



## Medicaid

### What is Medicaid?

Medicaid is publically-funded medical assistance. It can be understood as a form of health insurance for special groups and low-income individuals. Medicaid is not a single, national program, each State and Territory has its own Medicaid program.

### Who pays for Medicaid and how is it received?

Medicaid is a Federal-state partnership, both financial and administrative, with States and the Federal government each paying a portion of the funding required to support the program. To keep track of these expenditures and ensure the eligibility of recipients, Medicaid is generally received through and administered by an individual's state of residence. A Federal agency, the Centers for Medicare and Medicaid Services (CMS) oversees this administration and establishes general program guidelines. Federal law and regulations provide a framework for Medicaid and stipulate the basic requirements that all programs must have. States must include certain types of individuals and specific services in their Medicaid coverage and can include other groups and services at their discretion. In this way, Medicaid coverage varies widely between jurisdictions.

### What must States provide under Medicaid and to whom?

The provision of Medicaid can be seen in two parts—the recipients and the services received.

Recipients are divided into groups known as **eligibility groups**. There are three Medicaid eligibility groups—categorically needy, medically needy, and 'special groups'. States must provide to the categorically and medically needy groups and can choose which 'special groups' to cover.

Services are divided into two groups—**mandatory and optional**. All jurisdictions must provide mandatory services, such as physician and in-hospital care, and can elect which, if any, optional services to cover, such as mental health care and prescription drugs. States must provide Medicaid to eligible individuals to age 18 and can elect to provide coverage up to age 21. States must provide all mandatory and elected optional services to all eligible individuals so that they are 'sufficient in amount, duration, and scope to reasonably achieve (their) purpose' and provide these services throughout the state. These elements, both mandatory and optional, are listed in a document known as a Medicaid State Plan. Medicaid State Plans are blueprints of the populations served and services available under a jurisdiction's Medicaid program. Eligibility for Medicaid in a state entitles an individual to the Medicaid benefits of that state as listed in its Medicaid State Plan. States are not responsible for providing services outside their Plan\*. (\*Except for services deemed medically necessary as determined under Early and Periodic Screening, Diagnosis and Treatment (EPSDT).



**What is the SCHIP and is it the same as Medicaid?**

SCHIP is an acronym for the State Children’s Health Insurance Plan. SCHIP is now CHIP, in recognition of its Federal reauthorization and expansion in February of 2009. Medicaid (Title XX) and CHIP (Title XXI) are two separate programs. Like Medicaid, CHIP is jointly financed by the Federal and State governments, overseen by the CMS and administered through the States. States design their CHIP programs within broad Federal guidelines and determine eligibility and benefits. The program was begun in 1997 to cover uninsured children and pregnant woman ineligible for Medicaid and is currently financed through FY2013.