

Low Income Subsidy (LIS) Redeeming Questions and Answers

August 2008

Qualifying for Extra Help with Medicare Prescription Drug Coverage Costs

As part of an annual process, Medicare and Social Security are determining whether people who qualify for extra help paying for Medicare prescription drug coverage in 2008 will continue to qualify in 2009. The following are frequently asked questions and answers regarding the transition from 2008 to 2009 for those who qualify for extra help.

How will people who automatically qualified for extra help in 2008 be affected?

Most people who automatically qualify for extra help this year will continue to qualify next year. However, some people who automatically qualified for extra help in 2008 will no longer automatically qualify in 2009. People who no longer have both Medicare and Medicaid (full benefit dual-eligibles), belong to Medicare Savings Programs (partial dual-eligibles), or get Supplemental Security Income (SSI) benefits will no longer **automatically qualify** for extra help. These people will need to apply to Social Security or their State Medical Assistance (Medicaid) office to see if they still qualify for extra help based on their income and resources.

Other people will continue to automatically qualify for extra help in 2009, but their copayment levels will change. The change in copayment level could result from a change in their Medicaid eligibility or status. For example, they may have had a change from one of the following categories to another:

- Having Medicare and Medicaid
- Moving into or out of an institution
- Having income above or below 100 percent of the Federal Poverty Line
- Belonging to a Medicare Savings Program
- Receiving SSI benefits

How will people know if they no longer automatically qualify for extra help?

People who will no longer automatically qualify for extra help in 2009 will receive a letter on grey paper from Medicare in late September. The mailing includes a paper application for extra help from Social Security and a pre-addressed postage-paid envelope. These individuals can apply to see if they still qualify for extra help based on their income and resources.

What should people do if they no longer automatically qualify for extra help in 2009?

People who no longer automatically qualify for extra help should apply to Social Security or their State Medical Assistance (Medicaid) office as soon as possible to see if they still qualify for extra help based on their income and resources. If a person's situation changes so that they again automatically qualify, Medicare will send them another notice on purple paper letting them know that they qualify.

People who no longer qualify for extra help should look at other options that may help pay their drug costs, including available State and local programs. They may also want to compare available Medicare drug plans to their current Medicare drug plan to see if they can save money by switching plans. When comparing plans, people should check to make sure the plan will still

cover the prescriptions they take and include the pharmacies they use. People can call their State Health Insurance Assistance Program (SHIP) for free personalized counseling about their choices (see the *Medicare & You* handbook for their telephone number, or call 1-800 MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

How will people know if their copayment amounts will change?

People whose copayment amounts will change as of January 1, 2009, will receive a letter on orange paper from Medicare in early October letting them know their new copayment amounts. Copayment amounts may change due to a change in Medicaid eligibility or status. For example, people with both Medicare and Medicaid who no longer reside in a nursing home will no longer qualify for a \$0 copayment.

What should people do if they think there's been a mistake determining their eligibility for extra help?

People who think they got a letter by mistake should call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. Callers who report that they are still Medicaid-eligible will be directed to their State Medicaid Agencies.

Did letters go out in Spanish to Spanish-language households?

The letters were mailed in English and included a sentence to let Spanish-speakers know that they can contact 1-800-MEDICARE (1-800-633-4227) to get a Spanish translation.

How does this affect people who applied and qualified for extra help (i.e., those that did not automatically qualify)?

People who applied and qualified (were determined eligible) for extra help may be contacted by Social Security to have their extra help status reviewed for 2009. These reviews are done each year, usually at the end of August. People selected for review will be sent a form to complete called "Social Security Administration Review of Your Eligibility for Extra Help." They will have 30 days to complete and return this form. It is important to note that people who do not return the form will have their extra help status terminated at the end of the year. Social Security may decide any of the following about people selected for review:

- They have no change in the amount of extra help they receive.
- They have an increase in the amount of extra help they receive.
- They have a decrease in the amount of extra help they receive.
- They no longer qualify for extra help.

Any adjustments to the extra help will be effective on January 1 of the following year. Social Security will send a letter to the individual explaining the decision and his/her appeal rights. Individuals not selected for review will have no change in their status.

The Social Security materials referenced above, as well as more detailed information on Social Security's redetermination process, may be obtained by visiting the Social Security website at www.socialsecurity.gov/prescriptionhelp/.

What if people don't agree with Social Security's decision?

People have the right to appeal if they disagree with Social Security's decision. The decision letter they get from Social Security will explain their appeal rights.

Will everyone with extra help get a letter from Medicare or Social Security?

No. People with no changes who continue to qualify for extra help as of January 1, 2009 won't get one of these letters from CMS or Social Security.

Where can people get more information?

People who have questions about Medicare prescription drug coverage, the extra help, or the letter they got from Medicare should call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. They should let Medicare know they got a notice when they call. They can also visit www.medicare.gov for more information.

People who have questions about filling out the application for extra help should visit www.socialsecurity.gov, or call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.