

# 2025 Medicare Part D Low-Income Subsidy (LIS)

If you are eligible for Medicare's Extra Help program, you may be able to obtain brand-name prescription drugs for around \$12 per month.<sup>1</sup>

## Johnson & Johnson

Johnson & Johnson Health Care Systems, Inc., has developed this guide to explain how the Medicare Part D Low-Income Subsidy (LIS) program (also called "Extra Help") may be able to help with the out-of-pocket costs usually associated with Medicare Part D Prescription Drug Plans (PDPs). The Medicare LIS program is designed to help people with low incomes and limited resources by lowering or eliminating costs for deductibles, co-pays, and premiums associated with Part D prescription drugs. This guide reviews the LIS program, describes eligibility, compares the standard PDP benefits with LIS benefits, and provides access to tools and resources for healthcare providers and patients.



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This information does not provide advice or guarantee coverage or payment. Legal requirements and plan information can be updated frequently. We strongly recommend contacting the plan for more information about current coverage, restrictions, or prerequisites that may apply.

## What Is Extra Help for Prescription Drugs?

Anyone who has Medicare can get Medicare prescription drug coverage (Medicare Part D). Some people with limited resources and income may also be able to get Extra Help to pay for the costs related to a Medicare prescription drug plan, such as monthly premiums, annual deductibles, and prescription co-payments. The Social Security Administration (SSA) estimates Extra Help to be worth about \$6,200 a year.<sup>2</sup> This is an important savings – one that many qualified people don't know about.

## Who Qualifies for Extra Help?

In order to qualify for extra help:

- **You must enroll in a Medicare Prescription Drug plan.**<sup>3</sup> Extra Help only applies to the costs associated with Medicare prescription drug coverage. There are other programs that may help with other Medicare costs, but the Low-Income Subsidy (or “Extra Help”) is *only* for Medicare prescription drug costs.
- **You must live in one of the 50 states or the District of Columbia.**<sup>3</sup> If you live in 1 of the 5 American territories (Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, or American Samoa), there are programs to help pay some Medicare costs. Programs vary, so call or visit your Medicaid office to learn what other help may be available.
- **You must have limited income.**<sup>3</sup> Income limits are based on the federal poverty levels (FPLs) published each year by the Department of Health and Human Resources. Income, after any allowable exclusions, must be less than 150% of the FPLs (based on household size) to qualify.<sup>3</sup> To qualify for Extra Help in 2025, the annual income limit for individuals is less than \$23,475\* and less than \$31,725\* for a married couple living together.<sup>4</sup> But even if your income is higher, you may still be able to qualify for some help under certain circumstances, for example, if you live in Alaska or Hawaii,

\*These income limits represent 150% of the 2025 FPLs for the 48 contiguous States and District of Columbia. Alaska and Hawaii have separate and slightly higher levels.

<sup>†</sup>Presumes that beneficiary has notified the SSA of intent to use some resources for burial expenses (burial exclusion).



or you or your spouse supports other family members who live with you.<sup>5</sup> Also, some cash payments *don't count* as income: food stamps (Supplemental Nutrition Assistance Program), home energy assistance, and earned income tax payments are just a few.<sup>2</sup> Contact the SSA for other exclusions.

- **You must have limited resources.**<sup>3</sup> To qualify for Extra Help, resources must not total more than \$17,600<sup>†</sup> for individuals and \$35,130<sup>†</sup> for a married couple living together.<sup>6</sup> Countable resources include things like bank accounts and investments (eg, stocks, bonds).<sup>2</sup> Your home, vehicle, furniture, personal possessions, and life insurance policies *don't count* as resources.<sup>2</sup>

## How Can I Get Extra Help?

**Automatic:** You will automatically get Extra Help if you are eligible for full Medicaid coverage, receive Supplemental Security Income (SSI) benefits, or get help paying for Medicare under one of the Medicare Savings Programs as a Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), or a Qualified Individual (QI).<sup>7</sup>

**Apply:** If you have limited income and resources but do not meet the automatic enrollment requirements, you may apply for Extra Help by submitting an application to the SSA. To determine if you are eligible, the SSA will need your income and resource information.

### Documents that may help you prepare include:

- Social Security card
- Bank account statements (savings, checking)
- Investment account statements (retirement accounts, mutual funds, etc.)
- Tax returns
- Payroll stubs
- Most recent benefits letter/statement (Social Security, Veterans, other)

### How Do I Apply?

There is no cost to apply for Extra Help. Even if you are not sure if you are eligible, go ahead and apply. The SSA will review your application and determine if you qualify and determine the level of assistance you can receive. If you find that you are not eligible when you first apply, you can reapply for Extra Help at any time if your income and/or resources change.

### There are a number of ways to apply:

- To apply for the Medicare Part D Extra Help program, visit: <https://www.ssa.gov/medicare/part-d-extra-help> or call **1-800-772-1213** (TTY users, call **1-800-325-0778**).
- To apply through the State Medical Assistance (Medicaid) office, visit <https://www.medicaid.gov/about-us/contact-us> to get the contact information for the state office, or call **1-800-MEDICARE (1-800-633-4227)** and say “Medicaid” to obtain the telephone number (TTY users should call **1-877-486-2048**).

The SSA will verify with the Internal Revenue Service (IRS) the financial information you submit with your application. If you are eligible for Extra Help, Medicare will notify you and the Part D plan in which you are enrolled.

