

Information partners can use on:

## Correcting Low-Income Subsidy Status Based on Best Available Evidence (BAE)

Medicare uses data from states and Social Security to determine the level of Extra Help (also called the low-income subsidy) for which a person may qualify. This Extra Help can include assistance paying monthly premiums and may reduce or eliminate copayments. If Medicare doesn't have the right information, its systems may show incorrect copayment levels, or they may not show that an eligible person qualifies for Extra Help. This discrepancy may happen when the state hasn't successfully reported a person's Medicaid or institutionalized status.

Medicare Prescription Drug Plan sponsors must use "Best Available Evidence" (BAE) to correct information about a person's level of Extra Help. Once plans get BAE documentation, they can't charge a person more than the maximum cost sharing for that person's level of Extra Help. For people who qualify for full Extra Help, that amount is \$2.95 for each generic drug (or brand-name drug treated as a generic) or \$7.40 for any other brand name drugs (in 2016). Some people with higher incomes get partial Extra Help and pay reduced monthly premiums, deductibles, and coinsurance. For people who qualify for partial Extra Help, the maximum is a 15% coinsurance for drugs on their plan's formulary until they reach the out-of-pocket limit. People with Medicaid who live in an institution (like a nursing home) or get home- and community-based services should pay nothing for their covered drugs.

If a person thinks they qualify for Extra Help because they have Medicaid, but they don't have or can't find the BAE documentation and ask for help, the plan must refer the person's information to Medicare to confirm the person qualifies.

## How to use BAE

You can help a person make sure he or she pays the right amount for his or her prescriptions. First, be sure the person has this information available:

- Name
- Date of birth
- Medicare number

Then follow these steps:

1. Collect documentation that meets the definition of BAE (see below).
2. Send the BAE documentation to the plan.
3. If the person can't find or doesn't have any BAE documentation, contact his or her plan and specifically ask for help getting the documentation.

### Step 1: Collect BAE documentation

You can provide any of these documents to plans to verify a person's eligibility for Extra Help and help the plan correct the person's low-income subsidy status or copayment level:

- Automatic enrollment notice from Medicare on yellow or green paper
- Notice from Medicare on purple paper that says the person automatically qualifies for Extra Help
- Notice from Medicare on orange paper that says the amount of the person's copayment will change next year
- Extra Help "Notice of Award" from Social Security
- Other proof that the person qualifies for Extra Help, like an award letter from Social Security which proves the person has Supplemental Security Income (SSI)

You can also provide any of the documents listed below as proof that the person qualifies for Extra Help in 2016. Each item listed below must show that the person was eligible for Medicaid during a month after June 2015.

| <b>Proof of Medicaid &amp; institutionalization or receipt of home- &amp; community-based services</b>   | <b>Proof of Medicaid</b>   |
|--|--|
| <ul style="list-style-type: none"> <li>▪ An invoice from the institution showing Medicaid payment for the person for at least a full calendar month</li> <li>▪ A print-out from the state’s Medicaid systems showing the person’s institutional status for at least a full calendar month and that Medicaid paid for the stay</li> <li>▪ A copy of a state document that confirms Medicaid payment to the institution for the person for a full calendar month</li> <li>▪ A copy of a state document that confirms Medicaid eligibility and receipt of home- and community-based services</li> </ul> | <ul style="list-style-type: none"> <li>▪ A copy of the person’s Medicaid card that includes the person’s name and eligibility date</li> <li>▪ A copy of a state document that confirms active Medicaid status</li> <li>▪ A print-out from the state’s electronic enrollment file or from the state’s Medicaid systems showing Medicaid status</li> <li>▪ Other documentation provided by the State Medical Assistance (Medicaid) office showing Medicaid status</li> </ul> |

### **Step 2: Submit BAE documentation to the plan**

Call the person’s plan or visit the plan’s website to find out where to mail or fax the documents, or to see if they can be sent by email.

As soon as the plan gets any one of the BAE documents, it must make sure the person pays no more than the maximum amount that may be charged to that person, depending on his or her level of Extra Help. If the documents also verify the person has Medicaid and lives in an institution or gets home- and community-based services, the plan must make sure the person pays nothing for their prescription drugs.

The plan must also work with Medicare to correct the discrepancy in their systems. Until the problem is corrected, the plan must make sure the person continues to be charged only the corrected cost-sharing amounts without having to resubmit documentation each month.

### **Step 3: Contact the plan for more help**

If a person can't locate any of the documents listed above as proof of their Medicaid or institutional status, contact the plan and ask for help getting the documentation. The plan will refer the person's information to Medicare to verify his or her status. When you contact the plan, be sure to tell them how many days of medication he or she has left. The plan will include this information in its request to Medicare so Medicare can respond before he or she runs out of medication, if possible. The plan generally must refer requests to Medicare within one business day of getting them. Once Medicare responds, the plan must attempt to notify him or her of the results within one business day. The request will take from several days to up to 2 weeks to process, depending on the circumstances, including the urgency of his or her needs for medication.

### **If the plan won't fix the problem**

File a complaint with Medicare if the plan:

- Doesn't correct a problem to make sure the person pays the right amount
- Doesn't work with you to help get proof of Medicaid or institutional status
- Fails to respond within normal timeframes

To file a complaint, call 1-800-MEDICARE (1-800-633-4227).  
TTY users should call 1-877-486-2048.

### **How a person can get costs back if they've been paying too much**

If a person wasn't already enrolled in a Medicare drug plan and paid for prescriptions since they qualified for Extra Help, they may be able to get back part of what they paid. They should try to locate their receipts. Then, they should call their plan or Medicare's Limited Income Newly Eligible Transition (NET) Program at 1-800-783-1307. TTY users should call 711.