# Pharmacists' Role in Assisting Medicare Patients with Limited Income

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# Introduction

Today's healthcare system is complex. Because Medicare is the nation's largest health insurance program, covering 55.5 million Americans in the United States and almost one million Alabamians in 2015,[1] it is important for pharmacists to help Medicare patients navigate the healthcare system as well as community resources available to them, especially for those with limited income. This continuing education article has 3 objectives:

1. Identify problems experienced by Medicare patients with limited income,
2. Provide an overview of assistance programs for Medicare patients with limited income, and
3. Describe the role and responsibilities of Aging and Disability Resource Centers (ADRCs).


In order to be eligible for Medicare, an individual must be 65 and older, under age 65 with certain disabilities, or diagnosed with End-Stage Renal Disease at any age.[2] Coverage under Medicare includes many types of services and is comprised of four parts (Table 1). Part A is known as hospital insurance and covers inpatient hospital stays, skilled nursing facility care, and home health care among others. Outpatient care and many preventive services are covered under Part B, otherwise known as medical insurance. Part C, or Medicare Advantage, combines benefits covered by Parts A, B, and usually D and are run by Medicare-approved private insurance companies. Finally, Part D is the Medicare Prescription Drug Coverage and helps to lower prescription costs for beneficiaries.

*Table 1: Medicare and Coverage*[2]

| Medicare | Examples of Coverage | Premium and Cost Sharing Mechanisms |
|---|---|---|
| Part A | Inpatient hospital stays, skilled nursing facility care and home health care | Part A premium (most people don't pay)<br>Deductible and coinsurance |
| Part B | Doctors' services, outpatient care, preventive services, durable medical equipment | Part B premium<br>Deductible and coinsurance |
| Part C | All services covered by Parts A and B and possibly vision, hearing, dental, and prescription drug benefits | Part B Premium<br>Part C Premium<br>Deductible and coinsurance |
| Part D | Prescription drugs | Part D premium<br>Deductible and coinsurance |

It is important to recognize that Medicare can be costly to some patients. While most people do not pay a Part A premium, a deductible ($1,316 in 2017) and co-insurance ($329 per day on day 61-90) apply per benefit period, and beneficiaries can have multiple benefit periods in a year. Most people who have Medicare Part A are likely to purchase Medicare Part B. Part B has the standard premium of $134, deductible of $183 (per calendar year) and 20% co-insurance in 2017 for Medicare covered services. Medicare Part C's premium and cost sharing varies by plan; but patients must pay a Part B premium to be eligible to enroll in Part C. Lastly, premiums for Medicare Part D for prescription drugs also vary by plan. For example, for 2017, Part D plans in Lee county, Alabama had a premium that ranges from $17.00 to $39.40 per month. Additionally some Part D plans may have a deductible, co-insurance or copayment of medications depending on the medication's tier and the total drug costs. Even though the Affordable Care Act helped reduce the out-of-pocket payments during the coverage gap (often known as the donut hole), the payments are still significant (i.e., 40% of drug cost in 2017). It is important to note that a late penalty also applies if patients do not enroll in a plan when they become eligible. Taken all together, premiums and cost sharing of Medicare plans can be costly to some patients, especially those with limited income.

Although Medicare Part D helps many Medicare beneficiaries afford their medications, many still have problems paying for their prescriptions.[3] This is not surprising because Medicare beneficiaries are more likely to be low-income than the general population under 65.[4] From 2011-2013, more than half of Medicare beneficiaries in Alabama had an income less than 200% of the Federal Poverty level (FPL).[5] To give an estimate, those with < 200% FPL have a monthly income of < $2,010 (individual) and < $2,760 (household size of 2). This is definitely a great concern as access to care is key in achieving good health outcomes. Unaffordable medications can lead to medication non-adherence and subsequently increased rates of hospitalization, morbidity, and mortality.[6-12] The next section will describe federal and state programs that are available for Medicare patients with limited income.

