

About Medicare Part D

“Extra Help,” or a Low-Income Subsidy (LIS), May Be Available for Your Medicare Patients¹

What is Medicare Part D?

The Medicare Prescription Drug Program, or “Part D,” offers prescription drug coverage to all Medicare beneficiaries. To obtain coverage, individuals enroll in either a stand-alone Prescription Drug Plan (PDP) or a Medicare Advantage PDP, administered by an insurance company approved by Medicare.²

How much do patients pay under Part D?

The Centers for Medicare & Medicaid Services (CMS) sets a defined standard benefit each year, but plans are permitted to offer coverage (basic or enhanced) that is actuarially equivalent to this benefit. Nearly all plans opt to offer actuarially equivalent coverage, meaning that plans vary in terms of cost and drugs covered. The standard benefits design consists of a monthly premium, a yearly deductible, copayments or coinsurance, and catastrophic coverage. Additionally, Medicare Part D categorizes drugs into tiers, each with different costs; lower-tier drugs are generally less expensive than higher-tier ones.^{2,3}

Part D: Sample Costs per Tier		Copay/Coinsurance Range ^{4,a}	LIS Copay ²
TIER 1	Preferred generic	Copayment: \$0 to <\$20	No more than \$11.20 ^{b,c}
TIER 2	Generic	Copayment: \$0 to \$20	
TIER 3	Preferred brand	Copayment: <\$40 to \$47 Coinsurance: ≤25%	
TIER 4	Nonpreferred drug	Copayment: <\$95 to \$100 Coinsurance: <40% to 50%	
TIER 5	Specialty drug	Coinsurance: 25% to 33%	

^aFor the 2023 benefit year.

^bCopay amount subject to meeting out-of-pocket threshold for some qualified patients (see next page).

^cFor the 2024 benefit year.

How can Medicare patients get “Extra Help” with paying for their drugs?

Some patients with LIS, such as those who are dually eligible for Medicare and Medicaid, are deemed eligible, whereas others must apply. Enrollees with low incomes and modest assets who have not been automatically assigned to a plan can **contact the Social Security Administration (SSA) or their State Medicaid Agency** to determine whether they qualify. Examples of how subsidies can help are shown on the next page.^{2,3}

About LIS (“Extra Help”): Available to Enrollees of Medicare Part D

LIS eligibility and cost sharing⁵

The 2024 federal poverty level (FPL) guidelines determine the income-level requirements for people applying for the Medicare Part D LIS program, also known as the *Extra Help program*.

- » The amount of Extra Help a beneficiary receives depends on his or her income and resources
- » Beneficiaries will receive either a full subsidy or a partial subsidy

Part D: Typical Costs for Beneficiaries Receiving LIS (Extra Help)^a

Medicare beneficiaries whose income is ≤100% of FPL and who may automatically receive the full LIS benefit	<ul style="list-style-type: none"> • \$4.60 copayment for a brand-name drug • No copayment above out-of-pocket threshold
Medicare beneficiaries whose income is >100% of FPL and who may automatically receive the full LIS benefit	<ul style="list-style-type: none"> • \$11.20 copayment for a brand-name drug • No copayment above out-of-pocket threshold
Medicare beneficiaries whose income is ≤135% of FPL (with asset levels valued at no more than \$9,090 for singles and \$13,630 for couples) and who may receive the full LIS benefit	<ul style="list-style-type: none"> • \$11.20 copayment for a brand-name drug • No copayment above out-of-pocket threshold
Medicare beneficiaries whose income is <150% of FPL (with asset levels valued at no more than \$15,160 for singles and \$30,240 for couples) and who may receive partial LIS benefits	<ul style="list-style-type: none"> • 15% coinsurance up to the out-of-pocket threshold of \$8,000 and then \$11.20 copayment for a brand-name drug

^aFor the 2024 benefit year.

Where Can Patients Go for More Information?

SSA^{2,6}

- SSA allows certain individuals to get Extra Help with paying monthly premiums, annual deductibles, and copays related to Medicare Part D
- Patients can find more information by going to www.ssa.gov/extrahelp or calling **1-800-772-1213**
- Patients can visit socialsecurity.gov/i1020 to apply online

STATE MEDICAID CASE MANAGERS²

- Medicaid case managers can also help patients apply for Extra Help
- To get the phone number of a state Medicaid case manager, visit [Medicare.gov/talk-to-someone](https://www.medicare.gov/talk-to-someone) and choose your state and state medical assistance office, or call **1-800-MEDICARE (1-800-633-4227)**

Once an individual has been approved, receiving the LIS subsidy is fairly quick and easy. Patients will receive a notification explaining that they're approved and what their reduced copay will be²

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References: 1. Social Security Administration. Apply for Medicare Part D Extra Help program. Accessed October 19, 2023. <https://www.ssa.gov/benefits/medicare/prescriptionhelp.html> 2. Centers for Medicare & Medicaid Services. *Medicare & You 2024*. Accessed October 19, 2023. <https://www.medicare.gov/Pubs/pdf/10050-Medicare-and-You.pdf> 3. Kaiser Family Foundation. An overview of the Medicare Part D Prescription Drug Benefit. Accessed October 27, 2023. <https://www.kff.org/medicare/fact-sheet/an-overview-of-the-medicare-part-d-prescription-drug-benefit/> 4. Kaiser Family Foundation. Key facts about Medicare Part D enrollment and costs in 2023. Published July 26, 2023. Accessed November 3, 2023. <https://www.kff.org/medicare/issue-brief/key-facts-about-medicare-part-d-enrollment-and-costs-in-2023/#> 5. Centers for Medicare & Medicaid Services. Announcement of Calendar Year (CY) 2024 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies. Accessed October 19, 2023. <https://www.cms.gov/files/document/2024-announcement-pdf> 6. Social Security Administration. Understanding the Extra Help with your Medicare prescription drug plan. Accessed October 19, 2023. <https://www.ssa.gov/pubs/EN-05-10508.pdf>