



December 13, 2023
A23 -116556

2024 LIS Eligibility Expansion

Sales Audience: Medicare

Summary

Effective January 1, 2024, Section 11404 of the Inflation Reduction Act (IRA) Expanding Eligibility for Low-Income Subsidies Under Part D of the Medicare Program will expand eligibility of the full LIS group to individuals with incomes up to 150 percent of the federal poverty level (FPL) and who meet the statutory resource requirements. This change will impact the beneficiaries who meet, or will meet, the current requirements for the partial LIS. Beneficiaries who previously met the resource requirement for the partial LIS group will now be eligible for the full LIS benefit.

Details

Currently there are two levels of Extra Help: Full Subsidy, available to people with income up to 135% of the Federal Poverty Level (FPL) and Partial Subsidy, available to people with income up to 150% of the FPL. Starting January 1, 2024, Partial Subsidy will be eliminated and eligibility for the Full Subsidy will be expanded to people with up to 150% of the FPL.

With the Full Subsidy, both the plan premium and deductible for Part D are waived.

In 2024, most people who qualify for Extra Help will pay:

- No premiums for their drug plan
- No deductibles
- No more than \$11.20 in 2024 for each brand-name drug the plan covers (\$4.50 for generic)

Once your total out-of-pocket drug costs reach the catastrophic threshold (\$8,000 in 2024), you will have no copays.

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Resource limits used to determine eligibility for the full low-income subsidy

The resource limit that must not be exceeded for beneficiaries to qualify for the full low-income subsidy increases from the CY 2023 amount of \$9,090 (\$13,630 if married) to \$15,720 (\$31,360 if married) in 2024.

If beneficiaries notify SSA that they expect to use some of their resources for burial expenses, the 2024 resource limits are \$17,220 (\$34,360 if married) for the full low-income subsidy benefit.

Please see Table 1* for the updated resource limits for determining eligibility for the low-income subsidy CY 2024.

Table 1 — CY 2024 Resource Limits for Determining LIS Eligibility Marital Status	2023 Resource Limit	2023 Resource Limit with Burial Expenses	2024 Resource Limit	2024 Resource Limit with Burial Expenses
Single	\$9,090	\$10,590	\$15,720	\$17,220
Married	\$13,630	\$16,630	\$31,360	\$34,360

Note: Per section 1860D-14(a)(3)(B) of the Act, in the case of an individual whose spouse dies during the effective period for a determination or redetermination, such effective period shall be extended through the date that is one year after the date on which the determination or redetermination would otherwise cease to be effective.

*Source: November 14, 2023 CMS Memo “Calendar Year (CY) 2024 Resource and Cost-Sharing Limits for Low-Income Subsidy (LIS) – Correction”

Next Steps

Individuals who in 2023 qualify for the partial LIS subsidy and continue to qualify in 2024 will not have to take any action to transition to the full subsidy. CMS plans to communicate member’s individual LIS status changes by 1/1/2024.

CMS will send communication to participants enrolled in Extra Help advising them of additional information.