## Federal and State Programs for Medicare Population with Limited Income

Programs are available to assist limited income Medicare beneficiaries in affording their healthcare. This article will highlight two programs including the Medicare Savings Program (MSP) and Low Income Subsidy (LIS or ExtraHelp). These programs are available to help Medicare beneficiaries afford their medical care and prescription medications. Eligibility depends on the individual's income and sometimes resources. The LIS benefit alone was estimated at an average annual value of $4,000 for a beneficiary.[13]

### *Medicare Savings Program (MSP)*

It is important to stress that, because of similar names, this Medicare Savings Program (MSP) is not the same as the Medicare Medical Savings Account which is a consumer-directed Medicare Advantage plan (high deductible plan with medical savings account).

The Medicare Savings Program can save a significant amount of money for those who are qualified. Alabama Medicaid provides MSP benefits which helps pay for Medicare Part B premiums and, in some cases, Part A&B deductibles and coinsurance for those with limited income. There are four different types of MSP programs including the Qualified Medicare Beneficiary (QMB), Specified Low-income Medicare Beneficiary (SLMB), Qualifying Individual (QI), and Qualified Disabled & Working Individuals (QDWI) programs (see Table 2). Total household income is used to determine eligibility for these programs; those with income < 135% FPL may be qualified for this program. It is also important to note that Alabama's Medicaid does not take into account resources for these programs.

*Table 2. Medicare Savings Program (MSP) Income Limits*

| Medicare Savings Program | Individual Monthly Income Limit (2015) | Married Couple Monthly Income Limit (2015) | Helps pay for |
|---|---|---|---|
| Qualified Medicare Beneficiary (QMB) | $1025.00 | $1374.00 | Part A and Part B premiums, and other Cost-sharing (like deductibles, coinsurance, and copayments) |
| Specified Low-Income Medicare Beneficiary (SLMB) | $1226.00 | $1644.00 | Part B premiums only |
| Qualifying Individual (QI) | $1377.00 | $1847.00 | Part B premiums only |
| Qualified Disabled & Working Individuals (QDWI) | $4105.00* | $5499.00 | Part A premiums only ** (This includes additional earned income exclusions) |

To illustrate the benefit of MSP, we will use the following case.

*Mr. Alfred Smith*. He is a 70-year old widower and lives by himself. Because he has a gross income of $935 per month, he is eligible for a Full Subsidy-Medicare Savings Program in 2017 or a QMB program. This is because his income does not exceed 100% of the Federal Poverty level. Once his application is approved through the Alabama Medicaid Office, he will receive help paying for his part A (if applicable) and part B premiums, deductibles, coinsurance and copayments. He will automatically be qualified for the Low Income Subsidy (LIS) program, which is described below.

Individuals with higher incomes may still qualify for the SLMB, or QI programs in which they will receive assistance with their Part B premiums. To qualify for SLMB, the individual must have total household income between 100-200% FPL while QI income must not exceed $1,377. Individuals who are under age 65, terminated from Title II Disability Insurance Benefits due to earnings exceeding the Substantial Gainful Activity level, and who continue to have the same physical or mental condition not expected to improve, may be eligible for QDWI if they are entitled to enroll in Medicare Part A benefits under certain restrictions. Income is based on approximately 400% of the Federal Poverty Level, which is $4,105 for an individual or $5,499 for a couple. All individuals who are eligible for any of the MSP programs automatically enroll in LIS.

### *Low Income Subsidy (LIS)*

The Low Income Subsidy (LIS) is also known as ExtraHelp and is a Federal program designed to assist individuals with their Medicare prescription drug costs. Depending on an individual's income and resources, ExtraHelp may provide coverage for a beneficiary's monthly Part D premium, yearly deductible, and coinsurance or copayments for medication. In addition, beneficiaries enrolled in this program won't be subject to the coverage gap or "donut hole". Similar to MSP, total household income will be used to determine eligibility. However, resources or assets will also be included in eligibility determination. Resources can include checking and savings accounts, stocks, bonds, mutual funds, and individual retirement accounts; but do not include an individual's home and adjoining land, car, up to $1,500 for burial expenses per person, furniture, and any household or personal items. Some individuals automatically qualify for Extra Help and will not need to apply. This includes those that are dual eligible and have Medicare and full Medicaid coverage, those with Supplemental Security Income (SSI) benefits, or help from Medicaid paying Medicare Part B premiums through MSP programs. If an individual doesn't meet one of the

above conditions, they may still qualify for Extra Help, but will need to fill out an application and apply for it.

