Extra Help With Prescription Drug Costs:
2018 Medicare Low-Income Subsidy (LIS)

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 the plan for more information about coverage or any restrictions or prerequisites that may apply. We strongly recommend you consult the payer organization 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, such as monthly premiums, annual deductibles, and prescription co-payments. Extra Help is estimated to be worth about $4,000 a year.¹ 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 Prescription Drug plan.** 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 (or “Extra Help”) is only for Medicare prescription drug costs.

• **You must live in one of the 50 states or the District of Columbia.**¹ 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.²

• **You must have limited income.** To qualify for Extra Help, the annual income limit for individuals is $18,210,* and $24,690* for a married couple living together.³ But even if your income is higher you may still be able to qualify for some help, including if you live in Alaska or Hawaii, or you or your spouse support other family members who live with you.¹ 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.⁴

• **You must have limited resources.** To qualify for Extra Help, resources must not total more than $14,100* for individuals and $28,150* for a married couple living together.¹ 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.¹,⁵

*These numbers have been updated as of the first quarter of 2018.³
How Can I Get Extra Help?

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

**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 the Social Security Administration (SSA). 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 resources change.

There are a number of ways to apply:

• To apply online, visit: https://secure.ssa.gov/i1020/start. This application may be filled out online or completed and mailed to the SSA office. The website includes instructions in multiple languages.

• To apply by telephone, mail a paper application, or make an appointment at the local SSA office, call 1-800-772-1213 (TTY users should call 1-800-325-0778).

• To apply through the State Medical Assistance (Medicaid) office, visit https://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).

The Social Security Administration 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 the Part D plan in which you are enrolled.

When Should I Apply?

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

How Does Extra Help Work?

When you apply for Extra Help the SSA 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. Here is a quick look at the different benefit levels:
**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: [https://www.shiptacenter.org](https://www.shiptacenter.org) for more information.

- When selecting a Part D plan, you can use the Medicare Plan Finder at [https://www.medicare.gov/find-a-plan/questions/home.aspx](https://www.medicare.gov/find-a-plan/questions/home.aspx) to compare Medicare drug plans to find a plan with lower costs.

- You may 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 SSA form “Appeal of Determination for Extra Help with Medicare Prescription Drug Plan Costs,” which can be found, along with instructions for completion, at: [https://www.ssa.gov/benefits/medicare/prescriptionhelp/forms.html](https://www.ssa.gov/benefits/medicare/prescriptionhelp/forms.html). Remember, you can also reapply for Extra Help at any time if your income and resources change.

<table>
<thead>
<tr>
<th>Level of Extra Help</th>
<th>Eligibility</th>
<th>Benefit</th>
</tr>
</thead>
</table>
| **FULL** Low-Income Subsidy | • Medicare + Medicaid, Medicare + SSI, or belong to a Medicare Savings Program  
• Income levels at or below 135% of the Federal Poverty Level (FPL)*  
• Resources that do not exceed the SSA limitations | • Premium: 100% coverage  
• Deductible: $0  
• Co-payment for generic drugs: as low as $1.25  
• Co-payment for brand-name drugs: as low as $3.70 |
| **PARTIAL** Low-Income Subsidy | • Medicare only  
• Income level above 135% but below 150% of the FPL  
• Resources that do not exceed the SSA limitations | • Premium: 25%-75% coverage  
• Deductible: $83  
• Co-insurance: 15% up to Out-of-Pocket Threshold |

*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.*

**Summary of 2018 Medicare Part D Benefit Levels for Extra Help**

- **2018 Medicare Low-Income Subsidy:**
  
  - **Benefit Levels:**
    - **FULL** Level: 100% coverage for premium, $0 deductible, $1.25 co-payment for generic drugs, $3.70 co-payment for brand-name drugs.
    - **PARTIAL** Level: 25%-75% coverage for premium, $83 deductible, 15% co-insurance up to Out-of-Pocket Threshold.

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[6](#) This section provides a summary of the benefits available under Extra Help for Medicare Part D prescription plans in 2018. It highlights the different levels of help available, such as FULL and PARTIAL, and details the specific benefits associated with each level. The table compares the premium, deductible, and co-payment levels for generic and brand-name drugs under FULL and PARTIAL eligibility. Additionally, it notes that resources must not exceed the SSA limitations for eligibility. The summary concludes with a note on the Federal Poverty Level, which is used to determine eligibility for various programs and benefits, including Extra Help for Medicare Part D prescription drug costs.
I Want to Apply. What Should I Do Next?

Remember, if you have Medicare and Medicaid (dual-eligible), have Medicare and receive Social Security Income (SSI), or belong to a Medicare Savings Program (QMB, SLMB, or QI), you will get the 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:

- Apply: complete the online form, mail a paper application, or complete the application at your local SSA office.

- Visit the Social Security Administration (SSA) website to review the Extra Help application and instructions at [https://secure.ssa.gov/i1020/start](https://secure.ssa.gov/i1020/start) or call the SSA 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 SSA office.

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

- 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.

- 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.
Resources

Extra Help Forms
For the Extra Help application and instructions for completion, please visit: https://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 choosing a Medicare prescription drug plan, please see “Understanding the Extra Help With Your Medicare Prescription Drug Plan,” available at the Social Security website: https://www.ssa.gov/pubs/EN-05-10508.pdf

Medicare Information

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: https://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 https://www.shiptacenter.org
### Medicare Part D 2018 Prescription Drug Benefit

#### Low-Income Subsidy Parameters

<table>
<thead>
<tr>
<th>Category</th>
<th>Eligible for Both Medicare and Medicaid (Dual-Eligible)</th>
<th>Eligible for Medicare and Medicare Savings Programs (QMB, SLMB, QI) or SSI</th>
<th>Eligible for Medicare Only</th>
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<td>≤100% FPL</td>
<td>≤135% FPL</td>
<td>≤150% FPL</td>
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<td><strong>Resource Limits</strong></td>
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<td>Subject to Medicaid Resource Test</td>
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<td>≤$28,150 (married)*</td>
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<td><strong>Premium Subsidy</strong></td>
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<td>100%</td>
<td>100%</td>
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<td>25% - 75% depending on income and resources</td>
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<tr>
<td><strong>Deductible</strong></td>
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<td>$83</td>
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<tr>
<td><strong>Co-payment/Co-insurance</strong></td>
<td>$1.25 Generic $3.70 Brand</td>
<td>$3.35 Generic $8.35 Brand</td>
<td>$3.35 Generic $8.35 Brand</td>
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<td>$0 if institutionalized†</td>
<td>$0 if institutionalized†</td>
<td>15% up to Out-of-Pocket Threshold</td>
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<td><strong>Maximum Catastrophic Co-payment</strong></td>
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<td>$0</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>$3.35 Generic $8.35 Brand</td>
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*These numbers have been updated as of the first quarter of 2018.*
†Those who are institutionalized, or those who would be institutionalized if not receiving home- and community-based services.
References


