

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



**MEDICARE ENROLLMENT & APPEALS GROUP**

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**DATE:** January 29, 2024

**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:** 2024 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 2024 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 2024 (Attachment 4). (These were previously released to plans on November 30, 2023, 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, 2024.

If you have any questions about this information, contact Roland Herrera at 410-786-0668 or [Roland.Herrera@cms.hhs.gov](mailto:Roland.Herrera@cms.hhs.gov).

Attachments

## 2024 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	15,060	20,331	21,084	21,837	22,590
2	20,440	27,594	28,616	29,638	30,660
3	25,820	34,857	36,148	37,439	38,730
4	31,200	42,120	43,680	45,240	46,800
5	36,580	49,383	51,212	53,041	54,870
6	41,960	56,646	58,744	60,842	62,940
7	47,340	63,909	66,276	68,643	71,010
8	52,720	71,172	73,808	76,444	79,080

For family units of more than 8 members, add \$5,380 for each additional member.

### MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	1,255	1,694	1,757	1,820	1,882
2	1,703	2,300	2,385	2,470	2,555
3	2,152	2,905	3,012	3,120	3,228
4	2,600	3,510	3,640	3,770	3,900
5	3,048	4,115	4,268	4,420	4,573
6	3,497	4,721	4,895	5,070	5,245
7	3,945	5,326	5,523	5,720	5,918
8	4,393	5,931	6,151	6,370	6,590

## 2024 POVERTY GUIDELINES

ALASKA ONLY

### ANNUAL GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	18,810	25,394	26,334	27,275	28,215
2	25,540	34,479	35,756	37,033	38,310
3	32,270	43,565	45,178	46,792	48,405
4	39,000	52,650	54,600	56,550	58,500
5	45,730	61,736	64,022	66,309	68,595
6	52,460	70,821	73,444	76,067	78,690
7	59,190	79,907	82,866	85,826	88,785
8	65,920	88,992	92,288	95,584	98,880

For family units of more than 8 members, add \$6,730 for each additional member.

### MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	1,568	2,116	2,195	2,273	2,351
2	2,128	2,873	2,980	3,086	3,193
3	2,689	3,630	3,765	3,899	4,034
4	3,250	4,388	4,550	4,713	4,875
5	3,811	5,145	5,335	5,526	5,716
6	4,372	5,902	6,120	6,339	6,558
7	4,933	6,659	6,906	7,152	7,399
8	5,493	7,416	7,691	7,965	8,240

## 2024 POVERTY GUIDELINES

HAWAII ONLY

### ANNUAL GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	17,310	23,369	24,234	25,100	25,965
2	23,500	31,725	32,900	34,075	35,250
3	29,690	40,082	41,566	43,051	44,535
4	35,880	48,438	50,232	52,026	53,820
5	42,070	56,795	58,898	61,002	63,105
6	48,260	65,151	67,564	69,977	72,390
7	54,450	73,508	76,230	78,953	81,675
8	60,640	81,864	84,896	87,928	90,960

For family units of more than 8 members, add \$6,190 for each additional member.

### MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	1,443	1,947	2,020	2,092	2,164
2	1,958	2,644	2,742	2,840	2,938
3	2,474	3,340	3,464	3,588	3,711
4	2,990	4,037	4,186	4,336	4,485
5	3,506	4,733	4,908	5,083	5,259
6	4,022	5,429	5,630	5,831	6,033
7	4,538	6,126	6,353	6,579	6,806
8	5,053	6,822	7,075	7,327	7,580

**Resource Limits for the Medicare Part D Low-Income Subsidy  
Annual Adjustment for Calendar Year (CY) 2024**

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 2024.
- iii. The cost-sharing amounts for low-income subsidy-eligible beneficiaries in 2024.

**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 2022 and the September 2023 CPI values from the Bureau of Labor Statistics to calculate the annual percentage increase. The annual percentage increase in the CPI for the contract year 2024 is calculated as follows.

$$\frac{\text{September 2023 CPI}}{\text{September 2022 CPI}} \text{ or } \frac{307.789}{296.808} = 1.0370$$

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

The 2024 adjustment factor for the low-income subsidy resource limits is 3.70%. Per the statute, the resource limits are increased by 3.70% for 2024 and rounded to the nearest multiple of \$10.

**I. Resource Limits Used to Determine Eligibility for the Full 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 CY 2023 amount of \$9,090 (\$13,630 if married) to \$15,720 (\$31,360 if married) in 2024.<sup>1</sup>

If beneficiaries notify SSA that they expect to use some of their resources for burial expenses, the 2024 resource limits are \$17,220 (\$34,360 if married) for the full low-income subsidy benefit.

Please see Table 1 for the updated resource limits for determining eligibility for the low-income subsidy CY 2024.

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<sup>1</sup> Effective January 1, 2024, beneficiaries who previously met the resource requirement for the partial LIS group will be eligible for the full LIS benefit. Consequently, the CY 2023 resource limits for the partial LIS group (\$15,160 single; \$30,240 married) are increased to arrive at the 2024 full LIS resource limits.

**Table 1 — CY 2024 Resource Limits for Determining LIS Eligibility**

<b>Marital Status</b>	<b>2023 Resource Limit</b>	<b>2023 Resource Limit with Burial Expenses</b>	<b>2024 Resource Limit</b>	<b>2024 Resource Limit with Burial Expenses</b>
Single	\$9,090	\$10,590	\$15,720	\$17,220
Married	\$13,630	\$16,630	\$31,360	\$34,360

Note. —Per section 1860D-14(a)(3)(B) of the Act, in the case of an individual whose spouse dies during the effective period for a determination or redetermination, such effective period shall be extended through the date that is one year after the date on which the determination or redetermination would otherwise cease to be effective.

**II. 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 for low-income full subsidy-eligible enrollees with incomes that exceed 100% of the federal poverty level (FPL) 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 March 31, 2023 guidance entitled, “Announcement of Calendar Year (CY) 2024 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 Table 2 below for the updated cost-sharing for low-income subsidy-eligible beneficiaries in 2024.

**Table 2. — CY 2024 Maximum LIS Beneficiary Cost-Sharing Table**

Low-Income Subsidy Category	Deductible	Copayment up to Out-of-Pocket Threshold <sup>a</sup>	
		Generic	Brand
Full-Benefit Dual Eligible Beneficiaries Institutionalized or Receiving Home and Community-Based Services	\$0	\$0	\$0
Full-Benefit Dual Eligible Beneficiaries with income ≤ 100% FPL	\$0	\$1.55	\$4.60
Full-Benefit Dual Eligible Beneficiaries with income between 100% and 150% FPL	\$0	\$4.50	\$11.20
Non-Full Benefit Dual Eligible Beneficiaries Applied or are eligible for Medicare Savings Program (QMB-only, SLMB-only, or QI); or Supplemental Security Income (but not Medicaid)	\$0	\$4.50	\$11.20
Non-Full Benefit Dual Eligible Beneficiaries Applied and with income ≤ 150% FPL with resources ≤ \$17,220 (\$34,360 if married) <sup>b</sup>	\$0	\$4.50	\$11.20

Note. —

- a. The out-of-pocket threshold is \$8,000 for 2024. Beginning in CY 2024, under section 1860D-2(b)(4)(A)(i) of the Act, as amended by section 11201(a) of the IRA, there is no cost-sharing for covered Part D drugs above the annual out-of-pocket (OOP) threshold, as defined at section 1860D-2(b)(4)(B) of the Act, for any Part D beneficiaries, including LIS eligible beneficiaries, beginning in CY 2024.
- 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 \$15,720 (\$31,360 if married).