

# Medicare Part D Low-Income Subsidy, Medicaid, and the End of the Public Health Emergency: Tips for Advocates

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Starting in April 2023 and continuing through December 2025, older adults who are dually eligible for Medicare and Medicaid will face redeterminations of their Medicaid eligibility, a process that was suspended during the COVID-19 Public Health Emergency (PHE). During this [“Medicaid unwinding”](#) period, advocates working with people dually enrolled in Medicare and Medicaid should know about two important features of the [Medicare Part D Low Income Subsidy \(“LIS” or “Extra Help”\)](#): (1) Medicaid termination does not immediately end LIS enrollment; and (2) LIS eligibility is more generous than Medicaid and Medicare Savings Program (MSP)<sup>1</sup> eligibility rules in most states.

LIS is a program administered by the Social Security Administration (SSA) that subsidizes the premiums and cost sharing of Part D prescription insurance for low-income enrollees. Medicare enrollees who are also enrolled in Medicaid, including a Medicare Savings Program, are automatically enrolled in LIS, which means they are eligible for a zero-premium, zero-deductible Part D plan with the lowest, fixed copays. Medicare enrollees who are not dually enrolled in Medicaid or receiving Supplemental Security Income (SSI) can also qualify for the LIS if their [income is below 150% of the Federal Poverty Level \(FPL\)--\\$22,590 in 2024--and their assets are below the limit.](#)<sup>2</sup>

LIS has its own eligibility rules and protections apart from Medicaid. One important protection that can be especially helpful for people losing Medicaid eligibility during the unwinding is that LIS eligibility often extends beyond the Medicaid termination date. This means that even if a Medicare enrollee loses their Medicaid eligibility, they will continue to get help with their prescription drug costs for the remainder of 2023, and in many cases 2024.

Justice in Aging is sharing these practice tips to help advocates ensure that older adults understand their LIS enrollment during Medicaid unwinding and their options for continuing their LIS coverage.

## LIS Enrollment Does Not Automatically Terminate at the Same Time As Medicaid

- If someone loses all Medicaid (including MSP) before July 1, they still keep their LIS until the end of the calendar year.<sup>3</sup> For the following year, they must apply for LIS and SSA will redetermine their eligibility based on their income and assets. [Medicare sends a notice](#) (on gray paper) regarding LIS eligibility in

1 [Medicare Savings Programs \(MSPs\)](#) include Qualified Medicare Beneficiary (QMB); Specified Low Income Medicare Beneficiary (SLMB); and Qualifying Individual (QI). All MSPs cover Medicare Part B premiums. QMB also helps with cost-sharing and Part A premiums.

2 The [2022 Inflation Reduction Act](#), eliminated “partial” LIS by raising the income limit for full LIS to 150% of the FPL starting January 1, 2024. Today, all LIS enrollees are entitled to a zero-premium, zero-deductible, low copay Part D plan.

3 See [Medicare Prescription Drug Benefit Manual Chapter 13](#) at 40.2.5 regarding redetermination of deemed status for LIS eligibility.

September, including an LIS application that must be submitted to SSA to reenroll in LIS. The enrollee may receive additional correspondence from SSA asking for more information.

- » Example: Sally received a notice from her state Medicaid agency informing her that because her income increased during the PHE, her Medicaid eligibility will end on June 30, 2023. Sally's LIS enrollment will continue through December 31, 2023. Around September 2023, Sally should watch for—and respond to—a letter from Medicare notifying her of disenrollment from LIS and asking her to re-apply. She may also receive correspondence from SSA and her Part D plan regarding LIS.
- If someone loses all Medicaid (including any MSP) after July 1, they will keep their LIS all the way through the end of the following calendar year.<sup>4</sup> SSA will not redetermine their LIS eligibility until the next year.
  - » Example: John finds out that his Medicaid coverage will terminate on August 31, 2023. His LIS enrollment will continue until December 31, 2024 and SSA will reassess his eligibility in 2024. John should be on the lookout for correspondence regarding his 2025 LIS eligibility from Medicare in September 2024.
- If someone loses Medicaid for procedural reasons (e.g., by not responding in time to the state's notice of redetermination) but subsequently recertifies or re-applies and is re-enrolled in Medicaid, LIS will automatically continue without interruption.

NOTE: If an individual loses eligibility for full-scope Medicaid but is still eligible for a Medicare Savings Program, they will keep LIS without needing to take any action. During a Medicaid redetermination, states are required to consider eligibility for all Medicaid programs, including all MSPs.

### **LIS eligibility is more generous than Medicaid and Medicare Savings Program eligibility rules in most states.**

Medicare enrollees who are no longer eligible for any Medicaid programs may independently qualify for LIS, since [LIS has separate income and asset limits](#) that are higher than those of most Medicaid and MSP programs. They should promptly return the Extra Help application they receive with their notice of LIS termination or apply online. It's important to [apply for LIS](#) before the end of the year to ensure no gaps in prescription drug assistance.

## **Some People Who Lose Medicaid Eligibility Will Need To Change How They Get Their Medicare Prescription Drug Coverage**

If someone is disenrolled from a dual-eligible special needs plan (D-SNP) or other Medicare-Medicaid plan and loses the corresponding Part D coverage through the plan, they have a Special Enrollment Period that allows them to enroll in a new plan. They can use the [LI-NET program](#) to access their LIS benefits until they re-enroll. If they do not affirmatively choose a plan, CMS will auto-enroll them in a benchmark Prescription Drug Plan (PDP).

## **Resources**

- [Unwinding Medicaid Continuous Coverage Protections: Implications and Advocacy for Individuals Dually Eligible for Medicare and Medicaid](#), Justice in Aging
- [Medicare Part D Legal Basics and 2022 Updates](#), National Center on Law & Elder Rights
- [Extra Help Program Income and Asset Limits 2024](#), Medicare Rights Center

<sup>4</sup> *Id.*