plan, a dual eligible special needs plan (D-SNP), focuses on the specific healthcare requirements of this group.

Medicaid services vary by state. Medicaid may be available in the form of a managed care plan, fee-for-service or even a joint Medicare/Medicaid plan.

Systemic Challenges

The two programs do not always work together smoothly. In many cases, there is no coordination, and beneficiaries have to navigate the programs independently. The fact that Medicaid differs by state proves confusing to health providers and patients alike. If a physician does not accept Medicaid, the patient must independently process a separate Medicaid claim.

Improvement Sought

These and other problems are well recognized and federal reform initiatives are underway. The Centers for Medicare and Medicaid Services (CMS) created the Medicare-Medicaid Coordination Office and the Center for Medicare and Medicaid Innovation to work with federal agencies, states and stakeholders to simplify service delivery, improve quality of care and reduce costs. They are also charged with eliminating "cost-shifting" between the two programs, which can result in improper billing of patients.

The Affordable Care Act created a Medicare Advantage category called the "Fully Integrated Dual Eligible Special Needs Plan," which integrates dual-eligible benefits in a single managed care organization. In most cases, though, Medicare and Medicaid still make payments separately.

The agencies which manage the Medicare and Medicaid programs, while performing critical services, are also enormous bureaucracies. Dual eligible beneficiaries depend on both of them, and they deserve a healthcare system that is not battling with itself.

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