



Social Security

Understanding The Extra Help With Your Medicare Prescription Drug Plan

2014

www.socialsecurity.gov

Contacting Social Security

Visit our website

Our website, www.socialsecurity.gov, is a valuable resource for information about all of Social Security's programs. At our website, you also can:

- Apply for Extra Help with Medicare prescription drug plan costs;
- Apply for retirement, disability and Medicare benefits;
- Review your *Social Security Statement*;
- Get the address of your local Social Security office;
- Request a replacement Medicare card; and
- Find copies of our publications.

Call our toll-free number

In addition to using our website, you can call us toll-free at **1-800-772-1213**. We treat all calls confidentially. We can answer specific questions from 7 a.m. to 7 p.m., Monday through Friday. Generally, you'll have a shorter wait time if you call during the week after Tuesday. We can provide information by automated phone service 24 hours a day. (You can use our automated response system to tell us a new address or request a replacement Medicare card.) If you are deaf or hard of hearing, you may call our TTY number, **1-800-325-0778**.

We also want to make sure you receive accurate and courteous service. That is why we have a second Social Security representative monitor some telephone calls.

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What is Extra Help with Medicare prescription drug plan costs?

Anyone who has Medicare can get Medicare prescription drug coverage. Some people with limited resources and income also may be able to get Extra Help with the costs—monthly premiums, annual deductibles, and prescription co-payments—related to a Medicare prescription drug plan. The Extra Help is estimated to be worth about \$4,000 per year. Many people qualify for these big savings and don't even know it. To find out if you qualify, Social Security will need to know the value of your savings, investments, real estate (other than your home) and your income. We need information about you and your spouse, if you are married and living together.

To help Social Security determine if you are eligible for Extra Help, you will need to file an *Application for Extra Help with Medicare Prescription Drug Plan Costs* (Form SSA-1020).

Resources and income

What is the resource limit?

To qualify for Extra Help, your resources must be limited to \$13,440 for an individual or \$26,860 for a married couple living together.

Resources include the value of the things you own. Some examples are:

- Real estate (other than your primary residence);
- Bank accounts including checking, savings and certificates of deposit;
- Stocks;
- Bonds, including U.S. Savings Bonds;
- Mutual funds;
- Individual Retirement Accounts (IRAs); and
- Cash at home or anywhere else.

What does not count as a resource?

We do not count:

- Your primary residence;
 - Your personal possessions;
 - Your vehicle(s);
 - Resources you could not easily convert to cash, such as jewelry or home furnishings;
 - Property you need for self-support, such as rental property or land you use to grow produce for home consumption;
 - Non-business property essential to your self-support;
 - Life insurance policies;
 - Burial expenses;
 - Interest earned on money you plan to use for burial expenses; and
 - Certain other money you are holding is not counted for nine months, such as:
 - Retroactive Social Security or Supplemental Security Income (SSI) payments;
 - Housing assistance;
 - Tax advances and refunds related to earned income tax credits and child tax credits;
 - Compensation you receive as a crime victim; and
 - Relocation assistance from a state or local government.
- You should contact Social Security for other resource exclusions.

What is the income limit?

To qualify for Extra Help, your annual income must be limited to \$17,505 for an individual or \$23,595 for a married couple living together. Even if your annual income is higher, you may still be able to get some help. Some examples where your income may be higher are if you or your spouse:

- Support other family members who live with you;
- Have earnings from work; or
- Live in Alaska or Hawaii.

What does not count as income?

Not all cash payments count as income. For example, **we will not count:**

- Supplemental Nutrition Assistance Program (food stamps);
- Housing assistance;
- Home energy assistance;
- Medical treatment and drugs;
- Disaster assistance;
- Earned income tax credit payments;
- Assistance from others to pay your household expenses;
- Victim's compensation payments; and
- Scholarships and education grants.

You should contact Social Security for other income exclusions.

How do I apply?

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

- Apply online at www.socialsecurity.gov/extrahelp;
- 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 Extra Help. After 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.

