



FAMILY INDEPENDENCE ADMINISTRATION

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POLICY DIRECTIVE #04-35-ELI

FOOD STAMP MEDICAL DEDUCTION FOR MEDICARE PRESCRIPTION DRUG DISCOUNT CARD HOLDERS

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| Date: November 26, 2004 | Subtopic(s): Food Stamp Budgeting |
| AUDIENCE | The instructions in this policy directive are for staff at the Job and Non-Public Assistance Food Stamp Centers. The PD serves as an informational for all other staff. |
| POLICY | <p>As part of the Medicare Prescription Drug Improvement and Modernization Act of 2003, Medicare recipients can choose to enroll in a new program through which private companies offer Medicare-approved prescription drug discount cards. In addition to the discounts provided by these cards, enrollees whose income is below 135% of the poverty level can receive up to an additional \$600 credit against the cost of their prescription drugs.</p> <p>The discounts and credits received by the cardholders must be allowed for Food Stamp (FS) purposes in the determination of the excess medical deductions, in addition to their reported out-of-pocket expenses.</p> |
| BACKGROUND | The policy regarding the treatment of prescription drug discounts and credits became effective October 1, 2004 and will be in effect until November 30, 2006. To implement this policy, the United States Department of Agriculture (USDA) offered the States various options as to how the credit and discount can be budgeted. For the duration of the program, New York State has chosen to budget an additional \$73 (\$23 for the discount and \$50 for the credit) as a monthly medical expense <u>for each</u> individual identified as being a cardholder in a Medicare-approved prescription drug discount card program. This allowance is being granted in addition to any reported out-of-pocket expense. |

HAVE QUESTIONS ABOUT THIS PROCEDURE?
Call 718-557-1313 then press 2 at the prompt followed by 765 or
send an e-mail to *FIA Call Center*

The number of months for which this credit can be granted will depend on the date the Agency is notified that an applicant/participant is a cardholder in a discount card program.

| Date of Report | Entitlement Period |
|------------------|------------------------------|
| By 12/31/04 | Till end of program 11/30/06 |
| 1/1/05–3/31/05 | 12 months |
| 4/1/05–6/30/05 | 9 months |
| 7/1/05–9/30/05 | 6 months |
| 10/1/05–12/31/05 | 3 months |

Reporting participation before 12/31/04

As indicated in the above table, applicants/participants who report enrollment in the discount card program by 12/31/2004 will be entitled to receive the \$73.00 as a monthly medical expense through the end of the program, which will be 11/30/06.

Reporting participation after 12/31/04

However, individuals reporting enrollment after 12/31/04 will be entitled to this medical expense as follows:

- Between 1/1/05–3/31/05 will have an end date equal to 12 months from the first **A** cycle following the month of reporting.
- Between 4/1/05–6/30/05 will have an end date equal to 9 months from the first **A** cycle following the month of reporting.
- Between 7/1/05–9/30/05 will have an end date equal to 6 months from the first **A** cycle following the month of reporting.
- Between 10/1/05–12/31/05 will have an end date equal to 3 months from the first **A** cycle following the month of reporting.

Reporting participation after December 31, 2005

Individuals reporting participation in the Medicare Prescription Drug Discount Card Program after December 31, 2005 will not be entitled to the \$73.00 medical expense credit.

In order to provide system support for this effort, the budgeting subsystem in Welfare Management System (WMS) has been updated as follows:

On the **Individual Income/Needs** screen (**NSBL06**) a field titled “**END**” has been added. Workers will enter in this field the six-digit month and year (MMYYYY) equal to the last month and year of the individual’s entitlement period as determined by the date of the initial report.

An entry in the "END" field will identify the individual as a cardholder in a Medicare-approved prescription drug discount card program and will automatically credit the individual with \$73.00 medical expense. The credit will be indicated in the "MED:AMT" field. If the individual currently has other medical expenses indicated in this field, the \$73.00 will be added to the existing amount for calculation purposes. The \$73.00 will not be reflected on the NSBL06 screen. However, this credit will be included and can be seen in the budget calculation reports.

See attachment A

To assist in informing the public of this new policy, the Statewide Emergency Network for Social and Economic Security (SENSES) together with the Nutrition Consortium of New York State have prepared a one-page outreach flyer that also serves as a form for Food Stamp participants to use in notifying their Agency of their enrollment in a Medicare-approved prescription drug discount card program.

Although the Office of Temporary and Disability Assistance (OTDA) is not distributing this form, the Agency may begin receiving these forms in the mail and should prepare to accept it as documentation of enrollment in a Medicare-approved drug discount card program.

