



FAMILY INDEPENDENCE ADMINISTRATION

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POLICY BULLETIN #06-111-ELI

END OF THE INTERIM MEDICARE-APPROVED PRESCRIPTION DISCOUNT CARD PROGRAM AND THE IMPACT OF THE NEW MEDICARE PART D PLAN

Date: August 15, 2006	Subtopic(s): Food Stamp Budgeting
<p> This procedure can now be accessed on the FIAweb.</p> <p>See PD #04-35-ELI</p>	<p>The purpose of this policy bulletin is to inform all staff in the Job Centers and Non-Public Assistance Food Stamp (NPA FS) Offices of the following:</p> <ul style="list-style-type: none"> • Eligibility for the enhanced medical deduction for households enrolled in the interim Medicare-approved Prescription Drug Discount Card Program has ended for most qualified Food Stamp (FS) households; • Eligibility for those households enrolled in the interim program that qualified for the medical deduction for a full 24 months will expire November 30, 2006; and • The impact on food stamps resulting from the new Medicare Part D Plan. <p>The Federal government instituted a <u>temporary</u> program in 2004 that made Medicare-approved prescription drug discount cards available to Medicare recipients. For participants eligible for food stamps, provisions were made to allow certain discounts and credits as medical deductions. In addition to discounts on prescription drugs, those with income below 135 percent of the poverty level were given an annual credit of \$600 against the cost of their prescription drugs and an additional \$23 per month to offset the discount. New York City provided these credits and discounts as a \$73 monthly medical deduction in the household's Food Stamp budget calculation (the additional \$73 per month credit less the \$35 exclusion resulted in a net medical deduction of \$38). Households enrolled in this program were entitled to the \$73 medical deduction for up to 24 months, depending on the household's enrollment date, even if the household did not convert to the Medicare Part D prescription drug program that went into effect in January 2006.</p>

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Enrollment in the Medicare Approved Prescription Drug Discount Card Program has ended. With the exception of FS recipients who still have some remaining months of eligibility for the \$73 monthly deduction until November 30, 2006, Food Stamp applicants should now only receive medical deductions for actual out-of-pocket medical expenses in excess of \$35 per month.

The \$73 monthly medical deduction for those households that qualified for the full twenty four months will end November 30, 2006. The removal of the enhanced deduction from affected Food Stamp budgets will be done in the Welfare Management System (WMS) through a mass rebudgeting in November 2006.

Under the new Medicare Part D plan, due to reduced prescription costs and the loss of the \$73 deduction, some recipients may see a reduction in Food Stamp benefits. However, the reduction in out-of-pocket prescription drug expenses leaves more income available to the household and therefore offsets the amount of reduction in Food Stamp benefits.

References:

06-INF-19
04-ADM-07

Related Items:

PD #04-35-ELI