



Information Partners Can Use on:

Qualifying for Extra Help and Joining a Medicare Drug Plan

Medicare Prescription Drug Coverage

As of February 2007

People with Medicare with limited income and resources may qualify for extra help paying for Medicare prescription drug coverage costs. If they qualify, they will get help paying for their drug plan's monthly premium, yearly deductible, and prescription copayments.

How does a person qualify for this program?

The amount of extra help people qualify for is based on their income and resources. If a person has a yearly income below \$15,315 (\$20,535 for a married couple living together) and resources less than \$11,710 (\$23,410 for a married couple living together), he or she may qualify for extra help. These income and resource amounts are for 2007 and may increase each year. If he or she lives in Alaska or Hawaii, or pays more than half of the living expenses of dependent family members, income limits are higher. The resource limits include \$1,500 per person for burial expenses. Resources include savings and stocks, but not a person's home or car.

What ways can a person qualify for this program?

There are people who automatically qualify for extra help and people who need to apply and qualify.

People who automatically qualify

Medicare mails letters to people who automatically qualify for extra help. People who automatically qualify for extra help meet one of the following conditions:

- They have Medicare and Medicaid benefits.
- They have Medicare and get help from their state Medicaid program paying their Medicare premiums (belong to a Medicare Savings Program).
- They have Medicare and get Supplemental Security Income (SSI) benefits but not Medicaid.

The chart on the next page lists the costs for a basic Medicare drug plan for people who automatically qualify for extra help.



2007 Costs for People Who **Automatically Qualify** for Extra Help

If you have Medicare and	Your monthly premium* is	Your yearly deductible is	Your cost** for each generic drug or certain preferred drugs on formulary won't be more than	Your cost** per other covered drug won't be more than
Medicaid and you have lived in a nursing home or other institution for at least 1 month	\$0	\$0	\$0	\$0
Medicaid and your annual income is at or below \$10,210 (single) or \$13,690 (married)	\$0	\$0	\$1	\$3.10
Medicaid and your annual income is above \$10,210 (single) or \$13,690 (married)	\$0	\$0	\$2.15	\$5.35
your state helps you pay for your Medicare premiums	\$0	\$0	\$2.15	\$5.35
you get Supplemental Security Income (SSI) benefits but not Medicaid	\$0	\$0	\$2.15	\$5.35

Notes: Income levels, resources, and cost sharing amounts are for 2007 and may increase each year.

*There are plans available you can join and pay no monthly premium. There are other plans where you would have to pay a portion of the premium. Ask about the premium when you compare plans.

**The amounts decrease to \$0 per prescription once the amount you pay and Medicare pays as the extra help reach \$3,850 per year.



People who apply and qualify

People who don't automatically qualify should apply for extra help if they think they may qualify. People can call Social Security at 1-800-772-1213, visit www.socialsecurity.gov on the web, or apply at their State Medical Assistance office. After they apply, they will get a letter in the mail letting them know if they qualify, how much they qualify for, and what to do next. The chart below lists the costs for a basic Medicare drug plan for people who apply and qualify for extra help.

2007 Costs for People Who **Apply and Qualify** for Extra Help

If you have Medicare and your annual income is	Your monthly premium* is	Your yearly deductible is	Your cost for each generic drug or certain preferred drugs on formulary won't be more than	Your cost per other covered drug won't be more than
below \$13,783 (\$18,481 for a married couple living together) and your resources are less than \$7,620 (\$12,190 for a married couple living together)	\$0	\$0	\$2.15**	\$5.35**
below \$13,783 (\$18,481 for a married couple living together) and your resources are more than \$7,620 but are less than \$11,710 (more than \$12,190 but are less than \$23,410 for a married couple living together)	\$0	Up to \$53	15% of the cost of each prescription***	15% of the cost of each prescription***
below \$15,315 (below \$20,535 for a married couple living together) and your resources are less than \$11,710 (\$23,410 for a married couple living together)	Discounted, but varies	Up to \$53	15% of the cost of each prescription***	15% of the cost of each prescription***

Notes: Income levels, resources, and cost sharing amounts are for 2007 and may increase each year.

*There are plans available you can join and pay no monthly premium. There are other plans where you would have to pay a portion of the premium. Ask about the premium when you compare plans.

The amounts decrease to ** \$0 per prescription or ***\$2.15 and \$5.35 per prescription once the amount you pay and Medicare pays as the extra help reach \$3,850 per year.



