

# Extra Help With Prescription Drug Costs: 2019 Medicare Low-Income Subsidy (LIS)

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Eligible patients may be able to access  
brand-name drugs for less than \$10 per month.



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The information provided is not a guarantee of coverage or payment (partial or full). Actual benefits are determined by each plan administrator in accordance with its respective policy and procedures. This document is presented for informational purposes only and is not intended to provide reimbursement or legal advice, nor does it promise or guarantee coverage, levels of reimbursement, payment, or charge. It is not intended to increase or maximize reimbursement by any payer. Laws, regulations, and policies concerning reimbursement are complex and are updated frequently. While we have made an effort to be current as of the issue date of this document, the information may not be as current or comprehensive when you view it. Please refer to <http://www.medicare.gov>, or contact Part D benefit providers for more information about coverage or any restrictions or prerequisites that may apply. We strongly recommend you consult the Part D benefit provider for its reimbursement policies. All information is subject to change.

## What Is Extra Help for Prescription Drugs?

Anyone who has Medicare can get Medicare prescription drug coverage (Medicare Part D). Some people with limited resources and income may also be able to get Extra Help to pay for the costs related to a Medicare Prescription Drug Plan (PDP), such as monthly premiums, annual deductibles, and prescription co-payments. Extra Help is estimated to be worth about \$4,900 a year.<sup>1</sup> This is an important savings—one that many qualified people don't know about.

## Who Qualifies for Extra Help?

**In order to qualify for Extra Help:**

- **You must be enrolled in a Medicare PDP.** Extra Help only applies to the costs associated with Medicare prescription drug coverage. There are other programs that may help with other Medicare costs but the Low-Income Subsidy (LIS), or “Extra Help,” is **only** for Medicare prescription drug costs
- **You must live in one of the 50 States or the District of Columbia.** If you live in 1 of the 5 American territories (Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, or American Samoa), there are programs to help pay some Medicare costs. Programs vary, so call or visit your Medicaid office to learn what help may be available
- **You must have limited income.** To qualify for Extra Help, the annual income limit for individuals is \$18,735,\* and \$25,365\* for a married couple living together.<sup>2,3</sup> But even if your income is higher, you may still be able to qualify for some help—for example, if you live in Alaska or Hawaii, or you or your spouse support other family members who live with you.<sup>3</sup> Also, some cash payments **don't count** as income: food stamps (Supplemental Nutrition Assistance Program), home energy assistance, and earned income tax credit payments are just a few. Contact Social Security for other exclusions<sup>1</sup>
- **You must have limited resources.** To qualify for Extra Help, resources must not total more than \$9,230 for individuals (\$14,600 for married couples living together) for full low-income subsidies and \$14,390 for individuals (\$28,720 for married couples living together) for partial low-income subsidies.<sup>4†</sup> Countable resources include things like bank accounts and investments (eg, stocks and bonds). Your home, vehicle, furniture, personal possessions, burial plots, and life insurance policies **don't count** as resources

\*These income limits represent 150% of the 2019 Federal Poverty Level (FPL) for the 48 contiguous States and District of Columbia. Alaska and Hawaii have separate and slightly higher poverty levels.<sup>3</sup>

†Presumes that beneficiary has notified SSA of intent to use some resources for burial expenses (burial exclusion).<sup>4</sup>



## How Can I Get Extra Help?

**Automatic:** If you have Medicare and Medicaid (also called “dual-eligible”), have Medicare and receive Supplemental Security Income (SSI) benefits, or get help paying for Medicare through a Medicare Savings Program,<sup>5</sup> you will automatically get Extra Help and don’t need to apply for it.<sup>6</sup>

**Apply:** If you have limited income and resources, but do not meet the automatic enrollment requirements, you may apply for Extra Help by submitting an application to Social Security. To determine if you are eligible, Social Security will need your income and resource information.

### **Documents that may help you prepare include:**

- Social Security card
- Bank account statements (savings, checking)
- Investment account statements (retirement accounts, mutual funds, etc)
- Tax returns
- Payroll stubs
- Most recent benefits letter/statement (Social Security, Veterans, other)

## How Do I Apply?

There is no cost to apply for Extra Help. Even if you are not sure if you are eligible, go ahead and apply. Social Security will review your application to determine if you qualify and the level of assistance you can receive. If you find that you are not eligible when you first apply, you can reapply for Extra Help at any time if your income and/or resources change.

