



CALIFORNIA HEALTH ADVOCATES

Low Income Assistance: Extra Help for Part D Costs

The Medicare Modernization Act of 2003 (also known as the MMA) added a prescription drug benefit to Medicare in January 2006. This drug benefit is referred to as Medicare Part D. For more information, see our online Medicare Topics section on [Prescription Drugs](https://cahealthadvocates.org/prescription-drugs/) at cahealthadvocates.org/prescription-drugs/, or our Fact Sheet D-001.

The law also provides financial assistance with Medicare Part D prescription drug costs for Medicare beneficiaries with low incomes who meet certain income and asset qualifications. This fact sheet discusses this assistance called “Extra Help,” also known as the Low Income Subsidy (LIS) program.

Benefits of Medicare Part D Extra Help/Low Income Subsidy (LIS)

Extra Help pays for some Part D prescription drug plan costs, including Part D plan premiums, deductibles and copayments. Depending on your income and resources, you may qualify for the Extra Help. (See the table on page 3 “Eligibility for Extra Help for 2024.”) To receive the Extra Help, you must enroll in a Medicare Part D plan or a Medicare Advantage prescription drug plan. If you qualify for the Extra Help, you may change plans once a quarter during the year.

Applying for the Extra Help

Some people are automatically enrolled in the Extra Help while others must apply for it on their own. The following discussion describes the different groups.

If you have both Medicare and Medi-Cal

If you have both Medicare and full Medi-Cal benefits, you will receive Extra Help automatically - you do not need to apply for it. Medicare will send you a yellow letter telling you that you are automatically enrolled into Extra

Help. Medicare will also send a separate letter notifying you that if you don't join a plan on your own, Medicare will automatically enroll you in a Part D plan. The letter states: 1) which plan you'll be enrolled in if you don't enroll in one yourself, and 2) your costs in the plan. Since Medicare randomly selects a plan for you and you have the right to choose your own Part D plan, you should find a plan that best meets your needs. Contact HICAP for assistance; see the bottom of this fact sheet for the phone number.

If you have Medi-Cal with a Share of Cost

If you have Medi-Cal with a Share of Cost (SOC), you may qualify for the Extra Help. Unlike people who have full Medi-Cal benefits, you do not *automatically* qualify for the Extra Help unless you meet your SOC (see next paragraph). If you do not meet your SOC, you may apply for the Extra Help online at [socialsecurity.gov](https://www.socialsecurity.gov), by phone at 1-800-772-1213 or in person at a Social Security office. If you need help applying, contact your local HICAP.

If you meet your Medi-Cal SOC for any one month between January 1 and June 30, you automatically qualify for the Extra Help for the rest of the calendar year. If you meet your SOC for any one month between July 1 and December 31, you automatically qualify for the Extra Help for the rest of the calendar year and all of the following year. For more info about Medi-Cal with SOC, see our online [Medi-Cal \(for people with Medicare\)](https://cahealthadvocates.org/low-income-help/medi-cal-for-people-with-medicare/) section located under Low-Income Help at cahealthadvocates.org/low-income-help/medi-cal-for-people-with-medicare/, or see our Fact Sheet E-002.

If you are enrolled in a Medicare Savings Program

You also get the Extra Help automatically if you are enrolled in any one of these Medicare Savings Programs (MSPs): Qualified Medicare Beneficiary (QMB); Specified Low-Income Medicare Beneficiary (SLMB); and Qualified

Individual (QI). You will receive a green letter reminding you to join a Medicare prescription drug plan since you qualify for Extra Help. If you don't choose your own plan, Medicare will enroll you in a plan. The plan name, cost, and effective date of enrollment are in the green notice. Or you may decline Medicare drug coverage if you have coverage from other sources. For more information, see our online [Medicare Savings Programs](#) section under Low-Income Help.

