



*A decade of sowing  
the seeds of justice.*

## What Is Medicaid?

### **Medicaid is a state and federal partnership.**

If a state chooses to participate in the Medicaid program it must provide a minimum level of coverage to certain mandatory populations. In return, the federal government pays a percentage of the costs of the program. In Nebraska, the federal government pays 60% of the costs of the program and the state pays the remaining 40%.

### **Medicaid is an entitlement program.**

This means if you meet the eligibility requirements, you are entitled, under federal law, to receive the benefit.

### **Medicaid is a pay-as-you-go benefit.**

This means payments are made directly to providers and are only made once the medical costs have been incurred.

### **Medicaid is only available to certain groups of low-income people.**

In Nebraska, Medicaid is only available low-income children and their parents, pregnant women, the aged, and the disabled. The income eligibility limit is different for each category. Low-income parents are only eligible for Medicaid if their income is below 49% of the federal poverty level or \$9800.00 annually for a household of four. The aged and disabled are eligible up to 100% of the federal poverty level or \$20,000 annually for a household of four. Pregnant women and children are covered up to 185% of the federal poverty level or \$37,000 annually for a household of four.

### **Medicaid only covers services that are medically necessary.**

Medically necessary services are those that are necessary to meet the basic health needs of the client and are rendered in the most cost efficient manner.

### **Medicaid provides free choice of providers.**

Medicaid clients may receive services from any provider that has been approved to participate in the Medicaid program.

### **Medicaid helps rural families and communities.**

Medicaid plays a critical role in providing health care for people in Nebraska's rural areas, filling in the gaps in the private insurance system. Nearly 16% of people who live in rural areas have Medicaid coverage – compared with about 10% of people in urban areas. Higher rates of Medicaid enrollment in rural areas help to offset lower rates of employer coverage, reducing the number of rural uninsured.<sup>1</sup> One in four children in rural areas is covered by Medicaid.

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<sup>1</sup> Kaiser Commission on Medicaid and the Uninsured, *Health Insurance Coverage in Rural America*, Sept. 2003.

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