



Medicare Part D Extra Help

The Medicare Part D Extra Help Program (also called the Low-Income Subsidy or “LIS”) helps people on Medicare 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 should automatically get Extra Help and doesn’t need to apply. This includes people whose only Medicaid benefit is the payment of the Medicare Part B premium. People who automatically get Extra Help will get a letter about this that is on purple paper. All other Medicare beneficiaries need to apply to the Social Security Administration (SSA) to get this help.

How to Qualify

Medicare beneficiaries who do not get any Medicaid benefits must meet income and resource guidelines to qualify for Extra Help. Please note that people’s income and resources could be higher than these amounts and they could still qualify for Extra Help because SSA may not count all of their income and/or resources.

Prior to 2024, there were two levels of Extra Help: full Extra Help and partial Extra Help. As of January 1, 2024, partial Extra Help has ended. Now, everyone who qualifies for Extra Help gets the most help available (i.e. full Extra Help!)

2024 Eligibility Guidelines for Extra Help		
Household Size	Monthly Income Limit	Resource Limit ¹
1	\$1,883	\$17,220
2	\$2,555	\$34,360

¹ The resource limits listed in this table include the \$1,500 per person disregard that is automatically given to applicants who plan to use their resources for funeral or burial expenses.

Household size: Generally, household size will be one (1) if the applicant is not married or is not living with their spouse. This includes people who are widowed, separated, or divorced. The household size will be two (2) if the applicant is married and lives with their spouse. If the applicant is married but their spouse does not live with them, they are a household of one (1).

IMPORTANT: The application asks about the number of relatives who live with the applicant and depend on the applicant for at least half of their financial support. These dependent relatives will count in the applicant's household size, but any income they have is not counted!

What income is counted?

Applicants must report all 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 monthly 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 per month of unearned income.
- *Earned income:* Earned income must be reported on a yearly basis with the applicant projecting the gross amount (before taxes or deductions are taken out) they expect to earn that year. If earnings change during the year, then multiply the average monthly income by twelve to project the yearly amount. When determining eligibility, SSA will only count approximately half of the reported projected earnings.

What resources are counted?

SSA asks for information about certain resources owned by an applicant/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 the following resources:**
 - 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 the following resources:**
 - 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 their spouse) unless the individual states on the application that they do not plan to use resources to pay for funeral or burial expenses.

How to Apply

People can apply for the Extra Help in one of the following ways:

1. Online at www.ssa.gov/prescriptionhelp
2. By phone with SSA at 1-800-772-1213
3. By mail (must use an **original** paper application, Form SSA-1020)

SSA does **not** require individuals to submit proof of information reported on the Extra Help application. If SSA needs documentation to process the application, they will contact the applicant by phone or mail to ask for more information.

People who need help applying for Extra Help should call the PA MEDI program at 1-800-783-7067.

SSA will send a written notice telling applicants if they qualify for Extra Help, when it starts, and how much help they will get. If someone does not agree with the SSA determination, they can appeal.

How does Extra Help lower drug costs?

When someone gets approved for Extra Help, they are assigned to a copay level depending on Medicaid benefits (if applicable) and/or income. Medicare updates its system to show the Extra Help and notifies the person's Medicare drug plan (if they have one).

Once all the systems are updated, the individual should have the following costs:

	Extra Help 2024
Premium Help	100% help (up to \$40.16 per month)
Deductible	\$0
Co-pays for medications	\$0 if getting Medicaid-covered long-term care services in Nursing Home or Waiver program; OR \$1.55 generic/\$4.60 brand-name if getting full Medicaid health coverage and income < 100% FPL OR \$4.50 generic/\$11.20 brand-name
Coverage Gap	None

Medicare will take steps to enroll someone who gets approved for Extra Help but who does not select in a Medicare drug plan. Medicare will send the person a notice about the auto-enrollment on yellow or green paper. People can change to a different plan if they want to.

People who have questions about this notice or any other questions about Extra Help can call PHLP's Helpline at 1-800-274-3258.

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 situation, please consult a lawyer or call PHLP's Helpline at 1-800-274-3258.