The Federal Poverty Level Guidelines determine the income level requirements for people applying for LIS (Tables 3 and 4). An individual's level of income and resources will determine the level of subsidy. Those with the lowest income and resources, less than 135% of the federal poverty level and less than or equal to $8,890 in countable resources for one person will receive the full subsidy. For a household of two people, those with an income less than 135% FPL and less than or equal to $14,090 in countable resources will receive the full subsidy. These amounts may change each year.

*Table 3. Low Income Subsidy (LIS) Income Limits*

| Allowable Income | | | | | |
|---|---|---|---|---|---|
| Family Size | Percent of Poverty Guideline | | | | |
| | 100% | 135% | 140% | 145% | 150% |
| 1 | $1,025.00 | $1,376.75 | $1,427.00 | $1,477.25 | $1,527.50 |
| 2 | $1,373.33 | $1,847.00 | $1,914.66 | $1,982.33 | $2,050.00 |
| 3 | $1,721.66 | $2317.25 | $2,402.32 | $2,487.41 | $2572.50 |
| 4 | $2,069.99 | $2,787.50 | $2,889.98 | $2,992.49 | $3,095.00 |
| 5 | $2,418.32 | $3,257.75 | $3,377.64 | $3,497.57 | $3,617.50 |
| 6 | $2,766.65 | $3,728.00 | $3,865.30 | $4,002.65 | $4,140.00 |
| 7 | $3,114.98 | $4,198.25 | $4,352.96 | $4,507.73 | $4,662.50 |
| 8 | $3,463.31 | $4,668.50 | $4,840.62 | $5,012.81 | $5,185.00 |
| Each Additional | +348.33 | +470.25 | +487.66 | +505.08 | +522.50 |

Individuals who are eligible for the full subsidy will have all of their Medicare Part D plan's monthly premium, as long as the premium is within the benchmark premium, and yearly deductible covered.

*Table 4. Low Income Subsidy (LIS) Resource Limits*

| Allowable Resources | | | |
|---|---|---|---|
| Full Subsidy (100 - 135%) | | Partial Subsidy (140 - 150%) | |
| Single | $8,890 | Single | $13,820 |
| Married | $14,090 | Married | $27,600 |

To illustrate the LIS benefit, we will use the following case:

*Ms. Nancy Marsal* is a 67 year old individual with a gross monthly income of $936.90 and she has no savings and resources. Once her application is approved by Social Security Administration, she will pay nothing for a Part D premium if she

enrolls in a plan with premiums at or lower than the benchmark premium (in 2017 it was $31.76). Also, she will pay a small copay for each medication before she reaches the catastrophic limit. She will not be subject to the coverage gap, and will have no copay or coinsurance after the catastrophic limit.

## Community Agencies Assisting Medicare Patients

While MSP and LIS programs have the potential to make a significant difference in helping low-income patients afford their care, many patients who could benefit are not yet enrolled in these programs and they continue to struggle to pay for their healthcare and medications. Approximately 54% and 60% of patients eligible for MSP and LIS respectively have not yet enrolled.[14,15] The majority of this low enrollment may be due to lack of awareness, as 68% of Medicare patients are not aware of these available programs.[16] In addition, the application process for these programs can be complex and overwhelming for many Medicare patients. In order to help patients complete the application process and help them understand the programs' benefits, agencies such as the Aging and Disability Resource Centers (ADRCs) and the State Health Insurance Assistance Program (SHIP) are available to assist. There are 13 ADRCs with SHIP counselors across Alabama and they are unbiased agencies. In fact, these agencies will screen individuals to determine eligibility for the programs and assist them in filling out applications. These agencies are a valuable resource that can be utilized, once patients are made aware.