### There are a number of ways to apply:

- To apply online, visit <https://secure.ssa.gov/i1020/start>. The website includes instructions in multiple languages
- To apply by telephone, request a paper application to return by mail, or make an appointment at the local Social Security office, call **1-800-772-1213**. (TTY users should call **1-800-325-0778**)
- To apply through the State Medical Assistance (Medicaid) office, visit [www.medicare.gov/contacts/](http://www.medicare.gov/contacts/) to get the contact information for the state office, or call **1-800-MEDICARE (1-800-633-4227)** and say “Medicaid” to obtain the telephone number. (TTY users should call **1-877-486-2048**)

Social Security will verify with the Internal Revenue Service (IRS) the financial information you submit with your application. If you are eligible for Extra Help, Medicare will notify you and your Part D plan/benefits provider.

## When Should I Apply?

You can apply for Extra Help at any time. If you find that you are not eligible when you first apply, you can always reapply if your income and/or resources change.

## How Does Extra Help Work?

When you apply for Extra Help, Social Security will first determine your eligibility for the program and then the level of assistance for which you qualify. In other words, how much the Extra Help program will pay toward your Medicare prescription drug costs is determined by your financial need and eligibility for other government assistance such as the Medicare Savings Program. There are 2 levels of Extra Help: full subsidy and partial subsidy. See next page for a quick look at the different benefit levels.

# Summary of 2019 Medicare Part D Benefit Levels for Extra Help<sup>2,7</sup>

Level of Extra Help	Eligibility	Benefit
<b>FULL</b> Low-Income Subsidy	<ul style="list-style-type: none"> <li>Medicare + Medicaid, Medicare + SSI, or belong to a Medicare Savings Program</li> <li>Income levels at or below 135% of the Federal Poverty Level (FPL)*</li> <li>Resources that do not exceed the Social Security limitations</li> </ul>	<ul style="list-style-type: none"> <li><b>Premium:</b> 100% coverage</li> <li><b>Deductible:</b> \$0</li> <li><b>Co-payment for generic drugs:</b> no more than \$1.25</li> <li><b>Co-payment for brand-name drugs:</b> no more than \$3.80</li> </ul>
<b>PARTIAL</b> Low-Income Subsidy	<ul style="list-style-type: none"> <li>Medicare only</li> <li>Income level above 135% but below 150% of the FPL*</li> <li>Resources that do not exceed the Social Security limitations</li> </ul>	<ul style="list-style-type: none"> <li><b>Premium:</b> 25%-75% coverage</li> <li><b>Deductible:</b> \$85</li> <li><b>Co-insurance:</b> 15% up to out-of-pocket threshold</li> </ul>

\*Federal Poverty Level (FPL): a measure of income issued every year by the Department of Health and Human Services. Federal poverty levels are used to determine your eligibility for certain programs and benefits, including savings on Medicare prescription drug costs.<sup>6</sup>

## What if I Don't Qualify for Extra Help?

If you don't qualify for Extra Help, there may be other ways to lower your prescription drug costs:

- Your state may have programs to help with some of the costs. You can contact your Medicaid office or your State Health Insurance Assistance Program (SHIP) at [www.shiptacenter.org](http://www.shiptacenter.org) for more information
- When selecting a Part D plan, you can use the Medicare Plan Finder at [www.medicare.gov/find-a-plan/questions/home.aspx](http://www.medicare.gov/find-a-plan/questions/home.aspx) to compare Medicare drug plans to find a plan with lower costs
- You can also find out if the company that makes your drug offers any help paying for it

If you believe that your request for Extra Help was incorrectly denied, you may appeal the decision. You will need to complete the Social Security form "Appeal of Determination for Extra Help with Medicare Prescription Drug Plan Costs," which can be found, along with instructions for completion, at [www.ssa.gov/benefits/medicare/prescriptionhelp/forms.html](http://www.ssa.gov/benefits/medicare/prescriptionhelp/forms.html).

Remember, you can also reapply for Extra Help at any time if your income and/or resources change.

## I Want to Apply. What Should I Do Next?

Remember, if you have Medicare and Medicaid (dual-eligible), have Medicare and receive Supplemental Security Income (SSI), or belong to a Medicare Savings Program such as the Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), or Qualified Individual (QI) programs, you will get Extra Help automatically and do not need to apply. If you are not eligible for automatic enrollment and want to apply, here are some steps to help you prepare:



Identify things you own alone, with your spouse, or with someone else, but do not include your home, vehicles, burial plots, life insurance policies, or personal possessions.



