

Change in Low-Income Subsidy Status Due to Change in Personal Circumstances

Changes in LIS Deemed Status

Some people with Medicare will continue to qualify for extra help with prescription drug coverage in 2008, but the amount of extra help they have may change.

Beginning this summer and continuing through the fall, the Centers for Medicare & Medicaid Services (CMS) is determining which individuals will be automatically eligible for the Low Income Subsidy (LIS) for calendar year 2008 based on monthly data from State Medicaid Agencies and SSA. Individuals are deemed eligible for the 2008 calendar year, or what remains of it if they newly qualify mid-year. If someone experienced changes in their personal or financial circumstances during 2007, he/she may be responsible for a different level of copayments for his/her extra help in 2008.

Early October

CMS mails change in extra help copayment level (see link below) notices to people who will continue to automatically qualify for extra help in 2008, but whose copayment levels will change as of January 1, 2008. The notice informs these people what their copayment will be in 2008.

Why Copayments Can Change

The change in copayment level could result when a person with Medicare changes from one of the following categories to another:

- Institutionalized with Medicare and Medicaid,
- Has Medicare and Medicaid,
- Has Medicare and Medicaid and a change in income level,
- Receives help from Medicaid paying Medicare premiums (belongs to a Medicare Savings Program), or
- Receives Supplemental Security Income benefits but not Medicaid.

For example, if someone with both Medicare and Medicaid moved out of a nursing home in sometime during 2007, then he or she will no longer qualify for a \$0 copayment effective January 1, 2008.

Note: People with no changes who continue to automatically qualify for extra help as of January 1, 2008, won't get a notice saying their automatic eligibility continues in 2008.

Part D Information for State Policymakers

December 11, 2007

What Should People Do?

If they have questions about Medicare prescription drug coverage or the information in this notice, they can use any of the following resources:

- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048
- Read “Medicare & You” handbook
- Visit www.medicare.gov on the web
- Call their State Health Insurance Assistance Program (SHIP) for free personalized health insurance counseling. See the “Medicare & You” handbook or call 1-800-MEDICARE for their telephone number.
 - o People can reference the publication number, CMS Publication No. 11199, if they call Medicare or their SHIP with questions.

Additional Information

For more information on the change in copayment due to a change in personal circumstances, please see the following materials:

- A copy of the orange letter (CSM Publication #11199) can be found at:
<http://www.cms.hhs.gov/LimitedIncomeandResources/downloads/11199.pdf>
- More information about CMS & SSA Part D mailings can be found at
<http://www.cms.hhs.gov/States/Downloads/mailings.pdf>