Extra Help to Keep Extra Help: Assisting LIS Beneficiaries Who Lose Their Deemed Status
Summary

Many people with Medicare automatically receive Extra Help (also called the Low-Income Subsidy, LIS) because they have Medicaid, such as one of the Medicare Savings Programs (MSPs) or Supplemental Security Income (SSI). If they are no longer eligible for Medicaid, MSP and/or SSI, persons may lose their deemed LIS status despite still qualifying for Extra Help. These individuals are at risk of losing their LIS benefits if they do not affirmatively apply for LIS. This issue brief discusses some promising initiatives that use list-driven personalized communications to help low-income beneficiaries adversely affected by the re-deeming process regain and retain LIS.
**Background**

In 2003 under the Medicare Modernization Act (MMA), Congress created Medicare Part D, a voluntary prescription drug program to help Medicare beneficiaries with their out-of-pocket drug expenses. Part D includes a special assistance program for people with limited income and resources, which is known as Extra Help or the Low-Income Subsidy (LIS). The Part D Low-Income Subsidy program generally pays for Part D plan premiums, deductibles and copayments; it also provides coverage during the coverage gap or “doughnut hole.” Participation in LIS has grown steadily since its inception. As of February 2010, nearly 10 million low-income Medicare beneficiaries received Extra Help.

There are two ways to qualify for Extra Help. Most eligible individuals qualify because they are receiving some kind of Medicaid, including one of the Medicare Savings Programs (MSPs), or Supplemental Security Income (SSI). These individuals are automatically enrolled in the Low-Income Subsidy. People who do not qualify for Medicaid or SSI may get Extra Help by applying through the Social Security Administration (SSA) or the states. As of February 2010, 84 percent of current LIS beneficiaries are automatically enrolled in the benefit because they have Medicaid or SSI.

Each year the Centers for Medicare & Medicaid Services (CMS) verifies the continuing eligibility of LIS beneficiaries who are auto-enrolled through a process known as “re-deeming.” In 2009, the re-deeming process directly affected 402,731 auto-enrolled LIS beneficiaries, who could potentially lose LIS for 2010. If someone is no longer enrolled in Medicaid, MSP or SSI at the time when CMS conducts its data match (and is not able to reestablish entitlement for one of those programs before the end of the calendar year), he or she loses...

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1 Medicare Modernization Act of 2003 P.L. 108-173 was signed into law on December 8, 2003, but the benefit only became available on January 1, 2006.

2 The exact number of people with LIS as of February 16, 2010 was 9,950,556. Residents of U.S. territories are not eligible for the Low-Income Subsidy. For a complete list of the eligibility requirements for the Low-Income Subsidy Program see 42 CFR 423.773. Available online at: [http://edocket.access.gpo.gov/cfr_2008/octqtr/42cfr423.773.htm](http://edocket.access.gpo.gov/cfr_2008/octqtr/42cfr423.773.htm)

3 The Medicare Savings Programs are federally funded, state administered programs to help beneficiaries with their costs related to Medicare. The Qualified Medicare Beneficiary (QMB) program pays for Medicare Part A and B deductibles, copayments and premiums for Medicare beneficiaries with incomes under 100 percent of the Federal Poverty Level (FPL). The Specified Low-Income Medicare Beneficiary (SLMB) program pays for Medicare Part B premiums for beneficiaries with incomes between 100 and 120 percent of FPL, and the Qualifying Individual (QI-1) program pays for Part D premiums for those with incomes between 120 and 135 percent of FPL, respectively. For each of these programs, recipients must have assets below $6,600 for singles and $9,910 for couples. However, some states have more generous income or asset eligibility criteria. For more information about the Medicare Savings Programs, see CMS 45.4 State Medicaid Manual—Sections 3490 to 3492. Available online at: [https://www.cms.gov/manuals/downloads/P45_03.zip](https://www.cms.gov/manuals/downloads/P45_03.zip)

4 Federal law requires states to accept and process an LIS application upon an applicant’s request. Currently there are 4 states (Colorado, Kansas, Idaho and Illinois) performing some of these functions, according to the Social Security Administration. See 42 CFR 423.904. Available online at: [http://edocket.access.gpo.gov/cfr_2009/octqtr/42cfr423.904.htm](http://edocket.access.gpo.gov/cfr_2009/octqtr/42cfr423.904.htm)
automatic eligibility for LIS for the following year.

