

Are Your Clients Missing Out on Enrollment in the Medicare Low-Income Subsidy?

PRACTICE TIP • January 2018, updated October 2019

The Medicare Low-Income Subsidy (LIS), also known as “Extra Help,” gives low-income Medicare beneficiaries help with Medicare Part D prescription drug costs. LIS can easily save individuals with costly prescriptions thousands of dollars per year by helping with premiums, deductibles and co-pays. Despite these major benefits, many people who qualify for LIS have not enrolled. Advocates and counselors can help by talking to their clients about Extra Help and encouraging them to apply.

To help you encourage your clients to apply for help, here’s five facts you should know about Medicare LIS:

- 1. People with Medicare can enroll in LIS at any time in the year.** Applications can be completed online at the Social Security website¹ or in person at any Social Security office. Enrollment usually does not require producing documents like bank statements or insurance policies.
- 2. LIS coverage lasts until the end of the year, even for those who no longer qualify for Medicaid.** This can be particularly helpful for older adults with a Medicaid share of cost. If they meet their share of cost even once, they qualify for LIS for the rest of the year. If they meet it in July or later, they qualify for LIS for the rest of that year and all of the next year.
- 3. People with LIS can change Part D plans and MA-PD plans once each quarter without a penalty.** This can be helpful for clients who have recently been diagnosed with a chronic condition or who have changed prescriptions and find that the formulary of their current plan does not meet their needs.
- 4. LIS is not subject to estate recovery.** Many seniors are fearful of applying for Medicaid because estate recovery laws may allow states to recoup some costs from their estates. The LIS is different. There is no estate recovery for LIS costs. Federal law does not permit states or the federal government to collect money from your client’s estate for LIS costs. Medicare Savings Programs (QMB, SLMB and QI) also are exempt from estate recovery.
- 5. People with full LIS qualify for a \$10 a month Social Security overpayment plan.** It is not uncommon for clients to owe Social Security for an overpayment of benefits. When this happens, clients often find that a large portion of their Social Security benefit is being deducted to pay back the debt. If your client has LIS, however, the client can request that Social Security take out only \$10 a month.² Social Security is required to automatically honor the request when it is made.

Helping a client with Medicare questions? Justice in Aging provides legal professionals with advice on Medicare and other programs as part of NCLER’s case consultation service. Through this service, Justice in Aging, the National Consumer Law Center, and the ABA Commission on Law and Aging provide free case consultations to legal and aging network professionals on a range of legal issues impacting older adults.

Please contact ConsultNCLER@acl.hhs.gov for free case consultation assistance. Sign up for our email list and access more resources at NCLER.acl.gov.

¹ <https://secure.ssa.gov/i1020/start>

² POMS Section GN 02210.030(B)(6), available at <https://secure.ssa.gov/poms.nsf/lnx/0202210030>.