



Medicare Part D Extra Help

The Medicare Part D Extra Help Program (also called the Low-Income Subsidy or LIS) assists Medicare recipients in reducing prescription drug costs, potentially saving them thousands annually.

How to Qualify

- 1. Automatic Enrollment:** Individuals on Medicare receiving any help from Medicaid automatically qualify for Extra Help, including those whose only Medicaid benefit is the Medicare Savings Program coverage of their Part B premium. These individuals will receive a letter about this on purple paper.
- 2. Application Required:** All other Medicare beneficiaries need to apply to the Social Security Administration (SSA) to get this help. Those who do not get any Medicaid benefits must meet income and resource guidelines to qualify for Extra Help.

2025 Eligibility Guidelines for Extra Help

Table 1: 2025 Income and Resource Limits for Medicare Savings Programs (MSPs) in Pennsylvania. Includes eligibility criteria and benefits for QMB, SLMB, and QI-1 categories.

Household Size	Monthly Income Limit	Resource Limit ¹
1	\$1,957	\$17,600
2	\$2,644	\$35,130

Generally, household size is one (1) if the applicant is not married or not living with their spouse. This includes people who are widowed, separated, or divorced. The household size

¹ The resource limits listed in this table include the \$1,500 per person disregard that is automatically given to applicants who plan to use their resources for funeral or burial expenses.

February 2025

The Pennsylvania Health Law Project (PHLP) is a nonprofit legal services organization.

will be two (2) if the applicant is married and lives with their spouse. If the applicant is married but their spouse does not live with them, they are a household of one (1).

IMPORTANT: The application asks about the number of relatives who live with the applicant and depend on the applicant for at least half of their financial support. These dependent relatives will count in the applicant's household size, but any income they have is not counted!

Please note that people's income and resources could be higher than the amounts listed in the table above and they could still qualify for Extra Help. This is because SSA does not count all income and/or resources. Call PHLP's Helpline to discuss how this may apply to your situation: 1-800-274-3258.

What income counts?

Applicants must report all their income as requested on the Extra Help application, but some income may not be counted when determining eligibility.

- **Unearned income:** Unearned income must be reported monthly before any deductions are taken out (such as the Medicare Part B premium, child support, etc.) When determining Extra Help eligibility, SSA will not count the first \$20 per month of unearned income.
- **Earned income:** Earned income must be reported on a yearly basis with the applicant projecting the gross amount (before taxes or deductions are taken out) they expect to earn that year. If earnings change during the year, then multiply the average monthly income by twelve to project the yearly amount. When determining eligibility, SSA will only count approximately half of the reported projected earnings.

What resources count?

Social Security will ask for information about certain resources owned by an applicant/spouse on the Extra Help application. Even if a resource is counted, the entire value of the resource may not count when determining eligibility for Extra Help.

- **SSA will count the following resources:**
 - Any real estate or property that is not the person's primary residence.

- Liquid resources (i.e., stocks, bonds, IRAs, CDs, 401ks, annuities) unless an applicant can show that a particular resource cannot be converted to cash within 20 days.
- **SSA will not count the following resources:**
 - An applicant's primary residence, motor vehicles, life insurance, burial plots/spaces, and irrevocable burial accounts.
 - \$1,500 of resources for the applicant (and \$1,500 for their spouse) unless the individual states on the application that they do not plan to use resources to pay for funeral or burial expenses.

How does Extra Help lower drug costs?

When someone gets approved for Extra Help, they are assigned to a copay level depending on Medicaid benefits (if applicable) and/or income. Medicare updates its system to show the Extra Help and notifies the person's Medicare drug plan (if they have one). all the systems are updated, the costs an individual can expect are outlined in the table below.

Table 2: Overview of the Extra Help 2025 program details, including premium help, deductible, co-pays for medications, and coverage gap information.

Premium Help	100% help (up to \$48.36 per month)
Deductible	\$0
Co-pays for medications	\$0 if getting Medicaid-covered long-term care services in Nursing Home or Waiver program; OR \$1.60 generic/\$4.80 brand-name if getting full Medicaid health coverage and income < 100% FPL; OR \$4.90 generic/\$12.15 brand-name
Coverage Gap	None

Medicare will take steps to auto-enroll someone who gets approved for Extra Help but who does not select a Part D plan into a Medicare drug plan. Medicare will send the person a

notice about the auto-enrollment on yellow or green paper. People can change to a different plan if they want to.

How to Apply for Extra Help

People can apply for Extra Help in one of the following ways:

1. Online at www.ssa.gov/prescriptionhelp
2. By phone with SSA at 1-800-772-1213
3. By mail (must use an **original** paper application, Form SSA-1020)

You are not required to submit proof of information reported on the Extra Help application. If SSA needs documentation to process your application, they will contact you by phone or mail.

Social Security will send a written notice telling applicants if they qualify for Extra Help, when it starts, and how much help they will get. If someone does not agree with the SSA determination, they can appeal.

People who have questions about this notice or any other questions about Extra Help can call PHLP's Helpline at 1-800-274-3258.

This publication is intended to provide general legal information, not legal advice. Each person's situation is different. If you have questions about how the law applies to your situation, please consult a lawyer or call PHLP's Helpline at 1-800-274-3258.