If your income is at or below 150% of the Federal Poverty Level (FPL)

Even if you do not have Medi-Cal or Medi-Cal with a SOC or any MSP mentioned above, you may still qualify for the Extra Help but have to apply on your own. If your income and resources meet the requirements (see the table on page 3 "Eligibility for Extra Help for 2024"), you may qualify. For assistance with applying for the Extra Help, contact HICAP.

If you apply for and are found eligible for the Extra Help, Medicare will enroll you in a Part D plan if you have not already chosen one.

Retiree coverage

Beneficiaries with low incomes who have prescription drug coverage as a retiree benefit should check with the company that processes their retiree benefits before they sign up for the Extra Help or a Medicare Part D plan. Some low-income retirees are able to keep their retiree coverage and also have a Part D plan with the Extra Help, while others are not.

Medicare Advantage plan enrollment

You can also receive the Extra Help if you enroll in a Medicare Advantage plan with prescription drug coverage. The Extra Help reduces the premium that goes toward the prescription drug benefit. But you may be fully responsible for the premium for medical and hospital benefits. See our online section on [Medicare Advantage](#).

Benchmark Plans

Medicare Part D plans with basic benefits whose premiums are below the California benchmark amount are referred to as benchmark plans. The benchmark premium in California in 2024 is

\$40.98. The Extra Help covers the premium and deductible of benchmark plans. This means you do not pay a premium or deductible if you enroll in a benchmark plan and have the full subsidy. You are, however, still responsible for copayments of \$1.55 - \$11.20 per prescription.

The Benchmark Plans for 2024 are:

Clear Spring Health Value Rx - SANCTIONED

– prohibited from accepting new enrollees. Will terminate 12/31/24

clearspringhealthcare.com

1-877-317-6082

Cigna Secure Rx

cigna.com/medicare

1-800-735-1459

Wellcare Classic

wellcare.com

1-866-859-9084

If you qualify for the full Extra Help, you may choose a Part D plan whose premiums are higher than the benchmark of \$40.98. If you do, you may pay some of the premium.

Eligibility for Extra Help/LIS for 2024

You are *automatically* enrolled in a drug plan with Extra Help for 2024 if:

You have	Your resources are at or below	You Pay (for the benchmark plans listed above)
Medi-Cal without a Share of Cost (SOC). This includes the Aged & Disabled Federal Poverty Level program (A&D FPL). Medi-Cal with a SOC and your SOC is met in any one month	No resource limit as of January 1, 2024	No monthly premium No deductible Copayments up to \$1.55/generic and \$4.60/brand-name. No copayments during catastrophic coverage. Above applies until end of year if SOC met before July 1. If SOC met between July 1 and December 31, LIS remains until December of the following year. Note: People with Medi-Cal who are living in a nursing home or receive Home & Community Based Services (HCBS) have no copayments.
a Medicare Savings Program, such as QMB, SLMB or QI	No resource limit as of January 1, 2024	No monthly premium No deductible Copayments up to \$4.50/generic and \$11.20/brand-name. No copayments during catastrophic coverage.

You can self-enroll into the LIS/Extra Help for 2024¹ by applying through the Social Security Administration for 2024 if:

Your Income is... (Note: does not include \$20 disregard.)	Your resources are at or below ² ...	You Pay (for the Plans Listed Above)
Equal to or below 150% of the FPL: (Note these are the 2023 figures. 2024 figures will be updated when available.) Single \$1,823 a month, \$21,870 a year Couple \$2,465 a month, \$29,580 a year	Single \$17,220 Couple \$34,360	\$0 deductible Copayments up to \$4.50/generic and \$11.20/brand-name. No copayments during catastrophic coverage.

¹ You must also enroll in a Medicare Part D drug plan to receive Extra Help/LIS.

² These resource limits include \$1,500 per person for burial expenses. Note the exempt \$1,500 can be in a savings account.

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This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call **1-800-434-0222** to make an appointment at the HICAP office nearest you.

Note: Online access to all CHA fact sheets on Medicare and related topics is available for an annual subscription. See cahealthadvocates.org/fact-sheets/.