

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850



MEDICARE ENROLLMENT & APPEALS GROUP

DATE: February 09, 2023

TO: All Prescription Drug Plan Sponsors, Medicare Advantage Organizations, Cost Plans, Programs for All-Inclusive Care for the Elderly, and Demonstration Organizations

FROM: Jerry Mulcahy
Director, Medicare Enrollment and Appeals Group

SUBJECT: 2023 Medicare Part D Low-Income Subsidy (LIS) Income and Resource Standards

The purpose of this memorandum is to provide updated income and resource standards for individuals who apply for the low-income subsidy (LIS) for Medicare Part D. The Centers for Medicare & Medicaid Services (CMS) is required by law to update the income and resource limits each year.

Attached are the tables of the 2023 Poverty Guidelines for the 48 contiguous states and the District of Columbia (Attachment 1), Alaska (Attachment 2), and Hawaii (Attachment 3). We have also attached a description of the methodology that CMS used to update resource limits for 2023 (Attachment 4). (These were previously released to plans on October 25, 2022 and are attached here for convenience.) The new income and resource standards will be applied to all LIS applications filed on or after January 1, 2023.

If you have any questions about this information, contact Roland Herrera at 410-786-0668 or Roland.Herrera@cms.hhs.gov.

Attachments

2023 POVERTY GUIDELINES

ALL STATES (EXCEPT ALASKA AND HAWAII) AND D.C.

ANNUAL GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	14,580	19,683	20,412	21,141	21,870
2	19,720	26,622	27,608	28,594	29,580
3	24,860	33,561	34,804	36,047	37,290
4	30,000	40,500	42,000	43,500	45,000
5	35,140	47,439	49,196	50,953	52,710
6	40,280	54,378	56,392	58,406	60,420
7	45,420	61,317	63,588	65,859	68,130
8	50,560	68,256	70,784	73,312	75,840

For family units of more than 8 members, add \$5,140 for each additional member.

MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	1,215	1,640	1,701	1,762	1,823
2	1,643	2,219	2,301	2,383	2,465
3	2,072	2,797	2,900	3,004	3,108
4	2,500	3,375	3,500	3,625	3,750
5	2,928	3,953	4,100	4,246	4,393
6	3,357	4,532	4,699	4,867	5,035
7	3,785	5,110	5,299	5,488	5,678
8	4,213	5,688	5,899	6,109	6,320

2023 POVERTY GUIDELINES

ALASKA ONLY

ANNUAL GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	18,210	24,584	25,494	26,405	27,315
2	24,640	33,264	34,496	35,728	36,960
3	31,070	41,945	43,498	45,052	46,605
4	37,500	50,625	52,500	54,375	56,250
5	43,930	59,306	61,502	63,699	65,895
6	50,360	67,986	70,504	73,022	75,540
7	56,790	76,667	79,506	82,346	85,185
8	63,220	85,347	88,508	91,669	94,830

For family units of more than 8 members, add \$6,430 for each additional member.

MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	1,518	2,049	2,125	2,200	2,276
2	2,053	2,772	2,875	2,977	3,080
3	2,589	3,495	3,625	3,754	3,884
4	3,125	4,219	4,375	4,531	4,688
5	3,661	4,942	5,125	5,308	5,491
6	4,197	5,666	5,875	6,085	6,295
7	4,733	6,389	6,626	6,862	7,099
8	5,268	7,112	7,376	7,639	7,903

2023 POVERTY GUIDELINES

HAWAII ONLY

ANNUAL GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	16,770	22,640	23,478	24,317	25,155
2	22,680	30,618	31,752	32,886	34,020
3	28,590	38,597	40,026	41,456	42,885
4	34,500	46,575	48,300	50,025	51,750
5	40,410	54,554	56,574	58,595	60,615
6	46,320	62,532	64,848	67,164	69,480
7	52,230	70,511	73,122	75,734	78,345
8	58,140	78,489	81,396	84,303	87,210

For family units of more than 8 members, add \$5,910 for each additional member.

MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	1,398	1,887	1,957	2,026	2,096
2	1,890	2,552	2,646	2,741	2,835
3	2,383	3,216	3,336	3,455	3,574
4	2,875	3,881	4,025	4,169	4,313
5	3,368	4,546	4,715	4,883	5,051
6	3,860	5,211	5,404	5,597	5,790
7	4,353	5,876	6,094	6,311	6,529
8	4,845	6,541	6,783	7,025	7,268

Resource Limits for the Medicare Part D Low-Income Subsidy: Annual Adjustment for 2023

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) directs CMS to update the resource limits for the low-income subsidy each year. As described at 42 CFR 423.772, resources include bank accounts, stocks, bonds, and other liquid resources that can be readily converted to cash within 20 days, as well as real estate that is not the beneficiary's primary residence. This notice provides: (i) the calculation methodology for updating the low-income subsidy resource limits, (ii) the low-income subsidy resource limits in 2023, and (iii) the cost-sharing amounts for low-income subsidy eligible beneficiaries in 2023.

