

HI 03001.010 Eligibility for a Prescription Drug Subsidy

Citations:

Section 1860D-14 of the Social Security Act;
Regulations 20 CFR 418.3101

A. Introduction

Medicare beneficiaries:

- who have filed an application for Extra Help,
- have countable income less than 150 percent of the Federal poverty level (FPL) for his or her family size described in [HI 03020.055](#),
- have resources within the limits described in [HI 03030.025](#), and
- who are enrolled in a Part D plan or MA-PD will be eligible for reduced or no monthly premiums, reduced or no deductibles and limited copayments.

The amounts of subsidies for Part D premiums, deductibles and copayments will be based on:

- the income of the Medicare beneficiary and living-with spouse (if any) measured against a percentage of the annual FPL for the beneficiary's family size, as defined in [HI 03020.055C.](#), which includes dependent relatives living with the beneficiary; and
- the resources of the Medicare beneficiary and living-with spouse (if any).

B. Policy - Questions About Enrollment

Beneficiaries who are awarded a subsidy will be auto-enrolled in a Part D plan unless they are already enrolled or enroll themselves. Beneficiaries with questions about enrollment or choosing a PDP or MA-PD should be referred to 1-800-MEDICARE.

C. Policy - Basic Eligibility Requirements

To be eligible for the subsidy an individual must:

- Be entitled to benefits under Medicare Part A (hospital insurance) or entitled to Medicare Part B (supplementary medical insurance) or both, and
- Reside in one of the 50 states or the District of Columbia, and
- Have countable income and resources within specified limits as described in [HI 03020.055](#) and [HI 03030.025](#), and
- File an application (or be deemed eligible as described in [HI 03010.005B.2.f.](#)) with SSA or with a Medicaid State Agency. (HHS' regulations encourage States

to use the SSA process by completing the SSA-1020-OCR or i1020 and submitting the application to SSA for processing.)

D. Policy - Income Limits

1. General Description

Income limits are based on the FPL as published in the Federal Register each year by HHS. The poverty levels are the same regardless of the age of the family members.

2. Separate Levels for Alaska and Hawaii

One set of poverty levels applies to the 48 contiguous states and the District of Columbia. Alaska and Hawaii have separate and slightly higher poverty levels. When an individual applies for subsidy, we will apply the FPL that corresponds to the individual's state of residence in the month that the application is filed. The system is programmed to compute eligibility using the correct poverty levels for the applicable state of residence. Moving to a State that has a higher or lower FPL is not a subsidy changing event (See [HI 03050.005](#)) and does not require a redetermination.

REMINDER: Be alert to situations where a move is the result of a subsidy-changing event (e.g., an individual's spouse dies and the individual moves to live with an adult child).

3. 2009 FPL Tables

a. 48 States and District of Columbia

Family Size	100%	135%	140%	145%	150%
1	\$10,830.00	\$14,620.50	\$15,162.00	\$15,703.50	\$16,245.00
2	14,570.00	19,669.50	20,398.00	21,126.50	21,855.00
3	18,310.00	24,718.50	25,634.00	26,549.50	27,465.00
4	22,050.00	29,767.50	30,870.00	31,972.50	33,075.00
5	25,790.00	34,816.50	36,106.00	37,395.50	38,685.00
6	29,530.00	39,865.50	41,342.00	42,818.50	44,295.00
7	33,270.00	44,914.00	46,578.00	48,241.50	49,905.00
8	37,010.00	49,963.50	51,814.00	53,664.50	55,515.00

Family Size	100%	135%	140%	145%	150%
9	40,750.00	55,012.50	57,050.00	59,087.50	61,125.00
10	44,490.00	60,061.50	62,286.00	64,510.50	66,735.00
Additional	3,740.00	5,049.00	5,236.00	5,423.00	5,610.00

b. Alaska

Family Size	100%	135%	140%	145%	150%
1	\$13,530.00	\$18,265.50	\$18,942.00	\$19,618.50	\$20,295.00
2	18,210.00	24,583.50	25,494.00	26,404.50	27,315.00
3	22,890.00	30,901.50	32,046.00	33,190.50	34,335.00
4	27,570.00	37,219.50	38,598.00	39,976.50	41,355.00
5	32,250.00	43,537.50	45,150.00	46,762.50	48,375.00
6	36,930.00	49,855.50	51,702.00	53,548.50	55,395.00
7	41,610.00	56,173.50	58,254.00	60,334.50	62,415.00
8	46,290.00	62,491.50	64,806.00	67,120.50	69,435.00
9	50,970.00	68,809.50	71,358.00	73,906.50	76,455.00
10	55,650.00	75,127.50	77,910.00	80,692.50	83,475.00
Additional	4,680.00	6,318.00	6,552.00	6,786.00	7,020.00

c. Hawaii

Family Size	100%	135%	140%	145%	150%
1	\$12,460.00	\$16,821.00	\$17,444.00	\$18,067.00	\$18,690.00
2	16,760.00	22,626.00	23,464.00	24,302.00	25,140.00
3	21,060.00	28,431.00	29,484.00	30,537.00	31,590.00
4	25,360.00	34,236.00	35,504.00	36,772.00	38,040.00

