What is the Low Income Subsidy?

Ginger Rogers
Medicare Part D Disability Drug Benefit Helpline
Disability Rights Wisconsin
What is the Low Income Subsidy?

• Also known as “LIS” or “Extra Help”

• Medicare beneficiaries with a subsidy have lower Part D costs than a person without a subsidy
Full Low Income Subsidy

• 100% subsidy of monthly premium for basic prescription drug coverage up to the “benchmark”
• No deductible
• Reduced cost-sharing if plan’s copayment is more than applicable LIS copayment
• No coverage gap
• No cost-sharing above annual OOP threshold
• Waiver of Late Enrollment Penalty
Partial Low Income Subsidy

• 25% to 100% subsidy of monthly premium for basic prescription rug coverage up to the “benchmark”

• Reduction in deductible when plan’s deductible is greater than the maximum deductible amount for the partial subsidy

• Reduction to 15% coinsurance per prescription up to annual OOP threshold; Copayments of no more than maximum copayments for partial subsidy beyond annual OOP threshold

• No coverage gap
Who receives LIS?

Three groups of people receive LIS:

1. Those who apply for and are found eligible for a program called “Extra Help” through Social Security receive a subsidy. The subsidy is “full” or “partial” depending on income and assets.

2. Full benefit dual eligible (people with both full Medicaid card services and Medicare) automatically receive a full subsidy.

3. MSP (Medicare Savings Program) recipients receive a full subsidy.
Extra Help through Social Security

• Provides full or partial LIS
• Must have assets and income below certain amounts
• Apply through Social Security
Low Income Subsidy through Medicaid

- Provides full LIS
- Apply for Medicaid with local IM consortia office or by using ACCESS
- Recipients of SSI are automatically eligible for Medicaid and full LIS
Low Income Subsidy through Medicare Savings Programs

• Also known as “Medicare Buy-ins”
• Provides full LIS
• Apply for MSP through local IM consortia via Medicaid application
Medicare Part D LIS Costs

<table>
<thead>
<tr>
<th>Initial Coverage Period</th>
<th>Catastrophic Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-Pays:</td>
<td>Co-pays:</td>
</tr>
<tr>
<td>Institutionalized: $0</td>
<td>Brand Name: $0</td>
</tr>
<tr>
<td>HCBWS: $0</td>
<td>Generics: $0</td>
</tr>
<tr>
<td>$1.20 generics &amp; $3.60 brand names</td>
<td></td>
</tr>
<tr>
<td>$2.65 generics &amp; $6.60 brand names</td>
<td></td>
</tr>
</tbody>
</table>

From January 1, 2015 (or at start date for those who begin Med D after January 1, 2015)
LIS Initial Coverage Period Co-Pay Levels

• Level 1
  • Full benefit dual eligible beneficiaries over 100% FPL
  • Those eligible for MSP w/ income at or below 135% FPL
  • Those eligible for SSA Extra Help w/ income at or below 135% FPL & lower resources

• Level 2
  • Full benefit dual eligible beneficiaries up to or at 100% FPL

• Level 3
  • “Zero cost-sharing exemption”
  • Full benefit dual eligible beneficiaries who are institutionalized in a nursing facility or medical institution or who are enrolled in a home and community based waiver (Family Care, Partnership, etc.) at a nursing home level of care
Medicare Part D Partial LIS Costs

Partial Help has three different levels. This represents the maximum beneficiary liability. From January 1, 2015 (or at start date for those who begin Med D after January 1, 2015)

<table>
<thead>
<tr>
<th>Initial Coverage Period</th>
<th>Catastrophic Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-insurance no more than 15% for beneficiary</td>
<td>Co-pays: Brand Name: $6.60, Generics: $2.65</td>
</tr>
</tbody>
</table>

Deductible $66 or less

TOTAL drug cost @ $7,061.76
Low Cost Plans

• To maximize savings with a subsidy, a LIS beneficiary must be in one of these plans
• A low cost plan, sometimes called a benchmark plan, is one with a premium that falls below the benchmark dollar figure for Wisconsin and is a “basic” – not “enhanced” – plan
• Full subsidy individuals have no premium in one of these plans
• The benchmark for WI for 2015 is $35.32
• There are 8 low cost plans for WI this year
2015 WI Low Cost Plans

• There are 7 low cost plans for WI beneficiaries

• We recommend using our plan landscape rather than using the benchmark to identify low cost plans
## Low Cost Plans available in Wisconsin

<table>
<thead>
<tr>
<th>Plan Name</th>
<th>Plan Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>AARP Medicare Rx Saver Plus</td>
<td>Aetna Medicare Rx Saver</td>
</tr>
<tr>
<td>Cigna-HealthSpring Rx Secure</td>
<td>EnvisionRxPlus Silver</td>
</tr>
<tr>
<td>Humana Preferred Rx Plan</td>
<td>Silverscript Choice</td>
</tr>
<tr>
<td>Symphonix Value Rx</td>
<td></td>
</tr>
</tbody>
</table>
Low Cost Plan Available in Wisconsin

• SmartD Saver
Auto & Facilitated Enrollment

• Auto Enrollment
  • Full benefit dual eligible beneficiaries who do not select a Part D plan are auto enrolled by CMS in a low cost plan
  • Usually effective the first of the month of Medicare eligibility

• Facilitated Enrollment
  • Other LIS eligible individuals are subject to facilitated enrollment
  • Effective the first of the 2\textsuperscript{nd} month after the month of Medicare enrollment
Redeeming

• CMS looks at Medicaid data from states in July of every year and uses that data to determine LIS eligibility for the upcoming year
• Those who receive Medicaid, even for one month, after the July window, will be deemed eligible for the subsidy for the remainder of 2015 through December 31, 2016
• Those who receive Medicaid in 2015, even for one month, but lose it before the July window, are eligible for the subsidy for the remainder of 2015
QUESTIONS?
Who to Contact

• Medicare Part D Disability Drug Benefit Helpline
  • 1-800-926-4862