

If a person gets Extra Help paying for Medicare prescription drug costs, will the Extra Help affect Medicaid eligibility? (continued)

When a person who qualifies for Medicaid through a spend down (and is eligible for Extra Help), the Extra Help the person gets will potentially reduce the medical expenses they would otherwise use to meet spend down. This might change the speed that the person meets their spend down to qualify for Medicaid.

The example below shows how qualifying for Extra Help may affect Medicaid eligibility.

Month 1

Julie has Medicare and gets \$700 a month in Social Security. Her income is too high for her to qualify for Medicaid in her state. Her state's Medicaid income limit is \$500 a month, which means she must have at least \$200 a month in medical expenses to spend down to the state's limit. She pays \$150 a month out-of-pocket for prescription drugs and \$75 most months for visits to her doctors, for a total of \$225 per month. After she has \$200 in medical expenses, she qualifies for Medicaid. Medicaid pays the additional \$25 of her medical expenses, leaving her with \$500 for other expenses. Julie gets Medicaid and automatically qualifies for Extra Help paying Medicare prescription drug costs for the rest of the calendar year, even if she doesn't qualify for Medicaid in some later months because she has lower medical expenses.

Month 2

With Extra Help and a Medicare drug plan, Julie pays no monthly premium, has no deductible, and pays only small copayments. Her copayments will be \$1 for each of her 10 generic prescriptions, for a total of \$10. She spends \$75 for her doctor visits, for a total of \$85 in medical expenses. Her medical expenses are no longer high enough to qualify for Medicaid (she doesn't exceed her \$200 limit under spend down). But the Extra Help she gets increases the income available to her. She now has \$615 available for other expenses, \$115 more than she had before getting the Extra Help. If Julie wants to keep Medicaid, she has the option to decline Extra Help.

Month 3

During a month where Julie's medical expenses for items other than prescription drugs are high, she will qualify for Medicaid once she has medical expenses of at least \$200. For example, Julie has another \$210 in medical expenses (like doctor visits) and \$10 in total prescription drug copayments for a total of \$220. She meets her spend down amount and qualifies for Medicaid. She can still rely on the Medicaid program in months when she has higher medical expenses.

What if a person is notified that they no longer qualify for Extra Help as of January 1 next year?

Each fall, Medicare uses data from the states to decide whether a person will continue to automatically qualify for Extra Help for the coming year.

Using the example from the previous page, let's say Medicare determines that Julie no longer automatically qualifies for Extra Help. Medicare reviews data from her state for a month where she doesn't qualify for Medicaid (month 2). Medicare sends her a gray letter saying she doesn't automatically qualify and encourages her to apply for Extra Help through Social Security to see if she qualifies based on her income and resources. Even though she no longer automatically qualifies, Julie may still qualify for Extra Help if she applies.

After not qualifying (month 2), Julie can meet spend down again in a later month (month 3). Her state tells Medicare, and she gets a letter from Medicare saying she automatically qualifies for Extra Help beginning from the month she qualified for Medicaid at least until December 31 of the same year.

For more information about Medicare prescription drug coverage:

- Visit [Medicare.gov/find-a-plan](https://www.Medicare.gov/find-a-plan) to get personalized information about Medicare drug plans.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.
- Call your State Health Insurance Assistance Program (SHIP). Visit [shiptacenter.org](https://www.shiptacenter.org) or call 1-800-MEDICARE for the phone number.

You have the right to get Medicare information in an accessible format, like large print, Braille, or audio. You also have the right to file a complaint if you feel you've been discriminated against. Visit [Medicare.gov/about-us/nondiscrimination/accessibility-nondiscrimination.html](https://www.Medicare.gov/about-us/nondiscrimination/accessibility-nondiscrimination.html), or call 1-800-MEDICARE (1-800-633-4227) for more information. TTY users can call 1-877-486-2048.

Paid for by the Department of Health & Human Services.

