

Changes in the Law Could Make More People Eligible for Extra Help in 2010

2009



Beginning January 1, 2010, changes in the law will make it easier for some people to qualify for Extra Help with their Medicare prescription drug plan costs. Under the *Medicare Improvements for Patients and Providers Act*:

- We will no longer count as a **resource** any life insurance policy; **and**
- We will no longer count as **income** the help you receive regularly from someone else to pay your household expenses—food, mortgage, rent, heating fuel or gas, electricity, water, and property taxes.

Will this change the basic resource and income limits for Extra Help?

No, but it changes what is counted in these limits. To qualify for Extra Help in 2009, your resources still must be limited to \$12,510 for an individual or \$25,010 for a married couple living together. Your annual income still must be limited to \$16,245 for an individual or \$21,855 for a married couple living together. Your income can be a little higher if you support other family members who live with you, have earnings from work, or live in Alaska or Hawaii. These amounts may change in 2010.

If I currently have life insurance or if someone helps me with my household expenses when should I apply for Extra Help?

First, you must see how the life insurance affects your resources or how the household help affects your income. If your resources would be below the eligibility limit even with life insurance and your income would be below the eligibility limits even with help with household expenses, you should apply for Extra Help now.

If your life insurance or help with household expenses would raise your resources or income above the eligibility limits, you should apply for Extra Help, but you should wait until January 1, 2010, to apply.

Example 1: Jane lives alone and has life insurance worth \$1,000. She has additional resources of \$10,900, for a total of \$11,900. Her total yearly income comes to \$16,240. She should apply for Extra Help now because her total resources, even including the life insurance, are below the maximum limit of \$12,510. Her income is also below the eligibility limit.

Example 2: George and Diana are married and live together. They have life insurance worth \$2,500. Their remaining resources are \$24,000, for a total resource level of \$26,500. Their annual income is \$21,000—below the eligibility limit for a married couple living together. George and Diana should **not** apply for Extra Help now, but should apply after January 1, 2010. This is because their resources are above the \$25,010 eligibility limit for a married couple living together. However, on January 1, 2010, when the law changes, the life insurance will no longer count against their resources. Their total resources will then be \$24,000, making them eligible for Extra Help at that time.

Example 3: Mary and Joe are married and live together. They have resources of \$23,000. Their total yearly income is \$20,900, which includes \$2,400 they get from their son David to pay their rent. Mary and Joe should apply for Extra Help now because, even with the help they get from David, their combined income is below the maximum limit of \$21,855 for a married couple living together.

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Why should I wait to apply for Extra Help in some circumstances?

Social Security will not be able to find you eligible until the new law goes into effect if your resources, income, or both would be above the eligibility limits due to life insurance or help with household expenses. If you apply before January 1, your claim will be denied and you will have to reapply for Extra Help.

What else should I know about the new law?

Beginning January 1, 2010, when you apply for Extra Help, you also can start your application process for the Medicare Savings Programs—state programs that provide help with other Medicare costs. Social Security will send information to your state unless you tell us not to on the Extra Help application. Your state will contact you to help you apply for a Medicare Savings Program. These Medicare Savings Programs help people with limited income and resources pay for their Medicare expenses. The Medicare Savings Programs help pay for your Medicare Part B (medical insurance) premiums. For some people, the Medicare Savings Programs also may pay for Medicare Part A (hospital insurance) premiums, if any, and Part A and B deductibles and co-payments.

How do I apply for Extra Help?

It is easy to apply for Extra Help. Just complete Social Security's *Application for Extra Help with Medicare Prescription Drug Plan Costs* (SSA-1020). Here's how:

- You can apply online at www.socialsecurity.gov;
- Call Social Security at **1-800-772-1213** (TTY **1-800-325-0778**) to apply over the phone or to request an application; or
- Apply at your local Social Security office.

After you apply, Social Security will review your application and send you a letter to let you know if you qualify for the Extra Help. Once you qualify, you can choose a Medicare prescription drug plan. If you do not select a plan, the *Centers for Medicare & Medicaid Services* will do it for you. The sooner you join a plan the sooner you begin receiving benefits.

Why should I apply for Extra Help online?

Our online application is secure and offers several advantages. It takes you through the process, step by step, with a series of self-help screens. The screens will tell you what information you need to complete the application and will guide you in answering the questions fully. You can apply conveniently from your own home or office, at your own pace. You can start and stop at any time during the process, so you can leave the application and go back later to update or complete any of the required information. We are careful to protect your personal information.

How can I get more information?

For more information about getting Extra Help with your Medicare prescription drug plan costs, visit www.socialsecurity.gov or call Social Security at **1-800-772-1213** (TTY **1-800-325-0778**). Social Security representatives are available to help you complete your application.

If you need information about Medicare Savings Programs, Medicare prescription drug plans, how to enroll in a plan, or to request a copy of the *Medicare and You, 2009* handbook, please visit www.medicare.gov or call **1-800-MEDICARE (1-800-633-4227; TTY, 1-877-486-2048)**. You also can request information about how to contact your State Health Insurance Assistance Program (SHIP) or you can find your local SHIP contact information on the back of your Medicare handbook. The SHIP offers help with your Medicare questions.