Recent evidence suggests that gaining health insurance significantly improves mental health for non-elderly populations. We extend such evidence to Medicare, documenting significant improvements in a number of mental health measures at age 65. Using a regression discontinuity framework, we find a sharp decline in depressed mood, psychological distress and measures of current clinical depression. The improvements are specific to non-Hispanic whites, including both low and high education groups. Importantly, increased utilization of health care services and prescription drugs (including antidepressants) cannot fully explain the observed mental health patterns. Analyses of outpatient visits indicate that psychiatrist visits and depression diagnoses decline among non-Hispanic whites at age 65, mirroring patterns found in depression screeners employed in survey data. Although the underlying mechanism remains a puzzle, these findings suggest that Medicare may have previously undocumented benefits, with implications for cost-benefit analysis of public health insurance.