

LOW INCOME SUBSIDY (LIS)

What is LIS?

Overview

Low Income Subsidy (LIS)/Extra Help is a federal subsidy program that helps low-income Medicare-eligible consumers save money on their prescription costs and other Part D related costs. The program is administered by the Social Security Administration (SSA) who determines if consumers are eligible, (based on income and resource thresholds, which change annually) and consumers' qualifications and eligibility levels, and processes the application. Sales agents can help consumers understand how the LIS program may work for them, if they qualify, and assist eligible consumers by completing the LIS application.

To qualify for Extra Help, the consumer must:

- Have Medicare Part A and/or Part B
- Reside in one of the 50 states or the District of Columbia
- Meet **resource** and **income** limits

The LIS program only covers costs related to Medicare Part D. Any premium subsidy refers to Medicare Part D (not Part B or C).

This resource provides basic information on the LIS program, including the qualifying resource and asset limits and LIS copayment levels for eligible consumers, as well as links for additional information.

The Centers for Medicare & Medicaid Services (CMS) is required to update the Medicare Part D resource limits, income standards, and prescription costs based on the release of Federal poverty levels by the end of the first quarter each year.

Additional information on the LIS program is available on the SSA website (<http://www.socialsecurity.gov/prescriptionhelp/>).

Note: UnitedHealthcare offers a **Low Income Subsidy/Extra Help training** for agents who want to learn more about how the LIS program works, agent action steps, and positioning the program to consumers. To learn about upcoming sessions, please see Jarvis> Knowledge Center> Learning Lab> Content Library> Low Income Subsidy (See Instructor Led Training)

You may also ask your UnitedHealthcare sales leader for more information about LIS and the Medicare Savings Program in your state.

LOW INCOME SUBSIDY (LIS)

Plan premium is determined based upon an individual's level of LIS (i.e. 100%, 75%, 50%, 25% premium subsidy).

| Countable Income is: | Premium Subsidy |
|--|-----------------|
| Up to 135% of Federal Poverty Level (FPL) | 100% |
| More than 135% FPL, but not more than 140% | 75% |
| More than 140% FPL, but not more than 145% | 50% |
| More than 145% FPL, but less than 150% | 25% |
| 150% FPL or more | None |

2020 Income Limits 48 states and DC *

| 150% Federal Poverty Level | Individual | Married |
|----------------------------|------------|----------|
| Yearly Gross Income | \$19,380 | \$26,100 |
| Monthly Gross Income | \$1,615 | \$2,175 |

2020 Income Limits Alaska and Hawaii*

| 150% Federal Poverty Level | Individual | Married |
|----------------------------|------------|----------|
| Alaska Yearly Gross Income | \$24,165 | \$32,565 |
| Hawaii Yearly Gross Income | \$22,260 | \$29,985 |

*NOTE: These thresholds include the \$20 disregard and remain in effect pending the release of revised Federal Poverty levels in Quarter 1 the following year.

2021 Resource Limits

| Total Value of Resources | Individual** | Married** |
|--------------------------|--------------|-----------|
| Full Subsidy | \$9,470 | \$14,960 |
| All Other LIS levels | \$14,790 | \$29,520 |

** includes \$1,500/person burial allowance.

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2021 Low Income Subsidy Copayment Levels

Below are the 2021 cost sharing and maximum copayment amounts by LIS level for individuals who apply and qualify for LIS, including full-benefit dual eligible and partial dual eligible individuals.

| LIS Level | Deductible | Copayment up to Out-of-Pocket Threshold* (Initial Stage of plan- Coverage Gap) | Copayment above Out-of-Pocket Threshold* (Catastrophic Coverage) |
|---|------------|---|---|
| LIS 1: Full-Benefit Dual Eligible >100% FPL; Medicare Saving Program Participant (QMB-only, SLMB-only, or QI) or Supplemental Security Income (but not Medicaid) Recipient or Applicant <135% FPL with resources ≤ \$9,470 (\$14,960 if married) | \$0 | \$3.70 generic, \$9.20 brand | \$0 |
| LIS 2: Full-Benefit Dual Eligible ≤100% FPL | \$0 | \$1.30 generic, \$4.00 brand | \$0 |
| LIS 3: Institutionalized Full-Benefit Dual Eligible; or Beneficiaries Receiving Home and Community-Based Services | \$0 | \$0 | \$0 |
| LIS 4: Applicant <150% FPL with resources below (\$9,470 - \$14,790 (individual) or \$14,960-\$29,520 (if married)** | \$92 | 15% | \$3.70 generic, \$9.20 brand |

*Out-of-Pocket Threshold is \$6,550 for 2021. ** includes \$1,500/person burial allowance.