### When Should I Apply?

You can apply for Extra Help at any time. If you find that you are not eligible when you first apply, remember you can always reapply if your income and/or resources change.

### How Does Extra Help Work?

When you apply for Extra Help, the SSA will first determine your eligibility for the program and then the level of assistance for which you qualify. In other words, how much the Extra Help program will pay toward your Medicare prescription drug costs is determined by your financial need and eligibility for other government assistance such as Medicaid, Medicare Savings Programs, or Supplemental Security Income (SSI). If you have income below 150% of the FPL, and meet the resource requirements, you will be eligible for full subsidy under the Medicare Part D LIS Program.

### What if I Don't Qualify for Extra Help?

If you don't qualify for Extra Help, there may be other ways to lower your prescription drug costs:

- Your state may have programs to help with some of the costs. You can contact your Medicaid office or your State Health Insurance Assistance Program (SHIP) at: <https://www.shiptacenter.org> for more information.
- When selecting a Part D plan, you can use the Medicare Plan Finder at: <https://www.medicare.gov/find-a-plan/questions/home.aspx> to compare Medicare drug plans to find a plan with lower costs.
- You may also find out if the company that makes your drug offers any help paying for it.

**Appeal:** If you believe that your request for Extra Help was incorrectly denied, you may appeal the decision. You will need to complete the SSA form “Appeal of Determination for Extra Help with Medicare Prescription Drug Plan Costs,” can be found at: <https://www.ssa.gov/forms/ssa-1021.pdf>. Remember, you can also reapply for Extra Help at any time if your income and/or resources change.

## I Want to Apply. What Should I Do Next?

Remember, if you have Medicare and Medicaid (dual eligible), have Medicare and receive SSI, or belong to a Medicare Savings Program (QMB, SLMB, or QI), you will get the Extra Help automatically and do not need to apply. If you are not eligible for automatic enrollment and want to apply, here are some steps to help you prepare:

- Identify things you own alone, with your spouse, or with someone else, but do not include your home, vehicles, burial plots, life insurance policies, or personal possessions.
- Identify your income from all sources: wages, Social Security benefits, pensions, and any other sources, but do not include food stamps, energy assistance, or other income exclusions.
- Gather your records: bank statements, tax returns, payroll slips, and any other statements or certificates that show your income and resources.
- Visit the SSA website to review the Extra Help application and instructions: <https://www.ssa.gov/medicare/part-d-extra-help> or call the SSA office **1-800-772-1213** (TTY users should call **1-800-325-0778**) for a paper application. You can also get an application at your local SSA office.
- Apply: complete the online form, mail a paper application, or complete the application at your local SSA office.

## Summary

There is no longer a partial LIS subsidy. If you have income below 150% of the federal poverty level (FPL), and meet the resource requirements, you will be eligible for full subsidy under the Medicare Extra Help Program.

## 2025 Medicare Part D Low-Income Subsidy

Category	Eligible for Both Medicare and Medicaid (Dual Eligible)		Eligible for Medicare Savings Programs (QMB, SLMB, QI) or SSI	Medicare Only
Income Eligibility	At or below 100% FPL	Between 100% and 150% FPL	Below 150% FPL	Below 150% FPL
Resource Limit	Based on the rules of the qualifying program			\$17,600 (individual)* \$35,130 (married)*
Premium	\$0	\$0	\$0	\$0 <sup>†</sup>
Deductible	\$0	\$0	\$0	\$0
Co-payment	\$1.60 generic \$4.80 brand \$0 if institutionalized <sup>‡</sup>	\$4.90 generic \$12.15 brand	\$4.90 generic \$12.15 brand	\$4.90 generic \$12.15 brand

\*Resource limits include \$1,500 per person for burial expenses

<sup>†</sup>Premium subsidies are limited to the lowest plan premium or the CMS-set “benchmark” amount in the enrollee’s area. A person with income below 150% of the FPL may still be responsible for paying a portion of the plan’s premium if enrolling in a plan whose premium exceeds the area benchmark.<sup>7</sup>

<sup>‡</sup>Institutionalized, or those who would be institutionalized if not receiving home and community-based services



## Resources

### Extra Help forms

For the Extra Help application and instructions for completion, please see: <https://www.ssa.gov/medicare/part-d-extra-help>

You may also call the SSA at **1-800-772-1213** (TTY **1-800-325-0778**) to apply over the phone or to request an original paper application, or you may apply in person at your local SSA office.

### Understanding Extra Help

For more details on the Extra Help Program, including how to determine your resources, what counts as income, and choosing a Medicare prescription drug plan, please see “Understanding the Extra Help With Your Medicare Prescription Drug Plan,” available at the SSA website: <https://www.ssa.gov/pubs/EN-05-10508.pdf>

### Medicare information

For information on all parts of Medicare, including Part D, Extra Help, and the Medicare Savings Programs, please see Medicare & You 2024, available at:

<https://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf>

To receive a print copy of this publication, call **1-800-MEDICARE (1-800-633-4227)**; TTY users, call **1-877-486-2048**.

### Medicaid information

To find information on Medicaid in any state, visit:

<https://www.medicaid.gov>

### State Health Insurance Assistance Programs (SHIPs)

The State Health Insurance Assistance Program is a national program that offers one-on-one counseling and assistance to people with Medicare and their families. For more information, and to find your local SHIP branch, please see: <https://www.shiptacenter.org>

## References

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