Mass rebudgeting of cases

During the weekend of December 4, 2004, OTDA will conduct a mass rebudgeting (MRB) of active Public Assistance (PA) and Non Public Assistance Food Stamp (NPA FS) cases with individuals that meet the following Medicare-approved prescription drug discount card criteria:

- Individuals who are age 65 or older
- Individuals 60 to 64 in receipt of Social Security Disability (SSD) income, not receiving Medicaid or SSI
- Individuals under age 60 and disabled and not receiving Medicaid or Supplemental Security Income (SSI)

See attachment B for a draft of the notice

These households will receive a notice from OTDA that will inform the household of the change to Food Stamp benefits.

REQUIRED ACTION

Public Assistance (PA) and Non-Public Assistance Food Stamp (NPA FS) households may voluntarily report enrollment of individual(s) in a Medicare-Approved Prescription Drug Discount Program.

Note: In addition to the outreach flyer (attachment A) being sent to Food Stamp participants, households may provide a copy of the back and front of the Medicare-approved prescription drug card; a letter from the company that issued the drug card; or a statement from the household as proof of enrollment in a Medicare-approved prescription drug discount program.

If the household has not volunteered this information, at application or at the next point of contact for participants, Workers must ask each household with a Food Stamp case member that meets the Medicare-Approved Prescription Drug Discount Card criteria, if the Food Stamp case member is enrolled in a drug discount program. If the answer is yes, Workers must:

- Calculate a new budget. Enter the end date of the individual's entitlement to the \$73.00 medical expense in the "**END**" field on the **NSBL06** screen for the Medicare recipient.

Examples:

Example I

Household A applies for assistance in December 2004 and reports a household member's enrollment in a Medicare-approved prescription drug discount card program on 11/24/04; the Worker must calculate a new budget and on the **NSBL06** screen for the Medicare recipient enter 112006 (MM/YYYY) in the "**END**" field.

Example II

Household B reports a household member's enrollment in a Medicare-approved prescription drug discount card program on 1/5/05; the Worker must calculate a new budget with an effective date of 2/A/05. Based on the date of the report, this individual is entitled to receive 12 months of the \$73.00 medical expense. Therefore, as part of the budget calculation, on the **NSBL06** screen for the Medicare recipient the Worker will enter 012006 in the "**END**" field.

Example III

An applicant with a case number ending in digit “2” reports enrollment in a Medicare-approved prescription drug discount card program on 6/30/05. Based on the date of the report, the individual is entitled to nine months of the \$73.00 medical expense. The Worker must calculate a new budget with an effective date of 8/A/05 and on the **NSBL06** screen for the Medicare recipient enter 032006 in the “**END**” field. If the new budget results in an increase of FS benefits, the household is entitled to a supplement for the month of July.

As previously indicated, the entitlement period in this initiative is based on the date the applicant/participant reports his/her enrollment in the program. Therefore, a FS participant who reports enrollment to the Agency five months after enrollment in the program and who as a result will receive an increase in FS benefits is not entitled to supplementation of FS benefits for the months prior to the date of reporting his/her enrollment.

However, in instances where after the report is made and a budget is processed as instructed if because of system problems the new budget misses the intended “A” cycle, the individual must be supplemented as per current procedure.

Example:

A participant with a case number ending in digit “0” reports his participation in the program on 6/20/05. The Worker prepares a budget effective 7/A/05 and in the participant’s **NSBL06** screen enters the date 032006 (which corresponds to the last month of the nine months and the year of the medical expense credit the participant is entitled to based on the report date) in the “**END**” field. The budget results indicate the participant will receive an increase in FS benefits. However, because of system problems, the budget is not made effective in WMS until 7/B/05.

In this instance, a supplementation of the FS benefits for July must be issued to the participant.

**PROGRAM
IMPLICATIONS**

Paperless Office
System (POS)
Implications

There are no POS implications

Food Stamp Implications Provided there are no negative budgetary changes (such as decrease in shelter costs or removal of a household member), cases affected by this policy may receive an increase in FS benefits.

Medicaid Implications There are no Medicaid implications

LIMITED ENGLISH SPEAKING ABILITY (LESA) IMPLICATIONS For Limited English Speaking Ability (LESA) applicants/participants, make sure to obtain appropriate interpreter services in accordance with Policy Directive #02-43-OPE.

FAIR HEARING IMPLICATIONS

Avoidance/Resolution Ensure that all case actions are processed in accordance with current procedures and that electronic case files are kept up to date. Remember that applicants/participants must receive either adequate or timely and adequate notification of all actions taken on their case.

Job Center Conferences An applicant/participant can request and receive a conference with a Fair Hearing and Conference (FH&C) AJOS/Supervisor I at any time. If an applicant/participant comes to the Job Center requesting a conference, the Receptionist must alert the FH&C Unit that the individual is waiting to be seen.

