

LEGAL EASE



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Drug benefit program gets a new 'twist'

A recent Associated Press news article by Stephen Ohlemacher (January 8, 2010), broadcast the good news that the current Medicare Prescription Drug benefit through the Social Security Administration is being expanded to one million more seniors. To advertise this "twist" in the current benefit structure, the government is using '60's singer, Chubby Checker to publicize the "twist" in the Medicare drug program.

The Medicare Prescription Drug program has had an "extra help" component for low income seniors since its inception. Unfortunately, although many seniors met the income and asset limits imposed by the program, they were rejected due to the requirement that includes the value of some life insurance policies as part of their assets. Others were denied because they were required to report as part of their income money they received regularly from relatives and friends which was intended to help pay for household expenses. These two groups were disqualified in the past due to excess assets or excess income. Starting January 1, the two aforementioned restrictions are removed.

Currently, the income limits for "extra help" are \$16,245 per year for single persons, and \$21,855 for married couples living together. Assets, such as stocks, bonds, and bank accounts must be limited to \$12,510 for singles and \$25,010 for married couples. Homes and automobiles are excluded. The benefits vary by income level, and are divided into four groups. Those with the highest maximum income and asset levels may pay part, or all, of the benchmark premium for the Part D plan, have a limited deductible, and pay 15 percent coinsurance the cost sharing period. Other beneficiaries with lower income and asset limits have greater benefits. For many, the extra help program eliminates premiums and annual deductibles, and charges co-pays as low as \$1.10 for generic drugs, and \$3.30 for brand names.

Additionally, none of the extra help beneficiaries (also known as the "low income subsidy") have the "donut hole" gap in coverage. Furthermore, Medicare beneficiaries who qualify for this benefit may change their Part D plan any time, rather than wait for the November 15 open enrollment period.

The low income subsidy or extra help for Medicare beneficiaries is a national program. Pennsylvanians with low enough income levels should also consider PACE and PACENET programs for their extra help. You can access PACE and PACENET through your local Aging and Adult services.

Information on the "extra help" program can be obtained through your local Social Security office or your local Pennsylvania Department of Welfare County Assistance Office. It is recommended that seniors who have low incomes go to the County Assistance Office to apply for the low income assistance, since there are other programs for which seniors might qualify, such as help with Medicare Part B premiums, food stamps (supplemental nutrition assistance or SNAP) and Low Income Heating Energy Assistance Program or LIHEAP. Your local Aging and Adult Office can also be of help to you in steering you in the right direction. If you have been denied for prescription drug "extra help" in the past, consider applying again under the new "twist."