

How does Extra Help impact a person who qualifies for Medicaid through a spenddown? (continued)

The example on the next page shows how qualifying for Extra Help may affect a person who's eligible for Medicaid through a spenddown.

Month 1

Julie has Medicare and gets \$1,200 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 \$1,000 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 doctor visits. This amounts to a total of \$225 in medical expenses each month. After Julie spends \$200 in medical expenses during the month, she's eligible for Medicaid for the rest of the month. Medicaid pays the remaining \$25 of her medical expenses, leaving her with \$1,000 for other expenses. In addition, since she's eligible for Medicaid, Julie automatically qualifies to enroll in Extra Help. Julie's Extra Help will last through the end 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 are \$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 monthly medical expenses aren't enough to qualify for Medicaid (she doesn't exceed her \$200 limit under spenddown). But, the Extra Help she gets increases the income available to her. She now has \$115 available for other expenses, \$115 more than she had before getting the Extra Help.

Month 3

During a month where Julie's medical expenses for items other than prescription drugs are high, she'll qualify for Medicaid once she has medical expenses of at least \$200.

For example, Julie has \$210 in doctor visits and \$10 in total prescription drug copayments, for a total of \$220 in medical expenses. She meets her spenddown amount, so Medicaid pays the additional \$20 of her medical expenses. She can still rely on the Medicaid Program in months when she has higher medical expenses.

What if a person no longer qualifies for Extra Help as of January 1 next year?

Each fall, Medicare uses data from the states to decide if 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 reviews data for a month during the current calendar year where Julie doesn't qualify for Medicaid. As a result, Medicare determines that Julie no longer automatically qualifies for Extra Help beginning January 1 of the next calendar year. Julie receives a grey letter saying she doesn't automatically qualify and encouraging her to apply for Extra Help through Social Security to see if she qualifies based on her income and resources.

If Julie doesn't qualify for Extra Help through Social Security, she'll automatically become eligible to enroll in Extra Help if she meets her spenddown limit at least once during a calendar year. For example, after not qualifying in January because she didn't meet her spenddown limit, Julie can meet her spenddown limit in February and automatically qualify to enroll in Extra Help. If that happens, her state tells Medicare, and she gets a letter from Medicare saying she automatically qualifies for Extra Help beginning with the month she qualified for Medicaid (February) until at least 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.

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