The FH&C AJOS/Supervisor I will listen to and evaluate the applicant/participant's complaint. After reviewing the case file and discussing the issue(s) with the JOS/Worker responsible for the case and/or the JOS/Worker's Supervisor, s/he will determine if the action taken was correct. If the determination is that the action taken was correct, the FH&C AJOS/Supervisor I will explain the reason for the determination to the applicant/participant. If the explanation is accepted, no further action is necessary. The AJOS/Supervisor I must complete a Conference Report (**M-186a**).

If the determination is that the action taken was incorrect or correct but lacking the supporting documentation, the FH&C AJOS/Supervisor I will settle in conference (SIC), enter detailed case notes in NYCWAY and forward all verifying documentation submitted by the applicant/participant to the appropriate JOS/Worker for corrective action to be taken. In addition, if the adverse case action still show on the **Pending (08)** screen in WMS, the AJOS/Supervisor I must prepare and submit a Fair Hearing/Case Update Data Entry Form (**LDSS-3722**) if the case has been granted aid continuing (ATC) to change the **02** to an **01**, or a PA Recoupment Data Entry Form (**LDSS-3573**) to delete a recoupment. The **M-186a** must also be prepared.

Should the applicant/participant elect to continue his/her appeal by requesting or proceeding to a Fair Hearing which has already been requested, the FH&C AJOS/Supervisor I is responsible for ensuring that further appeal is properly controlled and that appropriate follow-up action is taken in all phases of the Fair Hearing process.

NPA FS Center Conferences

If an applicant/participant comes to the NPA Food Stamp Center and requests a conference, the Receptionist must inform the Center Director/Designee that the individual is to be seen. If the individual calls the Worker, s/he must tell the individual to go to the Receptionist and be referred to the Center Director/Designee.

The Center Director/Designee will listen to, evaluate and review the applicant's/participant's complaint. After reviewing the case record and discussing the issue with the Eligibility Worker/Unit Supervisor, the Center Director/Designee will make a decision.

Remember that the Center Director/Designee is responsible for ensuring that further appeal by the applicant/participant through a Fair Hearing request is properly controlled and that appropriate follow-up is taken in all phases of the Fair Hearing process.


Evidence Packets

All Evidence Packets must contain a detailed history, copies of relevant WMS screen printouts, other documentation relevant to the action taken and copies of NYCWAY **Case Notes** screen.

REFERENCES

- 04-ADM-07** Food Stamp Medical Deduction for Medicare Prescription Drug Discount Cards
- GIS 04 TA/DC** FS Policy on Medicare Rx Drug Discount Programs

ATTACHMENTS

 Please use Print on Demand to obtain copies of forms.

- Attachment A** If You Get Food Stamps and Have the New Medicare Drug Discount Card...
- Attachment B** Notice of Intent To Change Food Stamp Benefits

***If you get Food Stamps and have
the new Medicare Drug Discount Card...***

*you may get more in Food Stamps—
but only if you contact your local food stamp office.*

Contact your food stamp office today!

If you wait, you may miss out on more food stamp benefits.

*You can use this flyer to send the needed information to
the food stamp office:*

Your Name (please print): _____

Address: _____

Food Stamp Case number or Social Security number: _____

Make sure you also:

- 1. Attach a *copy of the front and back* of your Medicare approved drug discount card; AND**
- 2. Tell the food stamp office when you enrolled in the drug discount card program (send a copy of the approval notice or write a note telling when you enrolled).**

For the address and phone number of your local food stamp office call 1-800-342-3009.

This is an equal opportunity program. Prepared by a joint project of SENSES and the Nutrition Consortium of NYS. Funding in whole or in part provided by the NYS DOH/NYS OTDA/USDA FNS; the NYS DOS/CFNP – U.S. Department of Health and Human Services.

**NOTICE OF INTENT TO CHANGE
FOOD STAMP BENEFITS
November '04/NYC**

Case Number:
Loc. Off./Unit/Worker:

General Telephone No. for
Questions or Help:

Dear Food Stamp Benefits Recipient:

There will be a change to the medical expense deduction used to figure the amount of Food Stamp benefits your household gets. This is as a result of changes in Federal law. Individuals on Medicare now have the option of enrolling in a Medicare-approved prescription drug discount program which gives them both a discount on prescription drugs, and also a credit allowance toward prescription costs. Our records indicate that you may be enrolled in a Medicare-approved prescription drug discount plan. Food Stamp benefits recipients enrolled in such a plan are entitled to have an additional \$73.00 in medical expenses, over and above actual out-of-pocket costs, used in computing their Food Stamp benefits. This higher medical expense may be allowed through November 2006 if you are enrolled in a Medicare-approved prescription drug discount program and we are aware of your enrollment during 2004. This change may **increase** the amount of Food Stamp benefits you get. The change will take place beginning with your January 2005 Food Stamp benefits.

