



## Medicare Part D Extra Help

The Medicare Part D Extra Help Program (also called the Low-Income Subsidy or “LIS”) helps Medicare consumers dramatically lower their prescription drug costs and can help individuals save thousands of dollars per year.

**Anyone who has Medicare and gets *any* help from Medicaid (even if it’s just payment of the Medicare Part B premium) should automatically get full Extra Help and doesn’t need to apply.** Other Medicare beneficiaries will need to apply to the Social Security Administration (SSA) to get this help.

### How to Qualify:

Medicare beneficiaries who do not receive any Medicaid benefits must meet income and resource guidelines to qualify for Extra Help. Please note that someone’s income and resources could be higher than these amounts yet still qualify for Extra Help because SSA may not count all of her income and/or resources. Below are the 2019 guidelines.

#### Full Subsidy:

Countable Income must be below 135% FPL (see table below)

Countable Resources\* must be below \$9,230 (if single) / \$14,600 (if married)

#### Partial Subsidy:

Countable Income must be below 150% FPL (see table below)

Countable Resources\* must be below \$14,390 (if single) / \$28,720 (if married)

2019 Federal Poverty Levels (FPL)		
Household Size	135% (monthly income)	150% (monthly income)
1	\$1,405	\$1,561
2	\$1,902	\$2,114

\*The amounts listed include the \$1,500 per person disregard automatically given to applicants who plan to use their assets for funeral/burial expenses.

**Household size:** Generally, the household size will be one if the applicant lives alone or is not married and two if the applicant is married. However, if an applicant has a relative living with her who depends on the applicant for at least half of their financial support, this should be noted on the application. The dependent relative will then count in the applicant's household size but the income of that dependent relative will not count when determining the applicant's eligibility for Extra Help.

## How is income counted?

**Applicants must report all of their income as requested on the Extra Help application, but some income may not be counted when determining eligibility.**

- *Unearned income:* Unearned income must be reported on a monthly basis before any deductions are taken out (such as the Medicare Part B premium, child support, etc). When determining Extra Help eligibility, SSA will not count the first \$20/month of gross unearned income.
- *Earned income:* Earned income must be reported on a yearly basis with the consumer projecting the gross amount (before taxes or deductions are taken out) they expect to earn that year. If earnings fluctuate during the year, figure the average monthly income and multiply by it by twelve to project the yearly amount. When determining eligibility, SSA will only count approximately half of the reported projected earnings.

## How are resources counted?

SSA asks for information about certain resources owned by an applicant/her spouse on the Extra Help application. Even if a resource is counted, the entire value of the resource may not count when determining eligibility for Extra Help.

- **SSA will count :**
  - Any real estate or property that is not the person's primary residence
  - Liquid resources (i.e., stocks, bonds, IRAs, CDs, 401ks, annuities) unless an applicant can show that a particular resource cannot be converted to cash within 20 days.
- **SSA will not count:**
  - An applicant's primary residence, motor vehicles, life insurance, burial plots/spaces, and irrevocable burial accounts.
  - \$1,500 of resources for the applicant (and \$1,500 for her spouse) unless the individual states on the application that he/she does not plan to use resources to pay for funeral or burial expenses.

## How to apply:

- Individuals can apply for the Extra Help in one of the following ways:
  - Online at [www.ssa.gov/prescriptionhelp](http://www.ssa.gov/prescriptionhelp)
  - By phone with SSA at 1-800-772-1213
  - By mail (must be an original LIS application-SSA-1020)

**Individuals needing help with their application can contact the APPRISE program at 1-800-783-7067.**

SSA does **not** require individuals to submit verification of information reported on the Extra Help application. If SSA needs documentation to finish processing the application, they will contact the applicant by phone or by mail.

SSA will send a written notice telling the applicant if he qualifies for the Extra Help and how much help he will get. If an individual does not agree with the SSA determination, he can appeal.

## How does Extra Help lower drug costs?

If someone is approved for Extra Help, SSA notifies Medicare who updates their system to reflect the help and notifies the person's Medicare drug plan. Once all the systems are updated, the individual should have the following costs based on their level of subsidy.

	<b>Full Subsidy 2019</b>	<b>Partial Subsidy 2019</b>
Premium Help	100% help (up to \$37.03)	25-100% help (up to \$37.03)
Deductible	\$0	\$85
Co-pays for medications	\$1.25 or \$3.80/generics; \$3.40 or \$8.50/brand names (depending on income); After reach certain amount of spending-\$0 Or \$0 if receiving Medicaid-covered long-term care services in Nursing Home or Waiver Program;	15% until reach certain amount of spending and then \$3.40/generics and \$8.50/brand names
Doughnut Hole	None	None

Medicare will take steps to enroll someone who gets approved for the Extra Help but who is not yet already enrolled in a Medicare drug plan. Medicare will send person a notice about the auto-enrollment on yellow or green paper.

Individuals who have questions about the notice or any questions about Extra Help are encouraged to call PHLP's Helpline at 1-800-274-3258.

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*This publication is intended to provide general legal information, not legal advice. Each person's situation is different. If you have questions about how the law applies to your particular situation, please consult a lawyer or call the Helpline at 1-800-274-3258.*