A network of national, state and local organizations is actively engaged in reaching out to those who cannot re-enroll in LIS via Medicaid, one of the MSPs and/or SSI, but who remain eligible for LIS. This issue brief discusses some promising initiatives that use list-driven personalized communications to help low-income beneficiaries adversely affected by the re-deeming process regain and retain LIS.

**Verifying Continued Eligibility of LIS Beneficiaries**

There are two main processes through which CMS and SSA annually verify the continued eligibility of those receiving LIS: the redetermination process and the re-deeming process.

In contrast to the redetermination process, which is conducted by SSA and only affects beneficiaries who affirmatively applied for LIS, the re-deeming process focuses on those auto-enrolled in LIS, and it is led by CMS. The re-deeming process begins during the months of July and August, and is based on files transmitted by states and by SSA to CMS’s files (called MMA files). States submit monthly lists of Medicare beneficiaries who are currently enrolled in full Medicaid (including those residing in nursing homes, those on home and community-based waivers, and income spend-down Medicaid), or one of the Medicare Savings Programs. SSA sends similar lists of beneficiaries receiving SSI and Medicare.

These lists are matched against a CMS list of those currently auto-enrolled in LIS. Those whose names appear on both lists remain eligible and are auto-enrolled in LIS until the end of December of the following calendar year. Those who are not on the July or August state or SSA lists are sent a letter (printed on grey paper) notifying them that unless they take action, they will lose their deemed LIS status. The letter contains an LIS application and a postage-paid return envelope that they can use to submit their paper application for LIS. In September 2009, 402,731 beneficiaries received this mailing.

Auto-enrolled beneficiaries whose names are no longer on the state or SSA lists lose

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5 There are two general types of redeterminations performed by SSA for people who get LIS by applying for the benefit—initial and cyclical. Initial redeterminations are focused on beneficiaries who are relatively new to the program. Cyclical redeterminations apply to the remaining beneficiaries who have been in the program longer. With both groups, SSA screens beneficiaries based on specific criteria, and then selects a sample of beneficiaries who meet those criteria to receive redetermination letters and forms. In 2009, approximately 104,000 LIS beneficiaries were directly affected by these processes. In addition, when people with LIS undergo certain marital changes, they must notify SSA and undergo an LIS changing redetermination. For more information about the redetermination process, see SSA POMS HI 03050.011. Available online at: [https://secure.ssa.gov/apps10/poms.nsf/lnx/0603050011!opendocument](https://secure.ssa.gov/apps10/poms.nsf/lnx/0603050011!opendocument).

6 For more information about the re-deeming data exchange, see CMS Manual 40.2.1—Source Data. Available online at: [http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/R7PDB.pdf](http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/R7PDB.pdf)
LIS for the next calendar year unless they regain their deemed status by getting any kind of Medicaid, including one of the Medicare Savings Programs, or SSI before the end of the current year. The only other way to keep LIS in the next year is to apply and be found eligible for LIS by SSA.

