

2021 Low Income Subsidy/LIS Chart Extra Help for Part D Coverage

	Full Benefit Dual Eligibles* (“Deemed”)	Full Limited Income Subsidy	Partial Limited Income Subsidy
Eligibility	Receive Medicare + Medi-Cal benefits with no Share of Cost ² *OR be enrolled in a Medicare Savings Program : QMB, SLMB, or QI	Income below: \$1,469/mo.-single ¹ \$1,980/mo.-married ¹ And assets below: \$9,470-single \$14,960-married <i>Note: Asset limits assume \$1,500 per person is categorized as burial expenses</i>	Income below: \$1,630/mo.-single ¹ \$2,198/mo.-married ¹ And assets below: \$14,790-single \$29,520-married <i>Note: Asset limits assume \$1,500 per person is categorized as burial expenses</i>
How to apply	Automatically eligible—no application required	Complete LIS application & submit to Social Security Admin.	Complete LIS application & submit to Social Security Admin.
Benefits:	Level 2 benefits	Level 3 benefits	Level 4 benefits
Monthly Premium	\$0 for benchmark plans ³	\$0 for benchmark plans ³	\$0 to sliding scale, depending on income, if basic plan’s premium is less than \$31.45
Annual Deductible	\$0	\$0	\$92
Co-pays or co-insurance	For full Medi-Cal: \$1.30 for generic; \$4.00 for other covered drugs For a Medicare Savings Program: \$3.70 for generic; \$9.20 for other covered drugs	\$3.70 for generic; \$9.20 for other covered drugs	15% co-insurance for covered drugs. Once you or the plan has paid \$6,550 for covered drugs, you will pay \$3.70 for generic drugs and \$9.20 for others
Donut hole	No donut hole	No donut hole	No donut hole
Enrollment in Part D plan	Will be auto-enrolled randomly into a benchmark plan unless you have joined a plan. LI-NET coverage for those not yet in a plan	If plan is not selected, will be facilitated randomly into a benchmark plan within two months. LI-NET coverage for those not yet in a plan	If plan is not selected, will be facilitated randomly into a benchmark plan within two months. LI-NET coverage for those not yet in a plan
Right to change plans	Can change plans once per quarter through Sept. 30 th each year	Can change plans once per quarter through Sept. 30 th each year	Can change plans once per quarter through Sept. 30 th each year

¹Includes \$20 disregard. Slightly less than half of earned income is counted. (After subtracting \$65, count half of work income.) If there is work income, best to apply using paper application which asks about work income. Monthly income from tax-qualified retirement plans is not counted either. See over for more details on countable income.

²Note: Persons with Medicare + Medi-Cal with a Share of Cost may qualify for Extra Help in one of two ways. First, if their income is below the LIS limits shown above, they may apply for these benefits through Social Security. Second, they will qualify for the LIS for the rest of the calendar year beginning with the first month they meet their Share of Cost. If they meet their Share of Cost in the last half of the year, they will continue to qualify for LIS for the following year. (See over.)

³2021 California Benchmark Plans:

**Cigna HealthSpring Rx Secure
Elixir Rx Secure
Clear Spring Health Value Rx
WellCare Classic**

**AARP Medicare Rx Saver Plus
Humana Basic Rx
SilverScript Choice**

LIS 101—The Basics (See over for LIS Chart)

What is LIS?

LIS stands for the **Low Income Subsidy**. It is also known by Social Security's term: "**Extra Help for prescription drug coverage**." This program provides significant savings on drug premiums and co-payments for those who qualify. The benefits apply only to Medicare Part D drug plans or Part D benefits in Medicare Advantage plans.

Who qualifies? There are two ways to qualify:

- Most persons complete an application (on-line or on paper) and submit it to Social Security Administration. SSA prefers on-line applications. HICAP counselors as well as family members or friends can apply on behalf of a client.
- Some persons are "**deemed eligible**." They do not have to apply. Individuals are deemed eligible for LIS if they have full Medi-Cal (no share of cost) or if they are in one of the Medicare Savings Programs (QMB, SLMB, Q-I).

What are the criteria for qualifying?

- Income not more than \$1,630/mo. single* or \$2,198/mo. married*
- Assets not more than \$14,790 single or \$29,520 married
**Includes standard \$20 disregard and Part B premium. After subtracting \$65, only half of work income is counted. Monthly payments from tax qualified plans such as IRA's and 401k's are not counted as income. Contributions from others to pay household expenses are not counted.*

What are the benefits? Benefits vary, depending on level of Extra Help. The level of LIS/Extra Help is based on income and assets. See chart on reverse.

Other key points:

- Level 1 benefits: \$0 premium, copays or deductibles. Applies to those with full Medi-Cal and resident in a SNF or receiving Home and Community Based Services. Receipt of In-Home Supportive Services (IHSS) does not qualify a person for \$0 co-pays.
- Persons in a retiree plan that includes prescription coverage will generally not be able to receive LIS benefits, even if qualified by income and assets. (FEHB and other federal insurance rules differ; see HICAP staff.)

Benefits applying to all LIS recipients:

- Can change their PDP or MA plan once per quarter through Sept. 30th each year
- No donut hole is applicable
- Once LIS status is attained, it is good for at least the current year
- Once qualified for LIS, any current Part D late enrollment penalties are permanently ended

Benchmark plan: A prescription drug plan which offers basic benefits and requires no monthly premium for persons who qualify for full LIS benefits. As of 2021 there are seven benchmark plans in California, noted on reverse. Note that benchmark plans may still have restrictions on certain drugs and formulary limitations.

A person with LIS is not required to be in a benchmark plan. In some cases a more expensive plan will offer better coverage for their prescriptions. In this case the approximate benchmark amount (\$31.45 in 2021) will be deducted from the premium they must pay the plan. If a Medicare Advantage plan allocates part of its premium to Part D, there will also be a premium discount on that portion.

Contra Costa HICAP

For more information call HICAP: 925-655-1393, or 800-434-0222 or 800-510-2020 (from land lines)

Or visit: www.cchicap.org