

Do You Qualify for Extra Help for Your Medicare Drug Costs in 2007?

If you have Medicare, there are several ways you might qualify for extra help with your drug costs.

Whether you might be eligible for added help depends on several things—this can help you figure out whether you qualify and what your benefits will be in 2007. The income limits are based on 2007 poverty level and will increase every year.

If you are enrolled in Medicaid, receive SSI, or are enrolled in a Medicare Savings Program (MSP) . . .

. . . you qualify for extra help and may sign up at any time during 2007 without penalty. If you received extra help in 2006 and your circumstances haven't changed, you should also be eligible in 2007 and will continue with your current drug plan unless you choose to change plans.

The amount of added help you will get depends on three things:

1. If you live in a nursing home or other institution:

The drug benefit and drugs your plan covers are free. Even if you are staying in a nursing home for only a short time, while you are there, your drugs are free.

2. If your family income is less than \$10,210 (individual) or \$13,690 (couple):

- You pay \$1 for each generic prescription and \$3.10 for each brand-name prescription.
- Once your total drug costs for the year have reached \$5,450 (that's what you've paid plus what Medicare has paid), you get the rest of your drugs for the year for free.

3. If your family income is over \$10,210 (individual) or \$13,690 (couple):

- You pay \$2.15 for each generic prescription and \$5.35 for each brand-name prescription.
- Once your total drug costs for the year reach \$5,450 (that's what you've paid plus what Medicare has paid), you get the rest of your drugs for the year for free.

AFTER 2007, for every benefit level, the set dollar amounts that you have to pay per prescription (the \$1 to \$5.35 payments per prescription) will increase each year.

Note: Call 1-800-Medicare to double check your eligibility for low-income extra help, enroll in a plan, or change plans.

If you are not enrolled in Medicaid . . .

. . . you may still qualify for extra help, depending on your income and resources. * The amount of income and assets you can have will go up each year, but these figures will give you an idea of whether you might be eligible for this extra help.

If your income is below \$13,783 (individual) or \$18,481 (couple) AND . . .

- **Your resources are less than \$7,260 (individual) or \$12,190 (couple):**
 - You can sign up for free.
 - You pay \$2.15 for each generic prescription and \$5.35 for each brand-name prescription.
 - Once your total drug costs for the year reach \$5,450 (that's what you've paid plus what Medicare's paid), you get the rest of your drugs for the year for free.
- **Your resources are between \$7,260 and \$11,710 (individual) or between \$12,190 and \$23,410 (couple):**
 - To sign up for the benefit, you must pay a monthly premium depending on your income. Premiums will increase annually.
 - You must pay for the first \$53 in drug costs. This will increase annually.
 - After the first \$53, you pay 15% of drug costs up to \$5,450.
 - Once your total drug costs for the year reach \$5,450 (that's what you've paid plus what Medicare has paid), you pay \$2.15 for each generic prescription and \$5.35 for each brand-name prescription for the rest of the year.

If your income is between \$13,230 and \$14,700 (individual) or \$17,820 and \$19,800 (couple) AND your resources are less than \$11,710 (individual) or \$23,410 (couple):

- To sign up for the benefit, you must pay a monthly premium depending on your income. Premiums will increase annually.
- You must pay for the first \$53 in drug costs. This will increase annually.
- After the first \$53, you pay 15% of drug costs up to \$5,450.
- Once your total drug costs for the year reach \$5,450 (that's what you've paid plus what Medicare has paid), you pay \$2.15 for each generic prescription and \$5.35 for each brand prescription for the rest of the year.

* "Resources" include your bank account, IRAs, and the cash value of any life insurance—not the policy amount. Some things like your home and up to \$1,500 per person in burial funds are excluded. If you think you might qualify or aren't sure about your resources, contact your Social Security or Medicaid office. Even if you qualify for added help, you still need to enroll in a Medicare drug plan.

AFTER 2007, for every benefit level, the amount that you have to pay for each prescription (the \$1 to \$5.35 payments per prescription) will increase each year.