I. Calculation Methodology for Updating the Low-Income Subsidy Resource Limits

Section 1860D-14(a)(3) of the Social Security Act (the Act) requires CMS to use the annual percentage increase in the Consumer Price Index (CPI), All Urban Consumers (all items, U.S. city average) as of September of the previous year to update the resource limits for the low-income subsidy. CMS used the September 2021 and the September 2022 CPI values from the Bureau of Labor Statistics to calculate the annual percentage increase. The annual percentage increase in the CPI for contract year 2023 is calculated as follows:

$$\frac{\text{September 2022 CPI}}{\text{September 2021 CPI}} \text{ or } \frac{296.808}{274.310} = 1.082$$

(Source: Bureau of Labor Statistics, Department of Labor)

The 2023 adjustment factor for the low-income subsidy resource limits is 8.20%. Per the statute, the resource limits are increased by 8.20% for 2023 and rounded to the nearest multiple of \$10.

II. Resource Limits Used to Determine Eligibility for the Low-Income Subsidy

Per the methodology outlined above, the resource limit that must not be exceeded for beneficiaries to qualify for the full low-income subsidy increases from the 2022 amount of \$8,400 (\$12,600 if married) to \$9,090 (\$13,630 if married) in 2023. The resource limit that must not be exceeded for beneficiaries to qualify for partial low-income subsidies increases from the 2022 amount of \$14,010 (\$27,950 if married) to \$15,160 (\$30,240 if married) in 2023.

If beneficiaries notified SSA that they expect to use some of their resources for burial expenses, the applicable 2023 resource limits are \$10,590 (\$16,630 if married) for the full low-income subsidy and \$16,660 (\$33,240 if married) for the partial low-income subsidies.

Please see the following Table 1 for the updated resource limits for determining eligibility for the low-income subsidy in 2023.

Table 1.—Resource Limits for Determining LIS Eligibility

LIS Level	Marital Status	2022 LIS Resource Limit	2022 LIS Resource Limit with Burial Expenses	2023 LIS Resource Limit	2023 LIS Resource Limit with Burial Expenses
Full Subsidy	Single	\$8,400	\$9,900	\$9,090	\$10,590
Full Subsidy	Married	\$12,600	\$15,600	\$13,630	\$16,630
Partial LIS	Single	\$14,010	\$15,510	\$15,160	\$16,660
Partial LIS	Married	\$27,950	\$30,950	\$30,240	\$33,240

III. Low-Income Subsidy Eligible Beneficiary Cost-Sharing

As required under section 1860D-14 of the Act, the maximum copayments below the out-of-pocket threshold low-income full subsidy eligible enrollees and the deductible and the maximum copayments above the out-of-pocket threshold for partial subsidy eligible enrollees are updated using the annual percentage increase in average expenditures for Part D drugs per eligible beneficiary. In addition, the maximum copayments below the out-of-pocket threshold for full-benefit dual eligible enrollees with incomes that do not exceed 100% of the FPL are updated by the annual percentage increase in the CPI, as required under section 1860D-14(a)(4).

For additional information on how the Part D benefit parameters are updated each year using the annual percentage increases in the average Part D drug expenditure amount and the CPI, please refer to the April 4, 2022 guidance entitled, “Announcement of Calendar Year (CY) 2023 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies,” available on the CMS website at <http://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Announcements-and-Documents.html>.

Please see the Table 2 below for the updated cost-sharing for low-income subsidy eligible beneficiaries in 2023.

Table 2.—2023 Maximum LIS Beneficiary Cost-Sharing Table

Low-Income Subsidy Category	Deductible	Copayment up to Out-of-Pocket Threshold ^a		Copayment above Out-of-Pocket Threshold ^a	
		Generic	Brand	Generic	Brand
Institutionalized Full-Benefit Dual Eligible	\$0	\$0	\$0	\$0	\$0
Beneficiaries Receiving Home and Community-Based Services	\$0	\$0	\$0	\$0	\$0
Full-Benefit Dual Eligible ≤ 100% FPL	\$0	\$1.45	\$4.30	\$0	\$0
Full-Benefit Dual Eligible > 100% FPL	\$0	\$4.15	\$10.35	\$0	\$0
Medicare Saving Program Participant	\$0	\$4.15	\$10.35	\$0	\$0

Attachment 4

Low-Income Subsidy Category	Deductible	Copayment up to Out-of-Pocket Threshold ^a		Copayment above Out-of-Pocket Threshold ^a	
		Generic	Brand	Generic	Brand
(QMB-only, SLMB-only, or QI)					
Supplemental Security Income (but not Medicaid) Recipient	\$0	\$4.15	\$10.35	\$0	\$0
Applicant < 135% FPL with resources ≤ \$10,590 (\$16,630 if married) ^b	\$0	\$4.15	\$10.35	\$0	\$0
Applicant < 150% FPL with resources between \$10,590 - \$16,660 (\$16,630 - \$33,240 if married) ^b	\$104	15%	15%	\$4.15	\$10.35

a. The out-of-pocket threshold is \$7,400 for 2023.

b. The resource limits displayed include \$1,500 per person for burial expenses. For beneficiaries that did not notify SSA that they expect to use some of their resources for burial expenses, the applicable resource limit is \$9,090 (\$13,630 if married) for the full low-income subsidy and \$15,160 for the partial subsidy (\$30,240 if married)