

FACT SHEET

“EXTRA HELP” WITH PRESCRIPTION DRUG COSTS THROUGH MEDICARE PART D’S LOW-INCOME SUBSIDY

Medicare’s Part D Low Income Subsidy (also known as LIS or “Extra Help”) assists eligible Medicare Part D beneficiaries with out-of-pocket prescription drug costs.

What Does Extra Help Cover?

The Low Income Subsidy helps beneficiaries pay for annual deductibles, monthly premiums and co-payments or coinsurance associated with Medicare Part D prescription drug plans.

Who Is Eligible for Extra Help?

The subsidy is available to Medicare beneficiaries with limited income and resources. To qualify, beneficiaries must:

1. Enroll in a Medicare Part D prescription drug plan;
2. Reside in the contiguous U.S., Alaska or Hawaii (residents of U.S. territories are not eligible); and
3. Satisfy the following income AND resource limits:

Income and Resource Limits for Extra Help (as of 2019)		
	Individuals	Married Couples (<i>living together</i>)
INCOME	< \$18,210	< \$24,690
RESOURCES	< \$9,060 for full subsidy; < \$14,100 for partial subsidy	< \$14,340 for full subsidy < 28,150 for partial subsidy

What types of resources are considered for LIS eligibility?

Resources include bank accounts, stocks and bonds. Note: the values of any home, car or life insurance policy are not included when determining LIS eligibility.

How much are eligible beneficiaries’ out-of-pocket costs for prescription drugs?

	Brand Name	Generic (<i>and certain brand name</i>)
FULL SUBSIDY	\$8.50	\$3.50
PARTIAL SUBSIDY	No more than 15% of the drug cost on the plan’s formulary or the plan copay, whichever is less, up to the plan’s out-of-pocket maximum	

How much are plan premiums and deductibles?

Beneficiaries who qualify for LIS pay nothing, or a reduced amount, for monthly premiums and annual deductibles.



How do beneficiaries apply for Extra Help?

Beneficiaries must complete the Social Security Administration’s *Application for Extra Help with Medicare’s Prescription Drug Plan Costs* (SSA-1020) and apply:

- (i) online at: www.socialsecurity.gov/extrahelp;
- (ii) by calling 1.800.772.1213 (TTY 1.800.325.0778); or
- (iii) at their local Social Security offices.

When is the plan enrollment period for LIS recipients?

Effective 2019, LIS recipients may enroll or disenroll in Medicare or Part D plans only once per quarter. Changes in enrollment during the first three quarters of the year become effective on the first of the month in which the change was made. During the fourth quarter, recipients wishing to enroll or change plans must do so during the Annual Enrollment Period (October 15-December 7).