

LOW INCOME SUBSIDY (LIS)

EXTRA HELP



What is LIS?

LIS is a federal subsidy program that helps low income Medicare-eligible consumers save money on their prescription costs, including monthly premium, annual deductible, and copayments/coinsurance. It is also known as Extra Help (the term used by the Social Security Administration [SSA]).

To qualify for Extra Help, the Medicare consumer must:

- Have Medicare Part A and/or Part B
- Reside in one of the 50 states or the District of Columbia
- Meet **resource** and **income** limits*

* LIS is a means tested federal program. Eligibility is determined by SSA based on income and resource thresholds, which change annually. On the next page, you will find information about LIS levels.

The LIS program only covers costs related to Medicare Part D. Any premium subsidy refers to Medicare Part D (not Part B or C).

Consumer Landscape

- There are over 11.7 million** Medicare consumers who have LIS—almost 1 in 3!
- Approximately 1 in 5*** of UnitedHealthcare's Medicare Advantage (MA) members have LIS.
- LIS is an important part of the sales conversation with a consumer, whether they already have LIS or are potentially eligible.
- With many UnitedHealthcare Medicare Advantage (MA) plans now having a Part D deductible and/or premium in 2016, LIS conversations have become much more important.

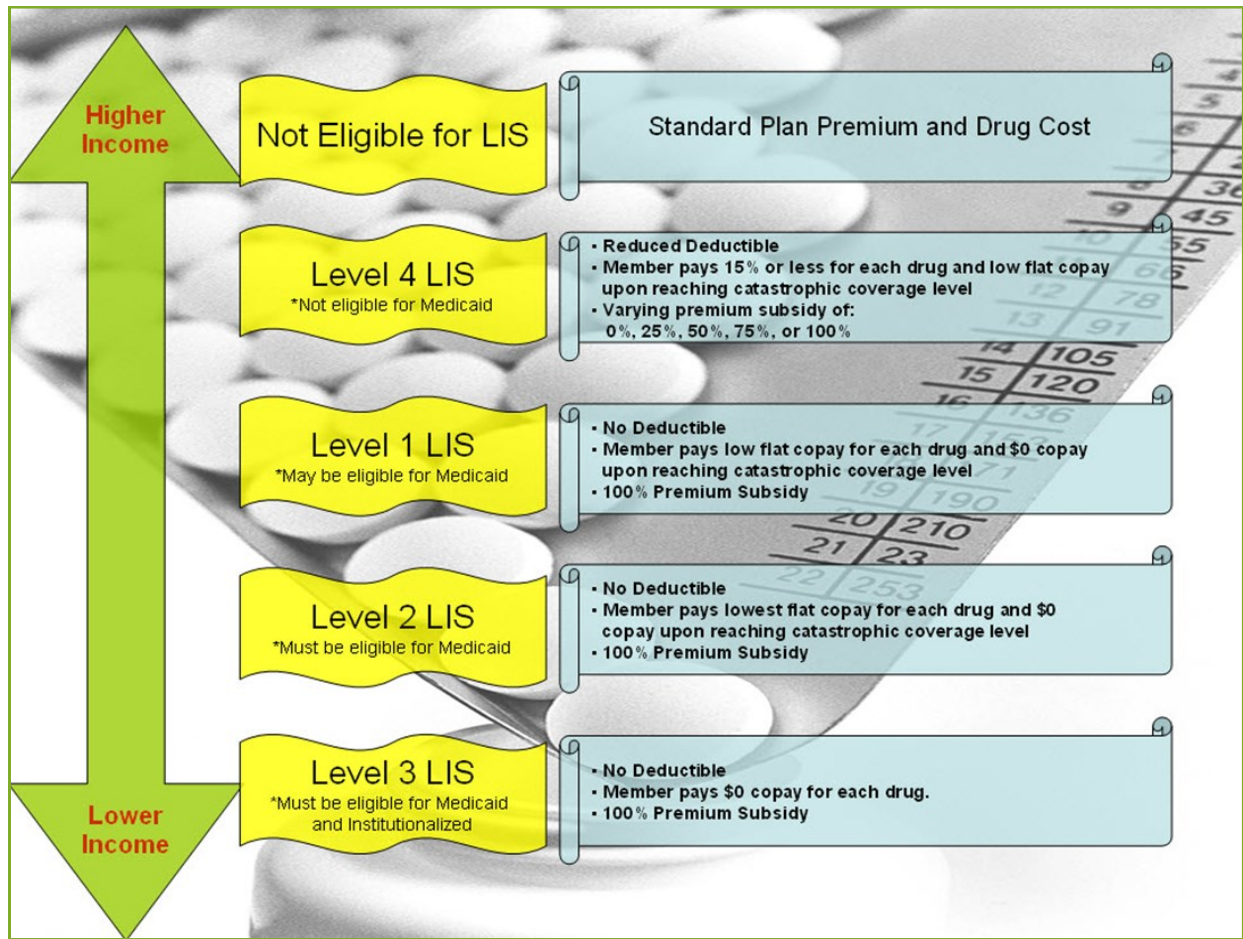


** Source: *Medicare Part D at Ten Years: The 2015 Marketplace and Key Trends, 2006-2015, Kaiser Family Foundation, October 2015*

