

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



MEDICARE ENROLLMENT & APPEALS GROUP

DATE: February 12, 2025

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: 2025 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 2025 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 2025 (Attachment 4). (These were previously released to plans on October 31, 2024, 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, 2025.

If you have any questions about this information, contact Roland Herrera at Roland.Herrera@cms.hhs.gov.

Attachments

2025 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	15,650	21,128	21,910	22,693	23,475
2	21,150	28,553	29,610	30,668	31,725
3	26,650	35,978	37,310	38,643	39,975
4	32,150	43,403	45,010	46,618	48,225
5	37,650	50,828	52,710	54,593	56,475
6	43,150	58,253	60,410	62,568	64,725
7	48,650	65,678	68,110	70,543	72,975
8	54,150	73,103	75,810	78,518	81,225

For family units of more than 8 members, add \$5,500 for each additional member.

MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	1,304	1,761	1,826	1,891	1,956
2	1,763	2,380	2,468	2,556	2,644
3	2,221	2,998	3,109	3,220	3,331
4	2,679	3,617	3,751	3,885	4,019
5	3,138	4,236	4,393	4,549	4,706
6	3,596	4,854	5,034	5,214	5,394
7	4,054	5,473	5,676	5,879	6,081
8	4,513	6,092	6,318	6,543	6,769

2025 POVERTY GUIDELINES

ALASKA ONLY

ANNUAL GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	19,550	26,393	27,370	28,348	29,325
2	26,430	35,681	37,002	38,324	39,645
3	33,310	44,969	46,634	48,300	49,965
4	40,190	54,257	56,266	58,276	60,285
5	47,070	63,545	65,898	68,252	70,605
6	53,950	72,833	75,530	78,228	80,925
7	60,830	82,121	85,162	88,204	91,245
8	67,710	91,409	94,794	98,180	101,565

For family units of more than 8 members, add \$6,880 for each additional member.

MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	1,629	2,199	2,281	2,362	2,444
2	2,203	2,973	3,084	3,194	3,304
3	2,776	3,747	3,886	4,025	4,164
4	3,349	4,521	4,689	4,856	5,024
5	3,923	5,295	5,492	5,688	5,884
6	4,496	6,069	6,294	6,519	6,744
7	5,069	6,843	7,097	7,350	7,604
8	5,643	7,617	7,900	8,182	8,464

2025 POVERTY GUIDELINES

HAWAII ONLY

ANNUAL GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	17,990	24,287	25,186	26,086	26,985
2	24,320	32,832	34,048	35,264	36,480
3	30,650	41,378	42,910	44,443	45,975
4	36,980	49,923	51,772	53,621	55,470
5	43,310	58,469	60,634	62,800	64,965
6	49,640	67,014	69,496	71,978	74,460
7	55,970	75,560	78,358	81,157	83,955
8	62,300	84,105	87,220	90,335	93,450

For family units of more than 8 members, add \$6,330 for each additional member.

MONTHLY GUIDELINES

FAMILY SIZE	PERCENT OF POVERTY GUIDELINE				
	100%	135%	140%	145%	150%
1	1,499	2,024	2,099	2,174	2,249
2	2,027	2,736	2,837	2,939	3,040
3	2,554	3,448	3,576	3,704	3,831
4	3,082	4,160	4,314	4,468	4,623
5	3,609	4,872	5,053	5,233	5,414
6	4,137	5,585	5,791	5,998	6,205
7	4,664	6,297	6,530	6,763	6,996
8	5,192	7,009	7,268	7,528	7,788

Resource Limits for the Medicare Part D Low Income Subsidy

Annual Adjustment for Calendar Year (CY) 2025

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 2025.
- iii. The cost-sharing amounts for low-income subsidy-eligible beneficiaries in 2025.

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 2023 and the September 2024 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.

$$\frac{\text{September 2024 CPI}}{\text{September 2023 CPI}} \text{ or } \frac{315.301}{307.789} = 1.0244$$

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

The 2025 adjustment factor for the low-income subsidy resource limits is 2.44%. Per the statute, the resource limits are increased by 2.44% for 2025 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 2024 amount of \$15,720 (\$31,360 if married) to \$16,100 (\$32,130 if married) in CY 2025.

If beneficiaries notify SSA that they expect to use some of their resources for burial expenses, the CY 2025 resource limits are \$17,600 (\$35,130 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 2025.

Table 1 — CY 2025 Resource Limits for Determining LIS Eligibility

Marital Status	2024 Resource Limit	2024 Resource Limit with Burial Expenses	2025 Resource Limit	2025 Resource Limit with Burial Expenses
Single	\$15,720	\$17,220	\$16,100	\$17,600
Married	\$31,360	\$34,360	\$32,130	\$35,130

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 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 April 1, 2024 guidance entitled, “Announcement of Calendar Year (CY) 2025 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 CY 2025.

Table 2. — CY 2025 Maximum LIS Beneficiary Cost-Sharing Table

Low-Income Subsidy Category	Deductible	Copayment up to Out-of-Pocket Threshold ^a	
		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	\$1.60	\$4.80
Full-Benefit Dual Eligible Beneficiaries with income between 100% and 150% FPL	\$0	\$4.90	\$12.15
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	\$4.90	\$12.15
Non-Full Benefit Dual Eligible Beneficiaries Applied and with income ≤ 150% FPL and resources ≤ \$17,600 (\$35,130 if married) ^b	\$0	\$4.90	\$12.15

Notes. —

- a. The out-of-pocket threshold is \$2,000 for 2025. 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.
- 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 \$16,100 (\$32,130 if married).