



Securing today
and tomorrow

Understanding the Extra Help With Your Medicare Prescription Drug Plan

What's inside

What is Extra Help with Medicare prescription drug plan costs?	1
Resources and income	1
Applying for Extra Help	4
Late Enrollment Penalty	4
If you're an American Indian or Alaska Native	8
If you're a family member, caregiver, or other third party	8
How do I choose a specific plan?	9
Can state agencies help with Medicare costs?	10
Appealing the decision	11
How can I get more information?	13
Contacting Social Security	14



What is Extra Help with Medicare prescription drug plan costs?

Anyone who has Medicare can get Medicare prescription drug coverage. Some people with limited resources and income also may be able to get Extra Help with the costs — monthly premiums, annual deductibles, and prescription co-payments — related to a Medicare prescription drug plan. The Extra Help is estimated to be worth about \$4,900 per year. Many people qualify for these big savings and don't even know it. To find out if you qualify, Social Security will need to know the value of your savings, investments, real estate (other than your home), and your income. We need information about you and your spouse, if you are married and living together.

To help Social Security determine if you are eligible for Extra Help, you will need to file an *Application for Extra Help with Medicare Prescription Drug Plan Costs* (Form SSA-1020).

Resources and income

What is the resource limit?

To qualify for Extra Help, your resources must be limited to \$14,100 for an individual or \$28,150 for a married couple living together.

Resources include the value of the things you own. Some examples are:

- Real estate (other than your primary residence)
- Bank accounts including checking, savings and certificates of deposit
- Stocks
- Bonds, including U.S. Savings Bonds

- Mutual funds
- Individual Retirement Accounts (IRAs)
- Cash at home or anywhere else

What does not count as a resource?

We do not count:

- Your primary residence;
- Your personal possessions;
- Your vehicle(s);
- Resources you couldn't easily convert to cash, such as jewelry or home furnishings;
- Property you need for self-support, such as rental property or land you use to grow produce for home consumption;
- Non-business property essential to your self-support;
- Life insurance policies;
- Burial expenses;
- Interest earned on money you plan to use for burial expenses; and
- Certain other money you are holding is not counted for nine months, such as:
 - Retroactive Social Security or Supplemental Security Income (SSI) payments;
 - Housing assistance;
 - Tax advances and refunds related to earned income tax credits and child tax credits;
 - Compensation you receive as a crime victim; and
 - Relocation assistance from a state or local government.

You should contact Social Security for other resource exclusions.

What is the income limit?

To qualify for Extra Help, your annual income must be limited to \$18,210 for an individual or \$24,690 for a married couple living together. Even if your annual income is higher, you may still be able to get some help. Some examples where your income may be higher and you can still get Extra Help include if you or your spouse:

- Support other family members who live with you;
- Have earnings from work; or
- Live in Alaska or Hawaii.

What doesn't count as income?

Not all cash payments count as income. For example, **we don't count:**

- Supplemental Nutrition Assistance Program (food stamps);
- Housing assistance;
- Home energy assistance;
- Medical treatment and drugs;
- Disaster assistance;
- Earned income tax credit payments;
- Assistance from others to pay your household expenses;
- Victim's compensation payments; and
- Scholarships and education grants.

You should contact Social Security for other income exclusions.

Applying for Extra Help

How do I apply?

Applying for Extra Help is easy. Just complete Social Security's *Application for Extra Help with Medicare Prescription Drug Plan Costs* (Form SSA-1020). Here's how:

- Apply online at www.socialsecurity.gov/extrahelp; or
- Call Social Security at **1-800-772-1213** (TTY **1-800-325-0778**) to apply over the phone or to request an application; or
- Apply at your local Social Security office.

After you apply, Social Security will review your application and send a letter to you to let you know if you qualify for Extra Help. After you qualify, you can choose a Medicare prescription drug plan. If you do not select a plan, the Centers for Medicare & Medicaid Services will do it for you. The sooner you join a plan, the sooner you begin receiving benefits.

If you aren't eligible for Extra Help, you still may be able to enroll in a Medicare prescription drug plan.

Late Enrollment Penalty

Medicare Prescription Drug Plan Penalty

If you don't enroll in a Medicare drug plan when you're first eligible, you may pay a late enrollment penalty if you join a plan later. You'll have to pay this penalty for as long as you have Medicare prescription drug coverage. However, you won't pay a penalty if you get Extra Help or other eligible prescription drug plan coverage.

NOTE: *The Medicare prescription drug plan late enrollment penalty is different than the Medicare Part B late enrollment penalty. If you don't enroll in Part B when you're first eligible for it, you may have to pay a late enrollment penalty for as long as you have Part B coverage. Also, you may have to wait to enroll, which will delay Part B coverage.*

For information about enrollment periods, visit www.medicare.gov or call **1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048)**.

Why should I apply online?

