



*Helping Older Persons With Legal
& Long-Term Care Problems*

Medicare Part D & Extra Help

1. What Is Medicare Part D & Extra Help?

Part D is Medicare's prescription drug insurance program. The cost for a Part D insurance plan includes an annual deductible, a monthly premium and prescription co-pays. Some people with limited resources and income may be able to get Extra Help to pay for these costs. The Extra Help is estimated to be worth about \$4,900 per year. See FAQ number 7 below. [\[1\]](#)

2. How Do I Enroll In Medicare Part D?

To enroll in Part D, you join a Medicare Prescription Drug Plan (PDP). Unlike Medicare Parts A and B, private for-profit insurance companies run Medicare PDPs. To enroll, you must apply to one of these private companies. [\[2\]](#)

3. Will I Have To Leave The Traditional Medicare Program To Enroll In A Medicare Prescription Drug Plan?

No. [\[3\]](#) You may enroll in any PDP offered in Ohio and remain in traditional Medicare Part A and B. You can also choose to leave traditional Medicare by enrolling a Medicare Advantage Plan (MAP) (also referred to as a managed care plan) that also includes prescription drug coverage (MA-PD). If you do so, the Medicare program pays the for-profit managed care company a monthly fee to provide all your medical care, including its prescription drug benefit. You must use the MAP's drug benefit, so it is crucial that you make sure your medicines are on the MAP's drug formulary, before you enroll in that plan.

Some MAPs may have low monthly premiums, but may also have out of pocket costs much greater than the Medicare Part A and B programs. Unlike Medicare Part A & B, there is no "gap" insurance you can buy to cover these costs. Many MAPs require that you use only the doctors and hospitals in the plan's network in order for the MAP to pay for your care. [\[4\]](#)

4. Will All My Prescription Drugs Be Covered By Every Plan?

No. PDPs and MAPs are not required to cover any particular medication. Each plan has its own “formulary”, its list of covered medications. [5] Before enrolling in a plan check whether:

- a) The plan’s formulary includes all your medications;
- b) The plan does not have any additional conditions for your medications, such as a prior authorization requirement or another limit on a “formulary” drug that requires additional plan approval;
- c) The plan’s total cost for all your medications is among the lowest; and
- d) Your local pharmacy is part of the plan’s network or a mail order option is offered.

If your medication is not on a plan’s formulary, then neither the plan nor Medicare will pay for it. Though you can request that the plan cover your medicine as an exception to its formulary, in order to have a chance to be successful, your physician should support your request. See <https://www.medicare.gov/find-a-plan/questions/home.aspx> for a list of plans offered in your zip code.

5. I Am A “Dual Eligible” Because I Have Both Medicaid & Medicare. Should I Enroll In Medicare Part D?

Yes. Medicaid will not pay for drugs that are eligible to be covered by Medicare. [6] Medicare will pay for your medications, but only if you are enrolled in a PDP or a MAP with a drug benefit. [7]

This applies to all dual eligibles – those in nursing homes and those living in the community. When you become a dual eligible, Medicare will automatically enroll you in a PDP, but that PDP may not cover all your medications. [8] To correct this problem, you have a special right to switch to a different PDP after automatic enrollment. [9]

6. I Don’t Take Any Medications. Do I Still Have To Join A Medicare PDP?

No, joining a PDP is voluntary, but there are several good reasons to join. If you do not enroll in Part D when you turn 65, but decide to enroll later, if you are not eligible for a special enrollment period, you are only permitted to enroll between October 15th and December 7th each year with coverage beginning on January 1st. This means that if you had an illness that required you to start using medication(s), you would have to wait until the next enrollment period to get drug coverage. [10]

In addition, if you do not join when first eligible for Medicare and you do not have retiree or other prescription drug coverage as good as the Medicare drug benefit, and you later enroll in the Medicare drug program, you will also be assessed a lifetime penalty. The penalty is an additional 1% per month for each month you delayed your enrollment