*** Source: *Internal company data 2015*

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LIS Levels



- Consumer's LIS level is based on the consumer's qualifications.
- Certain groups of Medicare consumers automatically qualify (are deemed eligible) for LIS including: full-benefit dual eligible consumers, consumers who receive Supplemental Security Income (SSI) benefits, and partial dual eligible consumers (those who belong to a Medicare Savings Program) .
- **Plan premium is determined based upon their level of LIS** (i.e. 100%, 75%, 50%, 25% premium subsidy).
- For a consumer who is considering enrollment in a UnitedHealthcare Medicare Advantage Prescription Drug (MA-PD) Plan and already has LIS:
 - ◆ **Part D copayments and deductible will remain unchanged**, provided their LIS status does not change.
 - ◆ This is extremely important as the majority of UnitedHealthcare MA plans will have a Part D deductible for 2016.

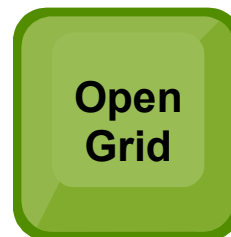
Member Premium by LIS Levels

To be able to accurately quote the monthly plan premium (a combination of the Part C and Part D premium) for a member with LIS, you must know their level of LIS premium subsidy.

- If the consumer does not know their LIS subsidy level, you can have them contact the Social Security Administration (SSA) in order to provide them with their LIS subsidy level.
- In the case where you cannot determine the consumer's LIS level, **do not attempt to guess** the LIS level and plan premium; instead, **provide a range**, and indicate that "the exact monthly premium will be determined based upon your Low-Income Subsidy level."

Once you know the LIS subsidy level, you can reference the 2016 Medicare Premium and Part D Deductible grids (available below) in order to be able to accurately quote the consumer's monthly plan premium.

To open the 2016 Medicare Premium and Part D Deductible grid, click the "Open Grid" button. This will open the attachment panel on the left side of your screen. Double click on the document in the panel and then click "read only."



How to use the Medicare Premium and Part D Deductible Grid

Provides total plan premium, what portion of the premium is Part C and what portion is Part D; also illustrates the Part D benchmark

Tab 1

Provides what a member would pay for both premium and deductible (if applicable) based on their LIS level

Tab 2

Tip: Filter the grid to plans in your service area(s) and print out for use as a Sales Tool when speaking to consumers with LIS. To filter, click on the drop down arrow in the column heading.

Do not use the premium grid until the consumer has received an LIS award

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Procedural Details

- SSA determines who qualifies, their benefit level, and processes LIS applications.
- SSA periodically contacts Medicare beneficiaries to review their LIS status.
 - ◆ A form must be completed and returned within 30 days. Extra Help is terminated the following January if it is not returned.
- Reviews are done each year, usually at the end of August. Any changes take effect the following January. Changes include:
 - ◆ No change in the amount of Extra Help
 - ◆ An increase in the amount
 - ◆ A decrease in the amount
 - ◆ Termination of Extra Help

Agent Role

- Help consumers understand how the LIS program may work for them
- Assist consumers in completing their LIS application
- Consider that consumers may have unique plan needs based on their limited income and resources.
- Explain that a change in the consumer's status may change their eligibility for LIS.



Important Reminders

- Do not use the premium grid until the consumer has received an LIS award letter.
- LIS subsidies are based on the consumer's qualification level.
- If you do not know the level of LIS, provide a range. **Do not guess!**
- Agents must provide drug-related costs for the plan and advise the consumer that if their Extra Help eligibility changes, their cost share for prescription drug coverage might change.
- Full-benefit dual eligible consumers, consumers who receive Supplemental Security Income (SSI) benefits, and partial dual eligible consumers (those who belong to a Medicare Savings Program) should not complete the LIS application because they are deemed eligible for Extra Help.

For detailed LIS training, please consult the monthly training calendar located on the United Distribution Portal (www.unitedhealthadvisors.com or www.unitedhealthproducers.com).