

Medicare Extra Rx HELP (Higher Eligibility Limits in PartD) Act (S. 691)

Introduced by Senator Bob Casey (D-PA), Ranking Member, Senate Aging Committee

Half of all people with Medicare—nearly 30 million seniors and people with disabilities—live on annual [incomes below \\$26,200](#). Almost 15 million, one quarter of the Medicare population, live on less than [\\$15,250 per year](#) and have less than [\\$14,550 in savings](#). Health care costs, including for prescription drugs, are eating up an increasing share of these limited budgets. Indeed, [40%](#) of beneficiaries with incomes below 200% of the Federal Poverty Level (FPL) (\$23,540 for an individual in 2016) spent more than 20% of their income on health care. Out-of-pocket costs for prescription drugs represent a sizable share of this spending, accounting for [nearly \\$1 out of every \\$5](#) spent.

Created almost 15 years ago, when the Medicare prescription drug benefit (Part D) was first enacted, the Part D Low-Income Subsidy (commonly known as Extra Help) was established to help low-income seniors and people with disabilities shoulder the cost of premiums and cost-sharing (deductibles, copayments and coinsurance) for needed medicines. In 2018, more than [12 million](#) people with Medicare were enrolled in the program.

Today, complex, bureaucratic application processes limit participation in Extra Help. The program's outdated eligibility thresholds have failed to keep pace with protections advanced through the Affordable Care Act (ACA) leaving behind seniors and people with disabilities who are often forced to choose among prescription drugs and other basic needs. Importantly, the ACA expanded Medicaid and provided cost-sharing assistance in the Marketplaces with *no asset test* to determine eligibility.

People with Medicare deserve an Extra Help program that reflects today's financial realities and the modern policies adopted through the ACA. The **Medicare Extra Rx HELP Act** would allow millions more seniors and people with disabilities to benefit from this essential program. The bill would:

- **Eliminate the asset test and streamline program administration:** Only Part D enrollees who meet an exceptionally low asset threshold (amounting to \$7,730 for an individual for full benefits) are currently eligible for assistance with their Part D premiums and cost-sharing. The verification of asset information is burdensome to administer and presents a significant barrier to program enrollment. S. 691 would do away with the asset test under Extra Help.
- **Provide full Extra Help benefits to those living on the edge of poverty.** Only the lowest income people with Medicare receive full benefits through Extra Help, including \$0 premiums and deductibles as well as fixed copayments. Whereas, individuals with incomes of about \$16,860 to \$18,735 (135% to 150% FPL in 2019) who also meet the program's asset test are exposed to premiums, deductibles and high coinsurance rates (15%). S. 691 would extend full Extra Help benefits to Medicare-eligible seniors and people with disabilities living below \$24,980 per year (200% FPL for an individual).

Co-Sponsors: Sens. Blumenthal, Gillibrand, Baldwin

Supporters:

Aging Life Care Association
Alliance for Retired Americans
American Geriatrics Society (AGS)
Autism Society
Brain Injury Association of America
Center for Medicare Advocacy, Inc.
Disability Rights Education and Defense Fund (DREDF)
Epilepsy Foundation
Justice in Aging
Medicare Rights Center
National Adult Day Services Association (NADSA)
National Alliance on Mental Illness
National Association of State Long-Term Care Ombudsman Programs (NASOP)
National Committee to Preserve Social Security and Medicare (NCPSSM)
National Council on Aging (NCOA)
National Disability Rights Network
National Health Law Program (NHeLP)

Comparing Current Part D LIS/Extra Help Benefits to the Medicare Extra Rx HELP Act (Individuals Only):

2019 Part D LIS/Extra Help Benefits:

			What the Beneficiary Pays				
	Income (Federal Poverty Level)	Assets	Premium	Deductible	Initial Coverage Period	In Coverage Gap	After Coverage Gap
Full Benefit	Below 135%*	Below \$7,730	\$0	\$0	\$3.40 generic \$8.50 brand	\$3.40 generic \$8.50 brand	\$0
Partial Benefit	Below 135%*	Between \$7,730 and \$12,890	\$0	\$85	15% coinsurance	15% coinsurance	\$3.40 generic \$8.50 brand
Partial Benefit	Greater than or equal to 135% and less than 150%*	Below \$12,890	Varies by income level	\$85	15% coinsurance	15% coinsurance	\$3.40 generic \$8.50 brand

*In 2019, 135% FPL equivalent to about 16,860; 150% FPL equivalent to \$18,735.

Part D LIS/Extra Help Benefits under the Medicare Extra Rx HELP Act:

			What the Beneficiary Pays				
	Income	Assets	Premium	Deductible	Initial Coverage Period	In Coverage Gap	After Coverage Gap
Full Benefit	Less than 200%*	No Test	\$0	\$0	\$3.40 generic \$8.50 brand	\$3.40 generic \$8.50 brand	\$0

* In 2019, 200% FPL equivalent to \$24,980.