Family Size	100%	135%	140%	145%	150%
5	29,660.00	40,041.00	41,524.00	43,007.00	44,490.00
6	33,960.00	45,846.00	47,544.00	49,242.00	50,940.00
7	38,260.00	51,651.00	53,564.00	55,477.00	57,390.00
8	42,560.00	57,456.00	59,584.00	61,712.00	63,840.00
9	46,860.00	63,261.00	65,604.00	67,947.00	70,290.00
10	51,160.00	69,066.00	71,624.00	74,182.50	76,740.00
Additional	4,300.00	5,805.00	6,020.00	6,235.00	6,450.00

4. 2008 FPL Tables

a. 48 States and District of Columbia

Family Size	100%	135%	140%	145%	150%
1	\$10,400.00	\$14,040.00	\$14,560.00	\$15,080.00	\$15,600.00
2	14,000.00	18,900.00	19,600.00	20,300.00	21,000.00
3	17,600.00	23,760.00	24,640.00	25,520.00	26,400.00
4	21,200.00	28,520.00	29,680.00	30,740.00	31,800.00
5	24,800.00	33,480.00	34,720.00	35,960.00	37,200.00
6	28,400.00	38,480.00	39,760.00	41,180.00	42,600.00
7	32,000.00	43,200.00	44,800.00	46,400.00	48,000.00
8	35,600.00	48,060.00	49,840.00	51,620.00	53,400.00
Additional	3,600.00	4,860.00	5,040.00	5,220.00	5,400.00

b. Alaska

Family Size	100%	135%	140%	145%	150%
1	\$13,000.00	\$17,550.00	\$18,200.00	\$18,850.00	\$19,500.00

Family Size	100%	135%	140%	145%	150%
2	17,500.00	23,625.00	24,500.00	25,375.00	26,250.00
3	22,000.00	29,700.00	30,800.00	31,900.00	33,000.00
4	26,500.00	35,775.00	37,100.00	38,425.00	39,750.00
5	31,000.00	41,850.00	43,400.00	44,950.00	46,500.00
6	35,500.00	47,925.00	49,700.00	51,475.00	53,250.00
7	40,000.00	54,000.00	56,000.00	58,000.00	60,000.00
8	44,500.00	60,075.00	62,300.00	64,525.00	66,750.00
Additional	4,500.00	6,075.00	6,300.00	6,525.00	6,750.00

c. Hawaii

Family Size	100%	135%	140%	145%	150%
1	\$11,960.00	\$16,146.00	\$16,744.00	\$17,342.00	\$17,940.00
2	16,100.00	21,735.50	22,540.00	23,345.00	24,150.00
3	20,240.00	27,324.00	28,336.00	29,348.00	30,360.00
4	24,380.00	32,913.00	34,132.00	35,351.00	36,570.00
5	28,520.00	38,502.00	39,928.00	41,354.00	42,780.00
6	32,660.00	44,091.00	45,724.00	47,357.00	48,990.00
7	36,800.00	49,680.00	51,520.00	53,360.00	55,200.00
8	40,940.00	55,269.00	57,316.00	59,363.00	61,410.00
Additional	4,140.00	5,589.00	5,796.00	6,003.00	6,210.00

5. Premium Subsidy

Countable Income is:	Premium Subsidy
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Countable Income is:	Premium Subsidy
Less than or equal to 135% of FPL	100%
Greater than 135% FPL, but not more than 140%	75%
Greater than 140% FPL, but not more than 145%	50%
Greater than 145% FPL, but less than 150%	25%
150% FPL or more	None

The amount of an individual's premium subsidy is determined by the relationship of his or her income (and that of his or her living with spouse) to the appropriate FPL. (See [HI 03020.055](#) for a more detailed explanation.)

NOTE: Premium subsidies are limited to the greater of the lowest plan premium or the CMS-set "benchmark" amount in the person's area. Therefore, a person with income below 135% of the FPL may still be responsible for paying a portion of the plan's premium if he or she enrolls in a plan whose premium exceeds the benchmark plan for the area. All questions regarding premiums should be referred to the PDP or MA-PD provider.