

What Medicare–Medicaid Integration Means for Dually Eligible Individuals

Dually eligible individuals are people who qualify for both Medicare and Medicaid. Medicare is a federally-funded and administered program that provides health coverage for people aged 65 and older or those with significant disabilities. Medicaid is a joint federally- and state-funded program, administered at the state level, that provides health coverage for individuals with low incomes. Both programs operate under separate benefit structures, coverage rules, and administrative processes, creating a fragmented system that often leads to confusion for individuals and challenges for providers navigating care delivery and coordination. Integrating care between Medicare and Medicaid is essential for improving health, reducing costs, and facilitating access to critical services for the more than 12 million dually eligible individuals in the United States.¹

Who Are Dually Eligible Individuals?

Of the dually eligible population:

- More than 90% have at least one chronic condition: 37% have three or more¹
- More than 20% have functional limitations²
- Nearly 90% live on an annual income below \$20,000¹
- 38% live alone³

Dually eligible individuals typically have lower incomes and limited resources and, by definition, are elderly or have disabilities.⁴ They have complex health needs, including chronic conditions and functional limitations, and frequently experience socioeconomic challenges, including financial constraints, social isolation, and the need for caregiver support. Coordinated care can help significantly improve health outcomes and reduce health care costs for this population.

What Do Medicare and Medicaid Cover for Dually Eligible Individuals?

Medicare is considered the primary payer for dually eligible individuals, which means that they receive services that both programs cover through Medicare first. Medicaid covers remaining Medicare cost-sharing (e.g., premiums, co-pays, co-insurance, and deductibles), as well as other services not provided by Medicare, including long-term services and support.

Service	Medicare Covers	Medicaid Covers
Hospital Care	Yes, inpatient hospital care, skilled nursing facility care for a limited time; hospice (Part A)	Largely no additional days/services beyond Medicare limits* (exception: Long-term care; see below)
Traditional Acute Care Medical Services	Yes, doctor visits, preventive care, outpatient services (Part B)	Largely no additional services beyond Medicare limits*
Prescription Drugs	Yes, most prescription medications (Part D)	In limited cases, drugs not covered by Part D*
Long-Term Care	No, only limited skilled nursing facility care up to a certain number of days; Medicare’s Home Health benefit may cover certain in-home care	Yes, nursing home care and home- and community-based services
Dental, Vision, Hearing	No**	Yes, but to varying degree
Behavioral Health	Yes, inpatient and outpatient care (Part A & B) up to a set amount	Yes, additional counseling or community-based mental health services*
Durable Medical Equipment	Yes, wheelchairs, oxygen, etc. (Part B)	Yes, additional equipment not covered by Medicare

¹Kaiser Family Foundation. A Profile of Medicare–Medicaid Enrollees (Dual Eligibles)
<https://www.kff.org/medicare/issue-brief/a-profile-of-medicare-medicare-enrollees-dual-eligibles/>

²ATI Advisory. A Profile of Medicare–Medicaid Dual Beneficiaries
<https://atiadvisory.com/wp-content/uploads/2022/06/A-Profile-of-Medicare-Medicaid-Dual-Beneficiaries.pdf>

³Medicare Payment Advisory Commission. Dual-eligible Beneficiaries
https://www.medpac.gov/wp-content/uploads/2024/07/July2024_MedPAC_DataBook_Sec4_SEC.pdf

⁴Centers for Medicare & Medicaid Services. Dually Eligible Individuals
<https://www.cms.gov/medicare-medicare-and-medicare-coordination/medicare-and-medicare-coordination-office/downloads/medicare-medicare-enrolleecategories.pdf>

⁵Justice in Aging. A Cut to Medicaid is a Cut to Medicare
<https://justiceinaging.org/a-cut-to-medicare-is-a-cut-to-medicare-fact-sheet/>

Transportation to Medical Appointments	No**	Yes, non-emergency medical transportation
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*Depends on the state's Medicaid coverage **Limited services may be covered through Medicare Advantage supplemental benefits in certain plans only

Why is Medicare–Medicaid Integration Important?

For Dually Eligible Individuals:

- Facilitates seamless coordination between Medicare and Medicaid services, reducing enrollee confusion around coverage, system fragmentation, and duplicative care.
- Makes care more affordable and increases access to necessary services like long-term care.
- Supports improved health and person-centered outcomes, including reduced hospitalizations, better chronic disease management, and improved access to care received in the home and community.

For State and Federal Policymakers:

- Allows for more efficient use of taxpayer dollars by addressing duplication in Medicare and Medicaid benefits.
- Streamlines oversight and contracting, eliminating redundancy for policymakers and removing red tape for entities that provide integrated care.
- Improves population health by better coordinating the medical, behavioral, and social services that individuals who are dually eligible need to support their overall well-being, reducing strain on the health care system.