Our online application is secure and offers several advantages. It takes you through the process step-by-step with a series of self-help screens. The screens will tell you what information you need to complete the application and will guide you in answering the questions fully. You can apply from any computer and at your own pace. You can start and stop at any time during the process, so you can leave the application and return later to update or complete any of the required information. We are careful to protect your personal information.

What do I need to know?

Most of the questions on the application are about resources and income. If you are married and living with your spouse, we need to know this information about both of you. Family members, caregivers and other third parties can help you complete the application. The worksheet on the next page can help you decide if you are eligible and can assist you in completing the actual application for Extra Help. The worksheet is **not** an application.

To prepare:

- Identify the 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;
- Review all your income; and
- Gather your records in advance to save time.

The records you'll need are:

- Statements that show your account balances at banks, credit unions, or other financial institutions;
- Investment statements;
- Stock certificates;
- Tax returns;
- Pension award letters; and
- Payroll slips.

We won't ask for proof to support the information you provide, but we'll match your information with data available from other government agencies to make sure it is correct.

We need to know information about your (and your spouse's, if you are married and living together) resources and income.

Resources	Value
Bank accounts, including checking, savings, and certificates of deposit	\$ _____
Stocks, bonds, savings bonds, mutual funds, individual retirement accounts (IRAs), or other investments	\$ _____
Cash at home or anywhere else	\$ _____
Any real estate other than your home	\$ _____

Income	Monthly Amount
Social Security benefits	\$ _____
Railroad Retirement benefits	\$ _____
Veterans benefits	\$ _____
Other pensions or annuities	\$ _____
Alimony	\$ _____
Net rental income	\$ _____
Workers' compensation	\$ _____
Other income (e.g., unemployment, private or state disability payments)	\$ _____

Income	Annual Amount
Wages	\$ _____
Net earnings from self-employment	\$ _____

If you're an American Indian or Alaska Native

Pages 2 and 3 provide a list of resources and income that don't count toward the resource and income limits for the Extra Help benefit. American Indians and Alaska Natives may have other resources and income that are excluded.

For example, **Social Security will not count** the following resources and income:

- Certain distributions received by an Alaska Native from an Alaska Native Regional and Village Corporation;
- Land held in trust by the United States for an individual Indian or tribe;
- Funds held in trust by the Secretary of the Interior for an Indian tribe and distributed per capita to members of the tribe;
- Up to \$2,000 per year received by an American Indian that is derived from individual interests in trusts or restricted lands; and
- Payments to members of specific Indian tribes as provided by federal legislation.

You should contact Social Security for other resource and income exclusions.

If you're a family member, caregiver, or other third party

You can help Medicare beneficiaries apply for Extra Help with their Medicare prescription drug plan costs. If you assist someone with the application, you must answer the questions as if that person were completing the application. To find out if someone is eligible, Social Security will need to know the value of his or her savings, investments, real estate (other than the home), as well as income. We need information about whomever you

are helping and his or her spouse, if they are married and living together. The information on page 6, and worksheet on page 7, can help you with the application.

You can help someone apply for Extra Help online by visiting our website or calling our toll-free number to request the *Application for Extra Help with Medicare Prescription Drug Plan Costs* (Form SSA-1020). You also can visit your local Social Security office for assistance.

How do I choose a specific plan?

Visit **www.medicare.gov**, and use the following tools to help you decide.

- **Compare Medicare prescription drug plans** — You can find and compare the prescription drug plans in your state that meet your personal needs and enroll in the prescription drug plan you select; and
- **Formulary Finder** — You can enter information about the specific medications you take and get information to help you find the plans in your state that match your prescription drug needs.

To learn more about Medicare prescription drug plans and special enrollment periods, please visit **www.medicare.gov** or call **1-800-MEDICARE**.

What factors should I consider when comparing Medicare drug plan choices?

Coverage — Medicare drug plans will cover generic and brand-name drugs. Most plans will have a formulary, which is a list of drugs covered by the plan. The drugs covered by the plans can change, but the list always must meet Medicare's requirements.

Cost — Monthly premiums and your share of prescription costs will vary depending on which plan you choose. If you qualify for Extra Help because you have limited resources and income, you will get help with some or all of these costs.

Convenience — Drug plans must contract with pharmacies in your area. Check with the plan to make sure the pharmacies in the plan are convenient for you.

How do I join a Medicare prescription drug plan?

- **On the plan's website** — Visit the drug plan company's website. You may be able to join online;
- **On Medicare's website** — Join a drug plan at www.medicare.gov using Medicare's online enrollment center;
- **By paper application** — Contact the company offering the drug plan you choose, and ask for an application. After you fill out the form, mail or fax it back to the company; or
- **By phone** — Call the plan or call **1-800-MEDICARE**, and talk to a customer service representative.

Can state agencies help with Medicare costs?