Identify your income from all sources, including wages, Social Security benefits, and pensions, but do not include food stamps, energy assistance, or other income exclusions.



Gather your records, including bank statements, tax returns, payroll slips, and any other statements or certificates that show your income and resources.



Visit the Social Security website to review the Extra Help application and instructions at <https://secure.ssa.gov/i1020/start> or call the Social Security office at **1-800-772-1213** (TTY users should call **1-800-325-0778**) for a paper application. You can also get an application at your local Social Security office.



To apply: complete the online form, mail a paper application, or complete the application at your local Social Security office.

## Resources

### Extra Help Forms

For the Extra Help application and instructions for completion, please visit [www.ssa.gov/medicare/prescriptionhelp/forms.html](http://www.ssa.gov/medicare/prescriptionhelp/forms.html).

You may also call Social Security at **1-800-772-1213** (TTY users should call **1-800-325-0778**) to apply over the phone or to request an original paper application. You can also apply at your local Social Security office.

### Understanding Extra Help

For more details on the Extra Help program, including how to determine your resources, what counts as income, and how to choose a Medicare prescription drug plan, please see “Understanding the Extra Help With Your Medicare Prescription Drug Plan,” available at the Social Security website. Visit [www.ssa.gov/pubs/EN-05-10508.pdf](http://www.ssa.gov/pubs/EN-05-10508.pdf).

### Medicare Information

For information on all parts of Medicare, including Part D, Extra Help, and the Medicare Savings Programs, please see “Medicare & You 2019,” available at [www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf](http://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf).

To receive a print copy of this publication, call **1-800-MEDICARE (1-800-633-4227)**. TTY users should call **1-877-486-2048**.

### Medicaid Information

To find information on Medicaid in any state, visit [www.medicaid.gov](http://www.medicaid.gov).

### State Health Insurance Assistance Programs (SHIPs)

The State Health Insurance Assistance Program is a national program that offers one-on-one counseling and assistance to people with Medicare and their families. For more information, and to find your local SHIP branch, please visit [www.shiptacenter.org](http://www.shiptacenter.org).

# Medicare Part D 2019 Prescription Drug Benefit

## Low-Income Subsidy Parameters<sup>2,4,6,7</sup>

Category	Eligible for Both Medicare and Medicaid (Dual-Eligible)		Eligible for Medicare and Medicare Savings Programs (QMB, SLMB, QI) or SSI	Eligible for Medicare Only
	≤100% FPL*	>100% FPL*	≤135% FPL*	<150% FPL*
<b>Income Eligibility</b>	≤100% FPL*	>100% FPL*	≤135% FPL*	<150% FPL*
<b>Resource Limits</b>	Subject to Medicaid Resource Test	Subject to Medicaid Resource Test	≤\$9,230 (individual) <sup>†</sup> ≤\$14,600 (married) <sup>†</sup>	≤\$14,390 (individual) <sup>†</sup> ≤\$28,720 (married) <sup>†</sup>
<b>Premium Subsidy</b>	100%	100%	100%	25%-100% depending on income and resources
<b>Deductible</b>	\$0	\$0	\$0	\$85
<b>Co-payment/ Co-insurance</b>	\$1.25 Generic \$3.80 Brand  \$0 if institutionalized <sup>‡</sup>	\$3.40 Generic \$8.50 Brand  \$0 if institutionalized <sup>‡</sup>	\$3.40 Generic \$8.50 Brand	15% up to out-of-pocket threshold
<b>Maximum Catastrophic Co-payment</b>	\$0	\$0	\$0	\$3.40 Generic \$8.50 Brand

\*Federal Poverty Level (FPL): a measure of income issued every year by the Department of Health and Human Services. Federal poverty levels are used to determine your eligibility for certain programs and benefits, including savings on Medicare prescription drug costs.<sup>6</sup>

<sup>†</sup>All resource limits in this chart include the \$1,500 per person burial exclusion.

<sup>‡</sup>Those who are institutionalized, or those who would be institutionalized if not receiving home- and community-based services.

## References

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7. Announcement of calendar year (CY) 2019 Medicare Advantage capitation rates and Medicare Advantage and Part D payment policies and final call letter. US Centers for Medicare and Medicaid Services website. <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2019.pdf>. Accessed January 28, 2019.