If you are not eligible for Extra Help, you still may be able to enroll in a Medicare prescription drug plan. For information about enrollment periods, visit www.medicare.gov or call **1-800-MEDICARE** (**1-800-633-4227**; TTY **1-877-486-2048**).

Why should I apply 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 from any computer 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.

What do I need to know?

Most of the questions on the application are about resources and income. If you are married and living with your spouse, we need to know this information about both of you. Family members, caregivers and other third parties can help you complete the application. The worksheet on the next page can help you decide if you are eligible and can assist you in completing the actual application for Extra Help. The worksheet is **not** an application.

To prepare:

- Identify the things you own alone, with your spouse, or with someone else, but **do not** include your home, vehicles, burial plots, life insurance policies or personal possessions;
- Review all your income; and
- Gather your records in advance to save time.

The records you will need are:

- Statements that show your account balances at banks, credit unions or other financial institutions;
- Investment statements;
- Stock certificates;
- Tax returns;
- Pension award letters; and
- Payroll slips.

We will not ask for proof to support the information you provide, but we will match your information with data available from other government agencies. We will compare that information to make sure it is correct.

We need to know information about your (and your spouse's, if you are married and living together) resources and income:

Resources	Value
Bank accounts, including checking, savings, and certificates of deposit	\$ _____
Stocks, bonds, savings bonds, mutual funds, individual retirement accounts (IRAs), or other investments	\$ _____
Cash at home or anywhere else	\$ _____
Any real estate other than your home	\$ _____

Income	Monthly Amount
Social Security benefits	\$ _____
Railroad Retirement benefits	\$ _____
Veterans benefits	\$ _____
Other pensions or annuities	\$ _____
Alimony	\$ _____
Net rental income	\$ _____
Workers' compensation	\$ _____
Other income (e.g., unemployment, private or state disability payments)	\$ _____

Income	Annual Amount
Wages	\$ _____
Net earnings from self-employment	\$ _____

If you are an American Indian or Alaska Native

Pages 5 and 6 provide a list of certain resources and income that do not count toward the resource and income limits for the Extra Help benefit. American Indians and Alaska Natives may have other resources and income that are excluded.

For example, **Social Security will not count** the following resources and income:

- Certain distributions received by an Alaska Native from an Alaska Native Regional and Village Corporation;
- Land held in trust by the United States for an individual Indian or Tribe;
- Funds held in trust by the Secretary of the Interior for an Indian Tribe and distributed per capita to members of the Tribe;
- Up to \$2,000 per year received by an Indian that is derived from individual interests in trusts or restricted lands; and
- Payments to members of specific Indian Tribes as provided by federal legislation.

You should contact Social Security for other resource and income exclusions.

If you are a family member, caregiver or other third party

You can help Medicare beneficiaries apply for Extra Help with their Medicare prescription drug plan costs. If you assist someone with the application, you must answer the questions as if that person were completing the application. To find out if someone is eligible, Social Security will need to know the value of his or her savings, investments, real estate (other than the home), as well as income. We need information about whomever you are helping and his or her spouse, if they are married and living together. The information on page 8 and worksheet on page 9 can help you with the application.

You can help someone apply for Extra Help online by visiting our website or calling our toll-free number to request the *Application for Extra Help with Medicare Prescription Drug Plan Costs* (Form SSA-1020). You also can visit your local Social Security office for assistance.

How do I choose a specific plan?

Visit www.medicare.gov and use the following tools to help you decide:

- **Compare Medicare prescription drug plans**—You can find and compare the prescription drug plans in your state that meet your personal needs and enroll in the prescription drug plan you select; and
- **Formulary Finder**—You can enter information about the specific medications you take and get information to help you find the plans in your state that match your prescription drug needs.

To learn more about Medicare prescription drug plans and special enrollment periods, please visit www.medicare.gov or call 1-800-MEDICARE.

What factors should I consider when comparing Medicare drug plan choices?