(20-month delay = 20% penalty added on to each month's premium). So, a better choice may be to choose a PDP with a low monthly premium at age 65 to avoid paying a penalty later. You would also then have drug coverage should you need it in the upcoming year. [\[11\]](#)

7. Is Financial Help Available For People Who Enroll In A Medicare Drug Plan?

Yes. Medicare calls this program “Extra Help” and it pays most or some of the PDP cost. The amount of Extra Help varies with income, the number of people supported by that income and the value of any liquid assets. The home you live in, your home furnishings, your car(s), jewelry, and even \$1,500 per person in cash, if you plan to use it solely for your burial expenses, will not count as a part of your liquid assets. The value of all other bank accounts, stocks, bonds, cash and IRAs will be counted as liquid assets. To qualify, beneficiaries must have liquid assets less than \$14,390 for individuals or \$28,720 for couples and have an income at or below 150% of the Federal Poverty Level (FPL). [\[12\]](#)

Medicare beneficiaries who receive Medicaid, SSI or participate in most Medicare Savings Programs are automatically enrolled in Extra Help. See Pro Seniors’ *Medicare Savings Program* pamphlet for more details. [\[13\]](#)

All other Medicare beneficiaries must apply for Extra Help separately, but once enrolled, will save a significant amount of money. Many Extra Help beneficiaries pay no monthly premium or annual deductible and a 15% prescription co-pay until Part D catastrophic coverage kicks in after \$5100 in out-of-pocket expenses. Under Part D catastrophic coverage, the beneficiary pays \$3.40 for generic and \$8.50 for brand name prescriptions. There are no coverage gaps. [\[14\]](#)

Monthly income at or below: [\[15\]](#)

(Note: Asset figures include \$1,500 Burial Exclusion)

135% FPL	One Person	Couple
Max Income	\$1,405	\$ 1,902
Max Assets	\$9,230	\$14,600

Eligible person pays: No annual deductible; no monthly premium; co-pay \$3.40 for generics, \$8.50 for brand name prescriptions.

135% FPL	One Person	Couple
Max Income	\$ 1,405	\$ 1,902
Max Assets	\$14,390	\$28,720

Eligible person pays: \$85 annual deductible; no monthly premium; co-pay 15%.

140% FPL	One Person	Couple
Max Income	\$ 1,457	\$ 1,973
Max Assets	\$14,390	\$28,720

Eligible person pays: \$85 annual deductible; 25% of monthly premium; co-pay 15%.

145% FPL	One Person	Couple
Max Income	\$ 1,509	\$ 2,043
Max Assets	\$14,390	\$28,720

Eligible person pays: \$85 annual deductible; 50% of monthly premium; co-pay 15%.

<150% FPL	One Person	Couple
Max Income	\$ 1,561	\$ 2,114
Max Assets	\$14,390	\$28,720

Eligible person pays: \$85 annual deductible; 75% of monthly premium; co-pay 15%.

8. How Do I Apply For Extra Help?

Apply directly to Social Security at 1-800-772-1213 or online at <https://www.ssa.gov/benefits/medicare/prescriptionhelp/>. If you have further questions and are an Ohio resident age 60+ call Pro Seniors' Legal Helpline to schedule a free telephone appointment with one of our Helpline attorneys: (800) 488-6070 or (513) 345-4160.

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Pro Seniors' Legal Hotline for Older Ohioans provides free legal information and advice by toll-free telephone to all residents of Ohio age 60 or older. If you have a concern that cannot be resolved over the phone, then the hotline will try to match you with an attorney who will handle your problem at a fee you can afford.

In southwest Ohio, Pro Seniors' staff attorneys and long-term care ombudsmen handle matters that private attorneys do not, such as nursing facility, adult care facility, home care, Medicare, Medicaid, Social Security, protective services, insurance and landlord/tenant problems.