Pharmacists in particular are well-positioned to increase patients' awareness of ADRCs and SHIP given pharmacists' accessibility and availability. Additionally, pharmacists are often assisting patients with insurance-related issues while dispensing medications,[17-20] and are the healthcare provider to which patients will most likely disclose concerns regarding medication costs.[21,22] Previous research shows that 50% of pharmacists report encountering patients who cannot afford their medications at least once per week.[23] In this situation, pharmacists report undertaking a number of strategies to try to help these patients including re-filing previously denied claims, searching for free or low-cost medications from community or manufacturer programs, and even loaning or giving away medication.[23] While these strategies may be potentially useful in the short-term, they are often time-consuming for the pharmacist. Therefore, we recommend that pharmacists refer their patients to ADRCs and SHIP. Doing so may allow the patient to find a long-term solution for their financial struggle.

# Conclusion

Many Medicare patients need assistance to afford their prescriptions. There are subsidy programs available to help these patients, and agencies which will help them apply, but patients are often unaware. Pharmacists can help patients become aware of these subsidies and the agencies that may be able to help them. The information provided is a basic overview of the subsidies available for low-income beneficiaries.

**Interested in Learning More?** In addition to this CE activity, you are invited to complete the C.A.R.E.S. (Certified Aging Resource Educated Specialist) Training, which is an online 3 credit hour ACPE approved continuing education course. Any pharmacy with at least one full-time pharmacist who has completed the training can be enrolled in the C.A.R.E.S. Pharmacy Network. This training and network is available free of charge to you and your pharmacy, as this program is funded by Alabama Department of Senior Services. This network will provide pharmacies with an easy and efficient referral system so that staff who encounter a potentially eligible patient can refer the patient to a local agency to be screened for program eligibility. More information about this program can be found at https://alpharmacycares.org.

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# Assessment Questions

Instructions: In order to receive 1.0 ACPE approved credit for this course, circle the most appropriate answer for each of the following questions. Upon completion, fax this sheet to 334-844-8307 (ATTN: Ritu Shah), or email to rts0024@auburn.edu. Alternatively, you may complete this assessment online at http://bit.ly/auburnpharmacycares. A score of at least 70% must be achieved in order to receive credit.

1. Medicare Savings Program (MSP) is the same as Medicare Medical Savings Account.
    a. True
    b. False

2. Resources, including savings, are a determining factor for Medicare Savings Program (MSP) eligibility in Alabama.
    a. True
    b. False

3. The Low Income Subsidy (LIS) program has both income and resource eligibility limits.
    a. True
    b. False

4. Which of the following components of Medicare covers inpatient hospital stays?
    a. Part A
    b. Part B
    c. Part D
    d. All of the above

5. If patients do not enroll in a Medicare plan when they first become eligible and do not have creditable coverage, a late penalty may apply.
    a. True
    b. False

6. Which of the following is NOT a program specifically created for Medicare patients with limited income?
    a. Medicare Savings Program
    b. Medicare Advantage
    c. Low Income Subsidy
    d. None of the above

7. Which is CORRECT about Aging and Disability Resource Centers (ADRCs)?
    a. ADRCs will screen individuals to determine eligibility for programs
    b. ADRCs will assist individuals in filling out applications
    c. There are 13 ADRCs in Alabama
    d. A, B and C are correct

Comments or suggestions:

8. Please rate your level of agreement to the following statements:

| | Strongly agree | Somewhat agree | Neither agree nor disagree | Somewhat disagree | Strongly disagree |
|---|---|---|---|---|---|
| The stated objectives of the event were met | ☐ | ☐ | ☐ | ☐ | ☐ |
| This activity met my educational needs | ☐ | ☐ | ☐ | ☐ | ☐ |
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| The format of this CE was convenient | ☐ | ☐ | ☐ | ☐ | ☐ |

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| **Format** | **Rank (1-4)** |
|---|---|
| Article | |
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10. What percentage of your patients do you feel will have a positive impact from your newly gained knowledge?
    a. 0-10%
    b. 11-25%
    c. 26-50%
    d. 51-75%
    e. 76-100%

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