
42 U.S. Code § 1395w-114

Premium and cost-sharing subsidies for low-income individuals

(a) Income-related subsidies for certain individuals

(1) Individuals with certain low incomes

In the case of a subsidy eligible individual (as defined in paragraph (3)) who is determined to have income that is below 135 percent (or, with respect to a plan year beginning on or after January 1, 2024, 150 percent) of the poverty line applicable to a family of the size involved and who meets the resources requirement described in paragraph (3)(D) (or, with respect to a plan year beginning on or after January 1, 2024, paragraph (3)(E)) or who is covered under this paragraph under paragraph (3)(B)(i), the individual is entitled under this section to the following:

(A) Full premium subsidy

An income-related premium subsidy equal to 100 percent of the amount described in subsection (b)(1), but not to exceed the premium amount specified in subsection (b)(2)(B).

(B) Elimination of deductible

A reduction in the annual deductible applicable under section 1395w-102(b)(1) of this title to \$0.

(C) Continuation of coverage above the initial coverage limit

For a year preceding 2025, the continuation of coverage from the initial coverage limit (under paragraph (3) of section 1395w-102(b) of this title) for expenditures incurred through the total amount of expenditures at which benefits are available under paragraph (4) of such section, subject to the reduced cost-sharing described in subparagraph (D).

(D) Reduction in cost-sharing below out-of-pocket threshold

(i) Institutionalized individuals

In the case of an individual who is a full-benefit dual eligible individual and who is an institutionalized individual or couple (as defined in section 1396a(q)(1)(B) of this title) or, effective on a date specified by the Secretary (but in no case earlier than January 1, 2012), who would be such an institutionalized individual or couple, if the full-benefit dual eligible individual were not receiving services under a home and community-based waiver authorized for a State under section 1315 of this title or subsection (c) or (d) of section 1396n of this title or under a State plan amendment under subsection (i) of such section or services provided through enrollment in a medicaid managed care organization with a contract under section 1396b(m) of this title or under section 1396u-2 of this title, the elimination of any beneficiary coinsurance described in section 1395w-102(b)(2) of this title (for all amounts through the total amount of expenditures at which benefits are available under section 1395w-102(b)(4) of this title).

(ii) Lowest income dual eligible individuals

Subject to paragraph (6), in the case of an individual not described in clause (i) who is a full-benefit dual eligible individual and whose income does not exceed 100 percent of the poverty line applicable to

a family of the size involved, the substitution for the beneficiary coinsurance described in section 1395w-102(b)(2) of this title (for all amounts through the total amount of expenditures at which benefits are available under section 1395w-102(b)(4) of this title) of a copayment amount that does not exceed \$1 for a generic drug or a preferred drug that is a multiple source drug (as defined in section 1396r-8(k)(7)(A)(i) of this title) and \$3 for any other drug, or, if less, the copayment amount applicable to an individual under clause (iii).

(iii) Other individuals

Subject to paragraph (6), in the case of an individual not described in clause (i) or (ii), the substitution for the beneficiary coinsurance described in section 1395w-102(b)(2) of this title (for all amounts through the total amount of expenditures at which benefits are available under section 1395w-102(b)(4) of this title) of a copayment amount that does not exceed the copayment amount specified under section 1395w-102(b)(4)(A)(i)(I)(aa) of this title for the drug and year involved. For plan year 2023 and subsequent plan years, the copayment amount applicable under the preceding sentence to a month's supply of a covered insulin product (as defined in section 1395w-102(b)(9)(C) of this title) dispensed to the individual may not exceed the applicable copayment amount for the product under the prescription drug plan or MA-PD plan in which the individual is enrolled.

(E) Elimination of cost-sharing above annual out-of-pocket threshold

For a year preceding 2024, the elimination of any cost-sharing imposed under section 1395w-102(b)(4)(A) of this title or under section 1395w-102(b)(9) of this title in the case of a covered insulin product (as defined in subparagraph (C) of such section).

(2) Other low-income individuals

With respect to a plan year beginning before January 1, 2024, in the case of a subsidy eligible individual who is not described in paragraph (1), the individual is entitled under this section to the following:

(A) Sliding scale premium subsidy

An income-related premium subsidy determined on a linear sliding scale ranging from 100 percent of the amount described in paragraph (1)(A) for individuals with incomes at or below 135 percent of such level to 0 percent of such amount for individuals with incomes at 150 percent of such level.

(B) Reduction of deductible

Subject to paragraphs (8) and (9) of section 1395w-102(b) of this title, a reduction in the annual deductible applicable under section 1395w-102(b)(1) of this title to \$50.

(C) Continuation of coverage above the initial coverage limit

The continuation of coverage from the initial coverage limit (under paragraph (3) of section 1395w-102(b) of this title) for expenditures incurred through the total amount of expenditures at which benefits are available under paragraph (4) of such section, subject to the reduced coinsurance described in subparagraph (D).

(D) Reduction in cost-sharing below out-of-pocket threshold

Subject to paragraph (6), the substitution for the beneficiary coinsurance described in section 1395w-102(b)(2) of this title (for all amounts above the deductible under subparagraph (B) through the total amount of expenditures at which benefits are available under section 1395w-102(b)(4) of this title) of coinsurance of "15 percent" instead of coinsurance of "25 percent" in section 1395w-102(b)(2) of this title. For plan year 2023, the amount of the coinsurance applicable under the preceding sentence to a month's supply of a covered insulin product (as defined in section 1395w-102(b)(9)(C) of this title) dispensed to the individual may not exceed the applicable copayment amount for the product under the prescription drug plan or MA-PD plan in which the individual is enrolled.

(E) Reduction of cost-sharing above annual out-of-pocket threshold

Subject to paragraph (6) of this subsection and subsection (c), the substitution for the cost-sharing imposed under section 1395w-102(b)(4)(A) of this title of a copayment or coinsurance not to exceed the copayment or coinsurance amount specified under section 1395w-102(b)(4)(A)(i)(I)(aa) of this title for the drug and year involved. For plan year 2023, the amount of the copayment or coinsurance applicable under the preceding sentence to a month's supply of a covered insulin product (as defined in section 1395w-102(b)(9)(C) of this title) dispensed to the individual may not exceed the applicable copayment amount for the product under the prescription drug plan or MA-PD plan in which the individual is enrolled.

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