Coverage—Medicare drug plans will cover generic and brand-name drugs. Most plans will have a formulary, which is a list of drugs covered by the plan. The drugs covered by the plans can change, but the list always must meet Medicare's requirements.

Cost—Monthly premiums and your share of prescription costs will vary depending on which plan you choose. If you qualify for Extra Help because you have limited resources and income, you will get help with some or all of these costs.

Convenience—Drug plans must contract with pharmacies in your area. Check with the plan to make sure the pharmacies in the plan are convenient to you.

How do I join a Medicare prescription drug plan?

- **On the plan's website**—Visit the drug plan company's website. You may be able to join online;
- **On Medicare's website**—Join a drug plan at www.medicare.gov using Medicare's online enrollment center;
- **By paper application**—Contact the company offering the drug plan you choose and ask for an application. After you fill out the form, mail or fax it back to the company; or
- **By phone**—Call the plan or call **1-800-MEDICARE** and talk to a customer service representative.

Can state agencies help with Medicare costs?

When you file your application for Extra Help, you also can start your application process for the Medicare Savings Programs. These state programs 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 resources and income 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.

What can I do if I disagree with the information used to determine my eligibility?

Social Security will send you a pre-decisional notice if the information in our records show you are ineligible for Extra Help. If you don't understand the notice, call us at **1-800-772-1213**, and we will explain it to you. If you disagree with the information we have, call the number above or visit your local Social Security office within 10 days of receiving the pre-decisional notice, and give us the correct information.

We will send you a final determination if you do not provide us any additional information within 10 days. It will explain what you should do if you disagree with the final determination. We call this an appeal.

How can I appeal the final determination made on my application for Extra Help?

If you want to appeal the determination Social Security made about your eligibility for Extra Help with Medicare prescription drug plan costs, visit our website or call us and ask for an *Appeal of Determination for Extra Help with Medicare Prescription Drug Plan Costs* (Form SSA-1021). You can mail the request to Wilkes-Barre Data Operations Center, P.O. Box 1030, Wilkes-Barre, PA 18767-1030. You can also visit your local Social Security office.

What will happen when I appeal?

When you request the appeal, we will ask you to tell us why you think our decision is wrong. Usually we will set up an appointment for a hearing, to review your case with you by telephone. To set up the hearing appointment, we will ask you for two preferred times for us to call. Then, we will send you a hearing appointment notice that will give you the time and date scheduled for your hearing.

If you choose not to participate in a telephone hearing, we will decide your case by looking at the information we have on file and any new information you give us to be sure we make a proper decision. We call this a hearing by case review.

Whether you request a hearing by telephone or a hearing by case review, we will send you another notice as soon as we complete the necessary work on your claim.

Is there a time frame for the appeal?

You have 60 days from the date you receive the notice telling you about our decision to request an appeal. If you do not appeal within the 60-day time limit, you may lose your right to appeal and the decision we made becomes final. If you have a good reason for not appealing your case within the time limits, we may give you more time. You can request an extension by calling us at **1-800-772-1213**.

Can I get help to request an appeal?

You may choose to have someone help you with your appeal or to represent you. Your representative may be a lawyer or other qualified person familiar with you and the Social Security program. We will work with your representative just as we would work with you. He or she can act for you in most Social Security matters.

What if I disagree with the decision?

If you disagree with the decision Social Security makes on your appeal, you may file a lawsuit in a federal district court. The letter we send you about the decision on your appeal also will tell you how to ask a court to look at your case.

How can I get more information?

For more information about getting Extra Help with your Medicare prescription drug plan costs, visit www.socialsecurity.gov/extrahelp or call Social Security. Social Security representatives are available to help you complete your application. The sooner you apply the sooner you will begin receiving benefits.

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 & You* handbook, please visit www.medicare.gov or call **1-800-MEDICARE**. Your State Health Insurance Counseling and Assistance Program (SHIP) also can help answer your Medicare questions. You can find your local SHIP contact information in the back of your Medicare handbook, online at www.medicare.gov, or you can request it when you call.

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