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ever to save  
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costs**

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**[www.socialsecurity.gov](http://www.socialsecurity.gov)**

# Changes in the Law Starting January 2010 Make it Easier to Save on Medicare Drug Plan Costs

## Why will it be easier to qualify for savings?

Under a new law, more Medicare beneficiaries could qualify for Extra Help with their Medicare prescription drug plan costs because some things no longer count as resources and income.

## Who can get Extra Help?

Anyone who has Medicare can get Medicare Part D prescription drug coverage. Some people with limited resources and income are eligible for Extra Help to pay for the costs—monthly premiums, annual deductibles, and prescription co-payments—related to a Medicare prescription drug plan.

To qualify for Extra Help:

- You must reside in one of the 50 states or the District of Columbia.
- Your resources must be limited to \$12,510 for an individual or \$25,010 for a married couple living together. Resources include such things as bank accounts, stocks, and bonds. We **do not** count your house and car as resources; **and**

- Your annual income must be limited to \$16,245 for an individual or \$21,855 for a married couple living together. Even if your annual income is higher, you still may 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.

## How does the new law change what is counted as resources and income?

Beginning January 1, 2010, when determining your eligibility for Extra Help:

- We will no longer count as a **resource** any life insurance policy; **and**
- We will no longer count as income the help you receive when someone else provides you with food and shelter, or someone else pays your household bills for food, mortgage, rent, heating fuel or gas, electricity, water, and property taxes.

## What else should I know about the new law?

If you already receive Extra Help, you will not need to reapply in 2010. Social Security will see if you are entitled to any additional Extra Help because we no longer count your life insurance or help with household expenses.

Beginning January 1, 2010, when you file your application 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 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.

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## 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/extrahelp](http://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 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* (CMS) 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 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.

## 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](http://www.socialsecurity.gov/extrahelp) 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 & You* handbook, please visit [www.medicare.gov](http://www.medicare.gov) or call **1-800-MEDICARE (1-800-633-4227; TTY, 1-877-486-2048)**. When you call, you also can request information about how to contact your State Health Insurance Assistance Program (SHIP). In addition, you can find your local SHIP contact information on the back of your Medicare handbook or obtain the information online at [www.medicare.gov/contacts/staticpages/ships.aspx](http://www.medicare.gov/contacts/staticpages/ships.aspx).



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