Note: LIS members are able to obtain 1-90 day supply of a generic or brand name drug for a single copayment at either a retail pharmacy or through UnitedHealthcare's Preferred mail order program if allowed in their state. See the Evidence of Coverage. For example, a member who receives LIS level 1 purchases a 90-day supply of a brand drug. The member would pay \$9.20 for a 90-day supply during the Initial Coverage and Coverage Gap stages of the plan. Note: The member would need to use a participating 90-day supply pharmacy to purchase drug supplies for more than a 30-day supply.

Additional Resource

Additional Information on Resource and Income Levels

Centers for Medicare & Medicaid Services: **2021 Resource and Cost-Sharing Limits for Low-Income Subsidy (LIS): 10/30/2020** <https://www.cms.gov/files/document/lis-memo.pdf>

Part D-Late Enrollment Penalty (LEP) status

If a consumer delayed their enrollment in Medicare Part D and is under the penalty for late enrollment, LIS may reduce or eliminate the penalty. This assistance remains in effect while the consumer remains eligible for LIS, and beyond, as long as the consumer maintains continuous enrollment (without a gap of 63 days) in a Part D plan.

When consumers with LIS enroll in Medicare Advantage Prescription Drug (MA-PD) Plans, their Part D copayments and deductibles remain unchanged, provided their LIS status does not change.

Note: This is important as the majority of UnitedHealthcare MA-PD plans have a Part D deductible.

Dual Eligibility Levels

Certain groups of Medicare consumers automatically qualify (are deemed eligible) for LIS including full-benefit dual eligible consumers, consumers who receive Supplemental Security Income (SSI) benefits, (QMB Plus, SLMB Plus, or QI program).

| Eligibility Level | Part A Premium | Part B Premium | Part D Premium* | Need to Apply for LIS? | Medicare Deductibles, Copays, Coinsurance | Full Medicaid Benefits |
|------------------------|----------------|-----------------|-----------------|----------------------------|---|------------------------|
| FBDE Full Dual | No | Varies by state | No | No, received automatically | Varies by state | Yes |
| QMB Plus Full Dual | Yes | Yes | No** | No, received automatically | Yes | Yes |
| QMB Only Partial Dual | Yes | Yes | No** | No, received automatically | Yes | No |
| SLMB Plus Full Dual | No | Yes | No** | No, received automatically | Varies by state | Yes |
| SLMB Only Partial Dual | No | Yes | No** | No, received automatically | No | No |
| QDWI Partial Dual | Yes | No | No | Yes | No | No |
| QI Partial Dual | No | Yes | No** | No, received automatically | No | No |

*Low Income Subsidy may be available to help with Part D premium cost.

**FBDE, QMBs, SLMBs and QIs are deemed eligible in the low income subsidy program to cover Part D premium costs and will not have Part D premium expenses. All others must file an application for the subsidy.

QMB = Qualified Medicare Beneficiary SLMB = Specified Low-income Medicare Beneficiary
QI = Qualifying Individual QDWI = Qualified Disabled Working Individual FBDE = Full Benefit Dual Eligible

Member Premium by LIS

You must know the consumer's LIS level in order to accurately quote their monthly plan premium (only Part D premium is subsidized).

- If a consumer already has LIS the PHD can confirm their level and related cost sharing.
- Direct consumers who do not know their LIS level to the Social Security Administration (SSA), who can provide the information to the consumer.
- In the case where you cannot determine the consumer's LIS level, **do not attempt to guess** the LIS level and plan premium; instead, **provide a range**, and indicate that "the exact monthly premium will be determined based upon your level of Extra Help determined by SSA."

Once you know the LIS level, reference the 2021 Medicare Premium/Part D Deductible and PDP grid (available below) in order to quote the consumer's monthly plan premium.