The First Step: Re-deeming through Recertification

People auto-enrolled in LIS lose their “deemed status” for the following year when they are no longer enrolled in Medicaid, including one of the MSPs, or SSI in the month of July or August, and are unable to re-enroll in these programs between September and December. Some of these beneficiaries become disenrolled from Medicaid, MSP, or SSI because they did not return their recertification paperwork to the state Medicaid agency or to SSA for SSI. Others failed to meet their Medicaid spend-down. And some no longer meet the Medicaid or SSI eligibility criteria. Accordingly, the initial focus of many advocates and benefits counselors has been to help these beneficiaries to regain their entitlement in these programs. This strategy enables their clients to keep the core medical and income support benefits that they need, as well as auto-enrollment in LIS to help them get their prescribed medications through a Medicare drug plan.7

States also have worked on maximizing the number of individuals who are successfully put back onto Medicaid. Some states have developed simplified Medicaid recertification forms, conducted passive renewals by checking continued eligibility against other state data, and extended benefit periods.8 These strategies have led to notable increases in the retention of beneficiaries in Medicaid and the MSPs.9 Despite the efforts of states and advocates, there is still significant progress to be made to increase the number of individuals who retain LIS after receiving the loss of deemed status notice from CMS.

Beyond Recertifications: Helping the Remaining Eligibles

Many LIS beneficiaries who lose their deemed status and are not re-enrolled in Medicaid, MSP and/or SSI may still qualify for LIS. Consequently, even after recertification efforts are maximized, additional outreach and enrollment efforts are necessary to help a significant number of the people who lost their deemed status for LIS, but who are still eligible for that important benefit.

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7 Individuals with incomes above 150% of the FPL who were disenrolled from a Medicaid Home and Community-Based Waiver will not qualify for LIS if they were to directly apply for the benefits. For these individuals, recertification in Medicaid may be the only strategy to regain their Low-Income Subsidy.

8 In a passive recertification process only individuals who experience a change in their income, resources, and/or a specific life event are required to file paperwork and/or document their continuing eligibility for the benefit.

9 For more examples of strategies to maximize benefits retention, see Retaining Benefits—An Important Aspect of Increasing Enrollment, National Center for Benefits Outreach and Enrollment, August 2009. Available online at: http://www.centerforbenefits.org/NCBOE_issue_brief_retaining_benefits.pdf

NATIONAL CENTER FOR BENEFITS OUTREACH AND ENROLLMENT
Currently, when the letters go out to beneficiaries each fall notifying them of their potential loss of deemed status, CMS and SSA try to promote re-enrollment in LIS by providing an LIS application and a postage-prepaid return envelope. CMS also makes available data on the number of individuals who are affected by the re-deeming process by state, county and zip code. This data is used by many local organizations to target their outreach efforts.

While these are steps in the right direction, often these individuals need additional personalized reminders and assistance with applying for LIS. One strategy that has yielded a substantial increase in the number of LIS applications from those losing their deemed status is the use of list-driven personalized communications. In the next section, we describe some examples of such efforts and their outcomes.

**List-Driven Personalized Follow-Up: A Strategy that Works**

Personalized follow-ups are an important way to ensure a successful application submission on the part of an eligible beneficiary. They help to verify that people have received a mailing, that they are receiving the help they need in order to complete an application, and that their applications are accurate and complete when they ultimately get submitted. However, without proper targeting, any personalized strategies can be prohibitively expensive.

**Finding the Right Data to Help the Un-deemed**

Lists containing the contact information of people losing their deemed status offer great potential for organizations involved in helping individuals retain their Extra Help. With the required and proper privacy protections, these lists increase the accuracy and lower the costs of follow-up efforts, and ultimately maximize the number of applications submitted for LIS.

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10 This data is stored in a ZIP file: Year 2009/Re-Deeming—Losing Deemed Status. Available online at [http://www.cms.hhs.gov/LimitedIncomeandResources/](http://www.cms.hhs.gov/LimitedIncomeandResources/).
Benefits Data Trust (BDT), a Center-funded benefits enrollment center serving seniors in Philadelphia, uses list-driven strategies to conduct its benefits outreach and enrollment activities. In 2006, BDT conducted an outreach campaign directed at individuals affected by the re-deeming process, using data received from several Part D sponsors under a HIPAA-compliant agreement. In this campaign, BDT employed different strategies depending on the specific request of the Part D sponsor. The strategies included single mailings, auto-dial campaigns, and combined mail and phone outreach. Because of the accuracy of these lists, the combined outreach effort yielded an overall LIS application rate of 85 percent of those contacted.

