



Medicare Savings Programs Available for Low-Income Beneficiaries

Do you ever wonder how you will pay your medical expenses? Do you need more money for things like prescription drugs, electricity bills or food? If you answered "yes" to either of these questions and you are a person with Medicare, help may be available for you.

Medicare Savings Programs assist low-income Medicare beneficiaries with out-of-pocket expenses associated with Medicare. The Seniors' Health Insurance Information Program—or SHIIP—can help beneficiaries understand and apply for the financial help.

"This assistance is available to many North Carolinians who aren't even aware of it," said Insurance Commissioner Wayne Goodwin. "SHIIP can help people with Medicare understand what they may be qualified to receive."

Those who qualify often have their Medicare Part B premium paid, resulting in a total savings of \$1,384.80 a year! Qualifying individuals with the least amount of income receive the highest level of benefits. Many Medicare beneficiaries are surprised to learn that a couple drawing in income as much as \$1,654.86 per month, or an individual drawing \$1,225.12 per month, may be eligible to receive some financial assistance.

To qualify for these programs a Medicare beneficiary must meet certain income, resource and asset level requirements. Income includes monthly earnings, Social Security and Veterans' benefits, disability payments, cash contributions, retirements and pensions. Resources and assets include the value of items that the person owns, such as cash, stocks, bonds, retirement accounts, cash value of a life insurance policy, the value of a second car, boats and any real property that is not the primary residence and does not produce income. Resources do not include appliances and other household furnishings, clothing or other personal items like jewelry. Assets excluded from the evaluation process are: \$8,180 for individuals (\$13,020 for couples), a home, all property attached to the home, personal belongings, one vehicle and irrevocable burial contracts and plots.

Individuals who qualify for these programs will also receive what is called Extra Help with their Medicare Part D prescription drug plans at the 100 percent level. This means they will pay a reduced co-pay of \$2.50 for generic drugs and \$6.30 for name-brand drugs, as well as lower monthly premiums. This Extra Help is also referred to as the Low Income Subsidy (LIS) program.

Applicants may apply for the Medicare Savings Programs through their local Department of Social Services. Once the application is submitted, a social worker will evaluate your income, resources and assets to determine if you qualify. The income and resource limits increase on April 1 of each year, and the limits shown above reflect the changes for 2011. If you have applied for assistance in the past and did not qualify, SHIIP encourages you to apply again as your income and resources and assets may now fit into the specified range.

People with Medicare who have higher incomes can still apply for Extra Help with their Part D plans. The income and asset limits for Extra Help are \$1,361.25 per month with assets up to \$12,640 if you

are single, and \$1,838.75 per month with assets up to \$25,260 if you are married. When you apply for Extra Help through Social Security's website, you can also choose the option to apply for Medicare Savings Programs during the online application process. The SHIP office can assist you with applying online for the Extra Help program and, subsequently, the Medicare Savings Programs through the Social Security Administration website at www.socialsecurity.gov. Medicare beneficiaries may also apply online themselves or by contacting the Social Security Administration at 1-800-772-1213.

SHIP has volunteers in all 100 counties in North Carolina who offer one-on-one counseling and provide free, unbiased information about Medicare, Medicare supplements, Medicare Part D, Medicare Advantage and health plan options and long-term care insurance through its toll-free number. To contact SHIP, call 1-800-443-9354 or visit www.ncship.com.