To open the grid, click the "Open Grid" button. This will open the attachment panel on the left side of your screen. Double click on the document in the panel.

**Open
Grid**

Best Practices -To view the PDF attachments, especially on a mobile device, make sure you have downloaded a PDF reader. If prompted, click on **Enable All Features**.

How to use the Medicare Premium/ Part D and PDP Deductible Grid

- Tab 1** MAPD -Provides total plan premium, what portion of the premium is Part C and what portion is Part D; also illustrates the Part D benchmark.
- Tab 2** MAPD -Provides what a member would pay for both premium and deductible (if applicable) based on their LIS level.
- Tab 3** Provides LIS costs by level.
- Tab 4** PDP -Provides total plan premium and also illustrates the Part D benchmark.
- Tab 5** PDP -Provides what a member would pay for both premium and deductible (if applicable) based on their LIS level.

Tip: Filter the grid to plans in your service area(s) and print out for use as a Sales Tool when

Verifying Medicaid Status

The Medicare Medicaid Eligibility Lookup tool on *Jarvis* allows you to determine Medicare and Medicaid eligibility for consumers and members. Medicaid searches also provide a list of plans available for enrollment. If you encounter any issues or have questions, the Producer Help Desk remains available as a resource. Review the Medicare Medicaid Eligibility Lookup Tool job aid for instructions on how to use the tool.

Jarvis> Knowledge Center> Learning Lab> Content Library> Jarvis> Additional References

Dual/LIS Maintaining Election Period

- If the consumer has been identified as “at risk” or “potentially at risk” under the Comprehensive Addiction and Recovery Act (CARA), they may not use SEP-Dual/LIS Maintaining for 12 to 24 months. These consumers are referred to as “in CARA status.” The PHD will only say if the consumer is not eligible for the SEP-Dual LIS Maintaining election period.
- If the member has CARA status, they should have received a letter from their insurance carrier.
- If the member has questions about their status, refer them to their insurance carrier in the letter.

Use the Election Period booklet in the Enrollment Handbook on **Learning Lab** for the most current information on election period requirements.

Jarvis> Knowledge Center> Learning Lab> Content Library> Enrollment> Additional References to download and print)

LIS Procedural Details

- SSA will contact Medicare beneficiaries annually to review their LIS status. A form must be completed by the consumer and returned within 30 days. Extra Help is terminated the following January if it is not returned.
- SSA reviews are usually done in September. Any changes take effect the following January (No change, increase/ decrease in the amount, or termination).

Agent Role and Reminders

- Help consumers understand how the LIS program may work for them.
- Do not make guarantees or predictions of outcome.
- Assist consumers in completing their LIS application.
- Consider that consumers may have unique plan needs based on their limited income and resources.
- Explain that a change in the consumer's financial status may change their eligibility for LIS.
- If you do not know the level of LIS, provide a range. **Do not guess!**
- Do not use the premium grid until the consumer has received an LIS award letter and you are aware of their eligibility level.
- Subsidies are based on the consumer's qualification level.
- Always provide drug-related costs for the plan and advise the consumer that if their Extra Help

The Role of UnitedHealthcare's Social and Government Referral Services (SGRS)

- SGRS can assist existing UnitedHealthcare members and consumers with Low Income Subsidy and Medicare Savings Programs as well as assist with social referrals for items like food, transportation, housing, utilities, etc.
- Services are available for all states based on the plans they are authorized to service.
- Note that UnitedHealthcare's Social and Government Referral Services will only support MA, MAPD Plans, not stand alone PDPs.

| | Plan Type | Assistance | Hours of operation | Connect to: |
|--------------------|-----------------------------|----------------------------|--------------------------------------|-----------------------|
| Member | MA, MA-PD Group Retirees | LIS, MSP & social needs | 8 am – 11 pm EST Monday - Friday | 1-866-865-3851 |
| Member – VA, DSNP* | MA, MA-PD | LIS, MSP & social needs | 8 am – 2 am EST Monday - Saturday | 1-866-427-1873 |
| Consumer | MA, MA-PD | LIS, MSP & social needs | 8 am – 2 am EST Monday - Saturday | 1-833-214-1924 |
| Member, Consumer | PDP | Not supported | N/A | N/A |

*This process does not apply to DSNP plan members in MA, NJ and FL..