

## How long does the LIS last?

Once approved for the LIS, your approval will last one year. Each year, persons receiving the LIS will have their LIS eligibility redetermined by Social Security. The SSA will send each subsidy recipient a notice which lists the person's/couple's known assets, income and household size. The consumer then needs to inform SSA (by mail or phone) within 15 days if there are any changes to their situation or if the information in the notice is incorrect. If the information in the notice is correct, SSA should find the individual LIS eligible for another year. If there is a change in income and, thus a change in eligibility, the individual will receive a notice indicating how their subsidy had changed or been stopped. These decisions can be appealed and PHLP can help with these appeals.

Dual eligibles are "re-deemed" LIS eligible every year as well—which means that if the person is confirmed to still be a dual eligible, she will be automatically given the LIS for another year. Note that the income and asset limits for the LIS are higher than they are for some Medical Assistance Programs. If an individual is no longer deemed eligible for LIS (because they no longer have Medical Assistance), they should file an application to see if they qualify for a full or partial LIS.

For information or assistance with the LIS please call Pennsylvania Health Law Project at 1-800-274-3258 or 1-866-236-6310 TTY.

## Problems with the Subsidy

### **If you should have the subsidy but it is not working at the pharmacy:**

A too common problem occurs with LIS information not swiftly transferring to the Part D plans. So, even though you may have been deemed or approved for the subsidy, your plan may not know this. Call PHLP for direct assistance in resolving these problems.

### **If denied:**

If your subsidy application is denied, stopped, or you disagree with the amount of the subsidy you were given, you may appeal the decision. Information about the appeals process is found in the subsidy notice you receive.

## About the Pennsylvania Health Law Project

The Pennsylvania Health Law Project (PHLP) is a statewide center of legal expertise and advocacy devoted to helping low income, elderly, and Pennsylvanians with disabilities gain access to quality health care. PHLP is a private, nonprofit corporation with offices in Philadelphia, Pittsburgh and Harrisburg. PHLP's services are free to qualified individuals.

Call our statewide, toll-free Helpline:

**1-800-274-3258**

**1-866-236-6310 TTY**

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The Pennsylvania Health Law Project



## Covering the costs of Prescription Drugs:

### Low Income Subsidies- Am I Eligible and How Do I Apply?

### A Consumer's Guide to Accessing Health Care Through LIS

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Pew Charitable Trusts*

**D**epending on your income, assets and whether you have Medical Assistance, you may be eligible for help covering the costs of prescription drugs through the Medicare Part D program. In other words, you may qualify for one of the two low income subsidy (LIS) programs—also known as the “full” subsidy and the “partial” subsidy.

## What will the subsidy cover?

### Full Subsidy:

If you qualify for a full subsidy, you will not have to pay the monthly premium or annual deductible. You will have to pay small co-pays; however, these will be no more than \$2 for generic drugs and \$5.35 for name brand drugs. You will not have to pay co-pays once your total out of pocket expenses for the year reach \$3850. If you are institutionalized (nursing home, ICF/MR), you will not have to pay co-pays.

### Partial Subsidy:

Those who qualify for a partial subsidy will have their monthly premium and annual deductible reduced. The monthly premium is reduced based on a sliding scale depending on income, and the deductible is reduced to \$53/year. Once the deductible has been met, a 15% co-pay will be charged for all prescriptions, until your out of pocket expenses reach \$3850. Thereafter, you will only have to pay small co-pays for the rest of the year.

## How Do I Qualify?

### If you have full Medicaid:

You automatically qualify for the LIS.

### If you don't have full Medicaid:

To qualify for a Full LIS in 2007, you must have a monthly income of less than \$1,149/month and assets less than \$6,120 if you are single. For a married couple to qualify for a full subsidy, they must have a monthly income of less than \$1,540 and assets less than \$9,190.

To qualify for a partial subsidy, a single individual must have a monthly income between \$1,149 and \$1,276 and assets less than \$10,210. For married couples to qualify for a partial subsidy, their income must be between \$1,540 and \$1,711 per month, and assets must be less than \$20,410.

## What Income and Assets Count in Determining Eligibility?

You must report all of your and your spouse's current income and assets on the subsidy application. However, there are many kinds of income and assets that do not count. For example, \$240/year of unearned income (i.e. social security, pension) does not count. Nor does the first \$65 and 1/2 of the remainder of your earned income (i.e. wages) each month. The property that is your primary residence is not counted, nor is your car or personal possessions.

Information on other items that are not counted towards income or resources can be obtained by calling the Pennsylvania

Health Law Project at (800)274-3258. All who could benefit from a subsidy are urged to apply. ***When in doubt about your own eligibility, apply!***

## How Do I Apply for a Subsidy?

Dual eligibles (persons with Medicare and Medical Assistance [MA]) are automatically approved for a subsidy. So, if you receive any sort of MA, you need not apply for the subsidy. As soon as you are enrolled in a Medicare Part D plan, you should receive a letter stating that you have been approved for a full subsidy.

If you are not receiving MA, you must fill out a subsidy application and submit it to the Social Security (SSA) office or to the local County Assistance office (CAO) to see if you qualify. You will receive a letter telling you whether you have been approved and how much assistance you will receive—the full or partial subsidy. These decisions can be appealed and PHLP can help with these appeals.

If you need an application:

- You can call SSA for an application.
- You can visit your local SSA and ask for an application.
- You can apply online at [www.socialsecurity.gov/medicare](http://www.socialsecurity.gov/medicare) or
- You can apply through your local CAO

If you need assistance in completing your application, ask for help from the SSA or the CAO.