This pamphlet provides general information and not legal advice. The law is complex and changes frequently. Before you apply this information to a particular situation, call Pro Seniors' free Legal Hotline or consult an attorney in elder law.

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Endnotes: [*Click the endnote number "[1]" to return to the text*]

- [1] [42 C.F.R. Part 423](#) – Voluntary Medicare Prescription Drug Benefit;
[42 U.S.C. § 1395w-101 et seq.](#) – Eligibility, enrollment, and information
- [2] [42 U.S.C. § 1395w-101](#) – Eligibility, enrollment, and information;
[42 C.F.R. § 423.30](#) – Eligibility and enrollment
- [3] [42 C.F.R. § 423.30](#) – Eligibility and enrollment
- [4] [42 C.F.R. § 422.4](#) – Types of MA plans;
[42 C.F.R. § 403.205\(e\)](#) – Medicare supplemental policy. “Medicare supplemental policy does not include a Medicare Advantage plan, a Prescription Drug Plan under Part D, or any of the other types of health insurance policies or health benefit plans that are excluded from the definition of a Medicare supplemental policy in section 1882(g)(1) of the Act.”
- [5] [42 C.F.R. § 423.4](#) – Definitions; “Formulary means the entire list of Part D drugs covered by a Part D plan.”
[42 C.F.R. § 423.104](#) – Requirements related to qualified prescription drug coverage;
[42 C.F.R. § 422.4](#) – Types of MA plans; See also, [Exceptions](#), Exceptions requests are granted when a plan sponsor determines that a requested drug is medically necessary for an enrollee.
- [6] [OAC § 5160-9-06\(H\)](#) – Pharmacy services: billing and recordkeeping requirements; “(H) Medicare part D-covered services. Drugs that are covered or are eligible to be covered by Medicare part D for dually eligible consumers are not

covered by Medicaid. Medicaid does not pay Medicare cost sharing for Medicare Part D services.”

- [7] [42 C.F.R. § 423.30](#) – Eligibility and enrollment
- [8] [42 C.F.R. § 423.34\(d\)](#) – Enrollment of low-income subsidy eligible individuals;
(d)Automatic enrollment rules
- [9] [42 C.F.R. § 423.38](#) – Enrollment periods
- [10] [42 C.F.R. § 423.38](#) – Enrollment periods;
[42 C.F.R. § 423.40](#) – Effective dates;
[42 C.F.R. § 423.32](#) – Enrollment process
- [11] [42 C.F.R. § 423.46](#) – Late enrollment penalty;
[42 C.F.R. § 423.286\(d\)\(3\)](#) – Rules regarding premiums; (d) Adjustments to base beneficiary premium; (3) Increase for late enrollment penalty
- [12] [42 C.F.R. § 423.286](#) – Rules regarding premiums;
[20 C.F.R. § 418.3101](#) – How do you become eligible for a subsidy?
[POMS HI 03001.005](#) – Medicare Part D Extra Help (Low-Income Subsidy or LIS);
[POMS HI 03020.055](#) – Income Limits for Subsidy Eligibility;
[POMS HI 03030.025](#) – Resource Limits for Subsidy Eligibility;
[POMS HI 03030.001](#) – Resource counting for Medicare Part D Extra Help
- [13] [42 C.F.R. § 423.34](#) – Enrollment of low-income subsidy eligible individuals
- [14] [42 C.F.R. § 423.34](#) – Enrollment of low-income subsidy eligible individuals;
[POMS HI 03001.005](#) – Medicare Part D Extra Help (Low-Income Subsidy or LIS)
- [15] [POMS HI 03001.005](#) – Medicare Part D Extra Help (Low-Income Subsidy or LIS);
[POMS HI 03001.020](#) – Eligibility for Extra Help (Prescription Drug Low-Income Subsidy); See also, [*Understanding the Extra Help With Your Medicare Prescription Drug Plan*](#), SSA Publication No. 05-10508 (March 2019).