When you file your application for Extra Help, you also can start your application process for the Medicare Savings Programs. These state programs provide help with other Medicare costs. Social Security will send

information to your state unless you tell us not to on the Extra Help application. Your state will contact you to help you apply for a Medicare Savings Program.

These Medicare Savings Programs help people with limited resources and income pay for their Medicare expenses. The Medicare Savings Programs help pay for your Medicare Part B (medical insurance) premiums. For some people, the Medicare Savings Programs also may pay for Medicare Part A (hospital insurance) premiums, if any, and Part A and B deductibles and co-payments.

Medicaid or medical assistance is a joint federal and state program that helps pay medical costs for some people who have limited resources and income. Each state has different rules about eligibility and applying for Medicaid. Contact your state Medicaid office for more information.

Appealing the decision

What can I do if I disagree with the information used to determine my eligibility?

Social Security will send you a pre-decisional notice if the information in our records shows you are ineligible for Extra Help. If you don't understand the notice, call us at **1-800-772-1213**, and we'll explain it to you. If you disagree with the information we have, call the number above or visit your local Social Security office within 10 days of receiving the pre-decisional notice, and give us the correct information.

We'll send you a final determination if you don't provide us any additional information within 10 days. It will explain what you should do if you disagree with the final determination. We call this an appeal.

How can I appeal the final determination made on my application for Extra Help?

If you want to appeal the determination Social Security made about your eligibility for Extra Help with Medicare prescription drug plan costs, visit our website, or call us and ask for an *Appeal of Determination for Extra Help with Medicare Prescription Drug Plan Costs* (Form SSA-1021). You can mail the request to Wilkes-Barre Data Operations Center, P.O. Box 1030, Wilkes-Barre, PA 18767-1030. You can also visit your local Social Security office.

What will happen when I appeal?

When you request the appeal, we'll ask you to tell us why you think our decision is wrong. Usually, we'll set up an appointment for a hearing to review your case with you by telephone. To set up the hearing appointment, we'll ask you for two preferred times for us to call. Then, we'll send you a hearing appointment notice that will give you the time and date scheduled for your hearing.

If you choose not to participate in a telephone hearing, we'll decide your case by looking at the information we have on file, and any new information you give us, to be sure we make a proper decision. We call this a hearing by case review.

Whether you request a hearing by telephone, or a hearing by case review, we'll send you another notice as soon as we complete the necessary work on your claim.

Is there a timeframe for the appeal?

You have 60 days from the date you receive the notice telling you about our decision to request an appeal. If you don't appeal within 60-days, you may lose your right to appeal, and the decision we made becomes final. If you have a good reason for not appealing your case within the time limits, we may give you more time. You can request an extension by calling us at **1-800-772-1213**.

Can I get help to request an appeal?

You may choose to have someone help you with your appeal or to represent you. Your representative may be a lawyer or other qualified person familiar with you and the Social Security program. We will work with your representative just as we would work with you. He or she can act for you in most Social Security matters.

What if I disagree with the decision?

If you disagree with the decision Social Security makes on your appeal, you may file a lawsuit in a federal district court. The letter we send you about the decision on your appeal also will tell you how to ask a court to look at your case.

How can I get more information?

For more information about getting Extra Help with your Medicare prescription drug plan costs, visit **www.socialsecurity.gov/extrahelp**, or call Social Security. Social Security representatives are available to help you complete your application. The sooner you apply, the sooner you will begin receiving benefits.

If you need information about Medicare Savings Programs, Medicare prescription drug plans, how to enroll in a plan, or to request a copy of the *Medicare & You* handbook, please visit **www.medicare.gov** or call **1-800-MEDICARE**. Your State Health Insurance Counseling and Assistance Program (SHIP) also can help answer your Medicare questions. You can find your local SHIP contact information in the back of your Medicare handbook, online at **www.medicare.gov**, or you can request it when you call.

Contacting Social Security

There are several ways to contact Social Security, including online, by phone, and in person. We're here to answer your questions and to serve you. For more than 80 years, Social Security has helped secure today and tomorrow by providing benefits and financial protection for millions of people throughout their life's journey.

Visit our website

The most convenient way to conduct Social Security business from anywhere at any time, is to visit **www.socialsecurity.gov**. There, you can:

- Create a *my* Social Security account to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, get a replacement SSA-1099/1042S, and more;
- Apply for Extra Help with Medicare prescription drug plan costs;
- Apply for retirement, disability, and Medicare benefits;
- Find copies of our publications;
- Get answers to frequently asked questions; and
- So much more!

Call us

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience a higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.

Notes



Securing today
and tomorrow

Social Security Administration | Publication No. 05-10508

ICN 470112 | Unit of Issue — Package of 25

February 2018 (Recycle prior editions)

Understanding the Extra Help With Your Medicare Prescription Drug Plan
Produced and published at U.S. taxpayer expense