Two years later, after entering into a HIPAA-compliant business associate agreement, the state of Pennsylvania provided BDT with a list of 2,700 members of PACE (Pennsylvania’s state pharmaceutical assistance program) who were affected by the re-deeming process. BDT also conducted multiple personalized communications, including outbound calls and mailings, to these individuals, and achieved a 51 percent application rate among those who were contacted. The application rates were increased by each successive method employed, and by the use of personalized outbound calls.

Some of the strongest evidence of the potential of using list-driven follow-up are the outcomes of an outreach effort conducted by the Social Security Administration in Iowa, Missouri, Kansas and Nebraska. In these states, local SSA offices made follow-up phone calls to individuals who remained un-enrolled in LIS after the re-deeming process was completed, and in some cases, helped these individuals to complete LIS applications. Figure 2 shows the application rates of individuals that received the letter but did not regain their deemed status by the end of the re-deeming process. As shown, the LIS application rates among those who lost their deemed status were significantly higher in these four states than in all other states.

BDT’s and SSA’s positive experiences and outcomes combining accurate lists of eligibles and personalized follow-up calls are supported by a study from the Access to Benefits Coalition. This study showed that for each enrollment strategy, whether it was phone or face-to-face, the costs per person enrolled were substantially lower among organizations that relied on accurate lists of potential eligibles than those that relied on less accurate lists.11

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Developing a Strong Network for Follow-Up

An expansion of the list-driven follow-up model requires a strong network of state and local agencies, such as Aging and Disability Resource Centers (ADRCs), Area Agencies on Aging (AAAs) and State Health Insurance Assistance Programs (SHIPs) that have the proven experience, expertise and resources in conducting this type of follow-up work and can properly maintain the appropriate privacy safeguards required by law. This network of state and local partners has helped millions of Medicare beneficiaries to enroll and understand their benefits. Under the Medicare Improvements for Patients and Providers Act (MIPPA), they receive funding to identify and assist Medicare beneficiaries with limited income and resources with applying for LIS and MSP in 47 states.

Figure 2. Percentage of Individuals who Received the Loss of Deemed Status Letter that Applied for the Low-Income Subsidy After Redeeming is Taken into Account

the District of Columbia. Their work has resulted in more than 130,000 LIS and MSP applications being submitted on behalf of low-income beneficiaries since grantees began their outreach and enrollment activities in June 2009.

Data Sharing and Privacy Issues
Expanding the follow-up model also requires that all partnering agencies address the privacy issues involved in data sharing agreements. The data sharing partnerships between SSA and each state’s Medicaid agency that have been established under MIPPA provide a current example of strategies to overcome these barriers. SSA is required by law, with the consent of the LIS applicant, to share LIS application data with state Medicaid agencies for the purposes of starting MSP applications.12

In several states, state Medicaid agencies have entered into data-sharing agreements with state-level MIPPA grantees for the purposes of conducting follow-up work to ensure that beneficiaries get the assistance that they need with completing their MSP applications. One of these states is Minnesota, where the Minnesota Department of Human Services has recently revised the current data sharing agreement with the state MIPPA grantee (Minnesota Board on Aging) to also serve as business partner in the process of reaching out and completing an MSP application for LIS applicants who agreed to the transfer of their information to the state.

As the Senior Medicare Patrol (SMP), SHIP, ADRC, MIPPA grantee and state designated long-term care options and prescription drug options experts, the Minnesota Board on Aging has developed a strong and lengthy relationship with the Minnesota Department of Human Services that has been essential to expand the potential for partnership development with the Medicaid office.