When can people who qualify for extra help join a drug plan?

A person who qualifies for extra help must join a Medicare drug plan to get Medicare prescription drug coverage.

People with Medicare can join a Medicare drug plan

- when they first become eligible for Medicare. They can join starting three months before the month they turn age 65, through three months after the month they turn age 65. If they join during the three months before they turn age 65, their coverage begins the first day of the month they turn age 65. If they join the month they turn age 65 or during the three months after, their coverage is effective the first day of the month after the month they join. Generally, if they are disabled, they can join three months before and three months after their 25th month of disability benefits.
- each year between November 15 and December 31. If they join during this time, their coverage is effective January 1 of the following year.
- when they qualify for extra help. They have an opportunity to join a Medicare drug plan on their own before Medicare enrolls them in a plan. **If a person who qualifies for extra help doesn't join a Medicare drug plan or decline enrollment in any plan by calling 1-800-MEDICARE (1-800-633-4227), Medicare will enroll the person in a plan. TTY users should call 1-877-486-2048.**

The chart on the next page lists the costs for a basic Medicare drug plan for people who automatically qualify for extra help.

When will Medicare enroll people who qualify for extra help into drug plans?

- For people who have coverage from a state Medicaid program that currently pays for prescriptions and become eligible for Medicare, their Medicare drug coverage will begin the first day of the month that their Medicare benefits (Part A and/or Part B) begin. Medicare will enroll them in a drug plan for drug coverage effective the first day that their Medicare benefits begin so they don't have a gap in prescription drug coverage.
- For people who have Medicare and become eligible for Medicaid benefits, Medicare will enroll them in a Medicare drug plan if they aren't already enrolled in one. When Medicare identifies these individuals, their coverage is effective back to the first day they were eligible for Medicaid benefits so they don't have a gap in prescription drug coverage.
- For people who have Medicare and get help from their state Medicaid program paying their Medicare Part A and/or Part B premiums (belong to a Medicare Savings Program), Medicare will enroll them in a drug plan if they don't join one on their own. Medicare will send these individuals a letter letting them know when their coverage begins.



When can people who qualify for extra help join a drug plan? (continued)

- For people who apply and qualify for extra help or get Supplemental Security Income (SSI) benefits, Medicare will enroll them in a drug plan if they don't join one on their own. Medicare will send these individuals a letter letting them know when their coverage begins. Their opportunity to join a plan starts when they are notified that they qualify for extra help or the day their coverage in the plan Medicare enrolls them in starts (whichever is first). It ends on December 31 of the same year.

When can people who qualify for extra help switch plans?

- People with Medicare and Medicaid can switch Medicare drug plans at any time for coverage effective the first of the following month.
- People who have Medicare and get help from their state Medicaid program paying their Medicare Part A and/or Part B premiums (belong to a Medicare Savings Program) can switch Medicare drug plans at any time for coverage effective the first of the following month.
- People who apply and qualify for extra help or get Supplemental Security Income (SSI) benefits have an opportunity to switch plans at least once through the end of the calendar year, and once each year after, between November 15 and December 31.

What about people who no longer qualify for extra help as of January 1, 2007?

Medicare is giving people who no longer qualify for extra help a one-time opportunity to enroll in a plan or switch plans from January 1 through March 31, 2007, or starting the month they are notified through the two months after, whichever is later.

For more information

For more information about extra help, visit www.socialsecurity.gov on the web or call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.

For more information about Medicare prescription drug coverage,

- visit www.medicare.gov on the web and use the Medicare Prescription Drug Plan Finder tool. Use your Medicare card for your Medicare number, Medicare effective date (Part A or Part B), date of birth, last name, and ZIP code to get personalized drug plan information. Enter and save your current prescription drug information to get more detailed cost information.



For more information (continued)

- call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
Call to get the information you need 24 hours a day, 7 days a week.

A speech-automated system will ask you questions that you answer with your voice to direct your call automatically.

For...	Just say...
Medicare prescription drug coverage	“Drug Coverage”
Extra Help	“Limited Incomes”
Medicare prescription drug enrollment status	“Status”
Telephone number for your State Medical Assistance (Medicaid) Office	“Medicaid”
Medicare publications	“Publications”
A customer service representative	“Agent”

Note: This tip sheet isn't a legal document. The official Medicare Program provisions are contained in the relevant laws, regulations, and rulings.