

Essay on medicaid and medicare

[Health & Medicine](#), [Stress](#)



Medicare and Medicaid

Medicare is federal health insurance program covering individuals who are 65 years and above, under 65 years with certain disabilities and all ages requiring kidney transplant or dialysis due to permanent failure of the kidney. The Medicare program comprise of hospital insurance, medical insurance, medical advantage and prescription drug coverage. In contrast, Medicaid refers to health coverage provided to individuals and families with limited resources. It is not mandatory but all the states are participants. Illegibility is based on the evaluation of income and other resources available to a potential beneficiary.

Medicare financing is sourced from payroll tax dedicated to Medicare, beneficiaries' premiums, general revenue, taxation of benefits accrued in social security, States payments for beneficiaries of the Medicare drugs. According to Potetz (2008), the funds are managed in two trust accounts; the hospital insurance and the supplementary medical insurance. Medicare reimbursement is filed by the doctor or the health care provider. However the reimbursement valid up to the end of the year the medical service was offered. Medicare is funded by both taxes and beneficiaries premiums. Therefore, it exerts relatively moderate pressure on the taxpayers compared with Medicaid.

The funding for Medicaid is jointly provided by the Federal and the State government. The State derives it part of the contribution from remittances from localities. According to Schneider and Rousseau (2008), the Federal government contribution is based on matching rate to what the state provides which ranges from 50-83%. The federal government finance

matching rate is inversely proportional to the per capita income of a particular state. The reimbursement in Medicaid is allowable within duration of three months from the date the patient incurred the medical bill and paid for it. The reimbursement covers the cost incurred for home care as well as medical costs. Since Medicaid is funded with Federal and State government taxes, it exerts significant pressure on the taxpayers.

References

Potetz, L. (2008). Financing Medicare: An issue brief. Retrieved from <http://www.kff.org/medicare/upload/7731.pdf>

Schneider, A., & Rousseau, D. (2008). Medicaid financing. Retrieved from <http://www.kff.org/medicaid/loader.cfm?url=/commonspot/security/getfile.cfm&pageID=14261>