



LOCAL HELP FOR PEOPLE WITH MEDICARE

## **Low Income Subsidy: Extra Help for Part D Costs**

The Medicare Modernization Act of 2003 (MMA) added a prescription drug benefit to Medicare in January 2006. This drug benefit is referred to as Medicare Part D. The law also provides financial assistance with the cost of Medicare Part D for Medicare beneficiaries with low incomes and limited assets. This fact sheet discusses this assistance called “Extra Help” or low-income subsidy (LIS).

### **Benefits of Extra Help**

The Extra Help/LIS assists eligible beneficiaries with the costs of Part D, including premiums, deductibles and co-payments. Depending on income and resources, you may qualify for a full subsidy or a partial subsidy. For people who qualify for the full subsidy, there are several plans available that would have no monthly premium. If you qualify for LIS, you may change plans at any time of the year. (See attachments for details.)

### **Applying for Extra Help**

Some people are automatically eligible for Extra Help/LIS and do not have to apply. Others must apply for this benefit through the Social Security Administration.

**If you have both Medicare and Medicaid (Title 19)** you do not need to apply for the Extra Help/LIS because you are automatically eligible. People with both Medicare and Medicaid are eligible for a full subsidy. Medicare will send you a letter informing you that if you do not enroll in a plan of your choice, Medicare will auto-enroll you into one of the low cost Part D plans. The letter will include: 1) which plan you will be enrolled into – if you do not enroll in a plan of your own choice, and 2) the costs of the plan, such as co-payments on medications. Medicare will *randomly* select a plan for you, so you may want to choose a plan yourself to ensure best coverage for your medications at the lowest cost. Wisconsin Medicaid requires that if you have both Medicare & Medicaid (dual eligible) you must be enrolled in Part D - because Medicaid will not cover drugs that are normally covered by Part D plans.

**If you receive Medicare Savings Program (QMB, SLMB, or QI)** you do not have to apply for Extra Help/LIS because you are automatically eligible. The Medicare Savings Programs assist eligible beneficiaries with the costs of Medicare Parts A & B. People must apply for this benefit through their county Department of Health and Family Services. The Medicare Savings Programs entitle you to a full subsidy, and if you do not enroll in a Part D plan of your choice, Medicare will automatically assign you a plan.

**If your income is below 150% of the federal poverty level (FPL)** and you do not have Medicaid or Medicare Savings Program, you can apply for the Extra Help/LIS yourself. This application process is administered by the Social Security Administration, and they process applications and notify beneficiaries of eligibility determinations. There are different levels of subsidy, depending on income and assets of the applicant. If your income is between 135% – 150% of FPL you may have to pay a percentage of the premium, deductible and co-payment on drugs. If you are determined eligible for the Extra Help/LIS, Medicare will enroll you in a Part D plan unless you enroll in a Part D plan of your choice or “*opt out*” of Part D.

**People with retiree/employer health coverage** may not be automatically enrolled by Medicare even if they qualify for the Extra Help/LIS. This is a protection Medicare placed in the system to protect beneficiaries with retiree or employer sponsored health/drug coverage. If you have some other type of drug benefits, it may be best to receive advice from a trained SHIP Counselor before enrolling into a Part D plan. Some people can keep their retiree/employer coverage with Part D, but some could lose their other benefits if they enroll in Part D. *(For help, see the resource list below.)*

**Medicare Advantage Plans with drug coverage** are another option for beneficiaries who qualify for the Extra Help. The Extra Help will only reduce the portion of the premium that covers drugs, but will not reduce the part of the premium associated with other health care costs. Therefore, it may be advisable to compare options available to you.

**With Extra Help/LIS you can change plans at any time** and this includes the Medicare Advantage plans as well as the stand-alone Part D plans.

**Eligibility for Extra Help/LIS** *(See attached chart for this year's income/asset limits).*

### **Resources that can help:**

**CWAG Prescription Drug Helpline**

1 (866) 456-8211

[www.cwag.org](http://www.cwag.org)

Assistance with Medicare Part D & other prescription drug coverage options

**Disability Drug Benefit Helpline:**

1(800) 926-4862

[www.disabilityrightswi.org](http://www.disabilityrightswi.org)

For people under age 60 on Medicare due to disability

**Medigap Helpline:**

1 (800) 242-1060

<http://longtermcare.state.wi.us>

Information on Medicare supplement insurance, Medicare Advantage plans, and other health insurance options

**Benefit Specialist:** Contact your County Aging Unit or Aging/Disability Resource Center

**Medicare:**

1 (800) 633-4227

[www.medicare.gov](http://www.medicare.gov)

**Social Security:**

1 (800) 772-1213

[www.ssa.gov](http://www.ssa.gov)

To apply for "Extra Help"  
(Low Income Subsidy)



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