

SSA Fact Sheet

Termination of Low-Income Subsidy Eligibility for Beneficiaries Who Do Not Respond to Redetermination Requests

- In September 2007, SSA sent redetermination notices to about 500,000 Medicare beneficiaries who are currently receiving the low-income subsidy (extra help). The notices informed beneficiaries that SSA must periodically review eligibility for the subsidy, and instructed them to complete and return the enclosed form (the SSA-1026) within 30 days. The notices also stated that help with Medicare Prescription Drug plan costs would end if the form was not returned within the 30 day timeframe. Beneficiaries were told to call or visit SSA if they needed assistance or more time to complete the forms.
- To provide some context, this process of redetermining eligibility for certain needs-based programs is not a new practice. Redeterminations are used as a part of the Supplemental Security Income program, which provided the basic structure of the low-income subsidy program under the Medicare Modernization Act. The Act specifically requires SSA to conduct redeterminations on low-income subsidy beneficiaries.
- In this current situation, SSA provided more than 90 days of additional time for the low-income subsidy beneficiaries to respond. We also made attempts to personally contact those who did not reply to the original request. The first contact attempts were made by phone, but SSA also sent follow-up letters to individuals who could not be reached by phone. Through this follow-up process, SSA was able to secure over 80,000 redeterminations from people who did not respond to the September notice.
- In late February, SSA took action to end the low-income subsidy for about 76,000 individuals who did not complete and return the redetermination requests. The termination notices will be mailed during the first week in March, informing the non-responders that the low-income subsidy will end effective with April 2008.
- However, the termination notices will also provide appeal rights, instructing beneficiaries to recontact SSA if they disagree with our determination to end the low-income subsidy. Appeals can be made within 60 days of receiving the dated letter from SSA, and those who file an appeal within the first 10 days will continue to receive the subsidy while their appeal determination is pending.
- Beneficiaries can also re-apply for the low-income subsidy after April 1 if their situation changes at any time in the future. To apply, beneficiaries can use SSA's Internet application process, call SSA's 800 number or visit a field office.