In the 1990s, the Minnesota Board on Aging’s Senior LinkAge Line® was chosen by the Minnesota Department of Human Services to lead the consumer outreach and enrollment efforts for the Minnesota State Pharmaceutical Assistance Program (SPAP), known as the Minnesota Prescription Drug Program. The results of the work produced an over 250 percent increase in SPAP enrollment within the first 6 months of the outreach campaign. The Minnesota Department of Human Services ended the SPAP with the launch of Medicare Part D. Thousands of Minnesota SPAP enrollees had to be transitioned to Medicare Part D before January 1, 2006. In 2005, the Minnesota Department of Human Services received funding from CMS to assist with the SPAP transition. These funds were designated by the Minnesota Department of Human Services to the Minnesota Board on Aging to ensure a successful transition for the Minnesota SPAP enrollees. More than 95 percent of the Minnesota SPAP enrollees were successfully transitioned to Medicare Part D prior to January 1, 2006.

12 Question #15 of the LIS application provides this consent.
Since the 1990s there have been data sharing agreements between the Minnesota Department of Human Services and the Minnesota Board on Aging, which have led to very successful results and outcomes. This has resulted in the Minnesota Department of Human Services believing in the value of the work of the Minnesota Board on Aging and being very supportive of expanding the role when it pertains to the Minnesota Board on Aging’s areas of expertise. Under the most recent data sharing agreement, the Minnesota Board on Aging is authorized by the Minnesota Department of Human Services to make phone calls to each of the beneficiaries on the daily SSA LIS data leads list. Through the statewide Senior LinkAge Line® service, beneficiaries who would like in-person application assistance are referred to a local ADRC site nearest to the beneficiaries’ home. Individuals who are unable to visit their local ADRC receive phone-based or in-home application assistance provided by Senior LinkAge Line® staff and SHIP volunteers. Because of the unique centralization of the Minnesota services (SHIP, SMP, ADRC, MIPPA and state long-term care and prescription drug options) the service provided to beneficiaries is comprehensive and often expands far beyond the scope of providing Medicare Savings Program application assistance.

Even though there is no data yet to evaluate the outcomes of this initiative, Minnesota’s case deserves greater attention and study because it combines a successful data sharing agreement with a trusted local network that is able to provide personalized application assistance.

Conclusion

Since 2006, LIS has helped people with Medicare who have limited income and resources with their Part D plan costs. In addition, LIS has become an example of a promising pathway to benefits accessibility, as more than 80 percent of its beneficiaries are auto-enrolled. While these are positive features of the program, the process of verifying the continued eligibility of auto-enrollees raises important questions about the ways in which the system addresses the retention of its beneficiaries, particularly for beneficiaries who remain eligible for LIS, but who do not make it back to LIS via recertification in SSI, MSP or Medicaid. The examples discussed in this brief represent promising strategies to help those who ultimately cannot regain their LIS eligibility via recertification. Finding creative ways to foster collaboration between federal, state and local agencies and overcome the barriers that inhibit data sharing between these agencies could expand such list-driven follow-up work and have a significant impact on those who will otherwise lose access to LIS.
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The National Center for Benefits Outreach and Enrollment

The National Center for Benefits Outreach and Enrollment (www.CenterforBenefits.org) helps organizations enroll seniors and younger adults with disabilities with limited means into the benefits programs for which they are eligible so that they can remain healthy and improve the quality of their lives.

The Center accomplishes its mission by:

- providing tools, resources and technology (such as www.BenefitsCheckUp.org) that help local, state and regional organizations to find, counsel and assist seniors and younger adults with disabilities to apply for and enroll in the benefits for which they may be eligible;

- generating and disseminating new knowledge about best practices and cost effective strategies for benefits outreach and enrollment; and

- funding and establishing Benefits Enrollment Centers in 10 areas of the country. Using web-based tools and person-centered approaches, these Centers help seniors in need and people with disabilities find and enroll in all the benefit programs for which they are eligible.

The Center is funded through a cooperative agreement with the U.S. Department of Health and Human Services’ Administration on Aging.