SeniorCare: Understanding How Spenddowns and Deductibles Work

SeniorCare is a program for Wisconsin residents who are age 65 or older. The program helps seniors pay for prescription drugs and vaccines.

What is a SeniorCare Spenddown?

Spenddown is the amount that a member of SeniorCare participation level 3 must pay for covered prescription drugs during a 12-month benefit period. A SeniorCare spenddown is equal to the difference between your annual income and 240% of the federal poverty level (FPL). In 2023, that's $34,992 for an individual, or $47,328 for a married couple living together. After the spenddown has been met, you still need to meet a deductible. Visit **www.dhs.wisconsin.gov/seniorcare/fpl.htm** to learn about SeniorCare levels and annual income limits.

Only SeniorCare covered prescription drugs can be used toward your spenddown. Vaccines do not count toward spenddowns since they are covered with no out-of-pocket costs.

What is a SeniorCare Deductible?

A deductible is how much a member of SeniorCare participation level 2A, 2B, or 3 pays each year for covered prescription drugs before they can move to the copay level.

Only SeniorCare covered prescription drugs can be used toward your deductible. Vaccines do not count toward deductibles since they are covered with no out-of-pocket costs.

What is a Copay?

A copay or copayment is the amount you pay for each covered prescription drug you get after you meet your spenddown and deductible, You will pay a copay for each of your covered prescription drugs for the rest of the 12-month benefit period.

Your copay is $5 for each covered generic drug, $15 for each covered brand-name drug, and $0 for vaccines.

More resources

We are an equal opportunity employer and service provider. If you have a disability and need to access this information in a different format, or in another language, call 608-266-3356 or 888-701-1251 TTY. Translation services are free.

If you have a civil rights question, call 608- 267-4955, TTY: 711 or email dhscrc@dhs.wisconsin.gov.

How Spenddowns and Deductibles Work for Members Enrolled in Level 3

Example1: Single SeniorCare member

If your annual income is more than 240% of the federal poverty level, you must meet your spenddown and deductible before you can pay a copay for covered prescription drugs.

Example: Gloria's annual income is $35,992. This is $1,000 more than 240% of the federal poverty level ($34,992) for a single SeniorCare member. Gloria's spenddown is $1,000 ($35,992-$34,992 = $1,000). SeniorCare will track Gloria’s covered prescription drug purchases.

Gloria will pay the retail price for covered prescription drugs until how much she buys equals the spenddown ($1,000). If she meets her spenddown during her 12-month benefit period, she then must meet an $850 deductible. The next covered prescription drugs she gets will count toward her deductible. She will pay the SeniorCare rate for these drugs until the deductible is met.

Once the deductible is met, Gloria will pay a copay for covered prescription drugs for the rest of her 12-month benefit period. Her copay is $5 for each covered generic drug and $15 for each covered brand-name drug.

Example 2: Married couple who enroll in SeniorCare at the same time

If your combined annual income is more than 240% of the federal poverty level ($47,328), you must meet a joint spenddown before you can pay a copay for covered prescription drugs. Once you meet your spenddown, you and your spouse will each have to meet a deductible. After the deductible is met for one of you, that person can pay a copay for covered prescription drugs for the rest of the 12-month benefit period.

Example: Amari and Aubrey's combined annual income is $49,328. This is $2,000 more than 240% of the FPL ($47,328) for a married couple. Their spenddown is $2,000 for the 12-month benefit period.

Amari and Aubrey will pay the retail price for covered prescription drugs until how much they pay equals the spenddown ($2,000). If they meet their spenddown during their 12-month benefit period, each will have an $850 deductible to meet. Only covered prescription drugs Amari buys will count toward his deductible. Only covered prescription drugs Aubrey buys will count toward hers.

Once one person meets the deductible, that individual will pay a copay for the rest of the 12-month period. For example, if Amari meets his deductible after two months, he will pay copays for the remaining 10 months. If Aubrey meets hers after 3 months, she will pay copays for the remaining 9 months.

Example 3: Married couple when only one spouse is enrolled in SeniorCare

If your combined annual income is more than 240% of the FPL ($47,328) and only one person is enrolled in SeniorCare, only that person's covered prescription drug purchases will count toward the spenddown.

Example: Ben and Hayden's combined annual income is $49,328. This is $2,000 more than 240% of the FPL for a married couple. Hayden isn't yet 65, so only Ben is eligible to enroll in SeniorCare. His spenddown is $2,000 for the 12-month benefit period.

Ben will pay the retail price for his covered prescription drugs until how much he pays equals the spenddown ($2,000).

If he meets his spenddown during his 12-month benefit period, he then must meet an $850 deductible. The next covered prescription drugs he buys will count toward his deductible. He will pay the SeniorCare rate for these drugs until the deductible is met.

Once the deductible is met, Ben will pay a copay for covered prescription drugs for the rest of his 12-month benefit period. His copay is $5 for each covered generic drug and $15 for each covered brand-name drug.

Example 4: Married couple with special circumstances

In certain situations, the spenddown and deductible amounts for a married couple are determined differently than what is described in the above examples.

This typically occurs when:

- Both spouses don't enroll at the same time.
- The living arrangement of the couple changes after one spouse enrolls in SeniorCare.