**YOU HAVE THE RIGHT TO APPEAL THIS DECISION.
READ BELOW ON HOW TO APPEAL THIS DECISION.**

CONFERENCE AND FAIR HEARING SECTION – DO YOU THINK WE ARE WRONG?

If you think our decision was wrong, you can ask for a review of our decision. We will correct our mistakes. You can do both 1 and 2:

1. Ask for a meeting (conference) with one of our supervisors; 2. Ask for a State fair hearing with a State hearing officer.

1. **CONFERENCE** (Informal meeting with us) If you think our decision was wrong, or if you do not understand our decision, please call us to set up a meeting. To do this, call the conference phone number on the **front** of this notice or write to us at the address on the **front** of this notice. Sometimes this is the fastest way to solve any problem you may have. We encourage you to do this even when you have asked for a fair hearing.

2. **STATE FAIR HEARING** – YOU HAVE **90** DAYS FROM THE DATE YOUR JANUARY 2005 FOOD STAMP BENEFITS BECOME AVAILABLE TO ASK FOR A FAIR HEARING.

THE DATE YOUR JANUARY FOOD STAMP BENEFITS BECOME AVAILABLE IS THE DATE YOU CAN ACCESS YOUR JANUARY FOOD STAMP BENEFITS WITH YOUR PLASTIC ID CARD.

HOW TO ASK FOR A FAIR HEARING: You can ask for a fair hearing by **mail**, by **phone**, by **fax**, by **walk-in** or **online**.

Mail: Send a copy of the notice *completed* to the Office of Administrative Hearings, New York State Office of Temporary and Disability Assistance, P.O. Box 1930, Albany, New York 12201. Please keep a copy for yourself.

- I want a fair hearing. I do not agree with the agency's action. (You may explain why you disagree below, but you do not have to include a written explanation.)
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Phone: 800-342-3334 (PLEASE HAVE THIS NOTICE WITH YOU WHEN YOU CALL.)

Fax: Fax a copy of the front and reverse of this notice to: (518) 473-6735.

Walk-In: Bring a copy of this entire notice to the New York State Office of Temporary and Disability Assistance at 14 Boerum Place, Brooklyn, New York or 330 West 34th Street, NYC.

Online: Complete an online request form at: <http://www.otda.state.ny.us/oah/forms.asp>.

If you cannot reach the New York State Office of Temporary and Disability Assistance by phone, by fax, by walk-in or online, please write to ask for a fair hearing before the deadline.

WHAT TO EXPECT AT A FAIR HEARING: The State will send you a notice that tells you when and where the fair hearing will be held.

At the hearing, you will have a chance to explain why you think our decision is wrong. You can bring a lawyer, a relative, a friend or someone else to help you do this. If you cannot come yourself, you can send someone to represent you. If you are sending someone who is not a lawyer to the hearing instead of you, you must give this person a letter to show the hearing officer that you want this person to represent you at the hearing.

At the hearing, you and your lawyer or other representative will have a chance to explain why we are wrong and a chance to give the hearing officer written papers that explain why we are wrong.

To help you explain at the hearing why you think we are wrong, you should bring any witnesses who can help you. You should also bring any papers you have, such as: pay stubs, leases, receipts, bills, doctor's statements.

At the hearing, you and your lawyer or other representative can ask questions of witnesses which we bring or which you bring to help your case.

LEGAL ASSISTANCE: If you think you need a lawyer to help you with this problem, you may be able to get a lawyer at no cost to you by contacting your local Legal Aid Society or other legal advocate group. For the names of other lawyers, check your Yellow Pages under "Lawyers".

ACCESS TO YOUR FILE AND COPIES OF DOCUMENTS: To help you get ready for the hearing, you have a right to look at your case file. If you call, write or fax to us, we will send you free copies of the documents from your files, which we will give to the Hearing Officer at the Fair Hearing. Also, if you call, write or fax to us, we will send you free copies of other specific documents from your files which you think you may need to prepare for your Fair Hearing. To ask for documents or to find out how to look at your file, call (718) 722-5012, or fax (718) 722-5018 or write to **HRA Division of Fair Hearing, 14 Boerum Place, Brooklyn, New York 11201.**

If you want copies of documents from your case file, you should ask for them ahead of time. Usually, they will be sent to you within three (3) working days of when you ask for them. If you make your request less than five (5) working days before your hearing, your case file documents may be given to you at your hearing.

INFORMATION: If you want more information about your case, how to ask for a fair hearing, how to see your file, or how to get additional copies of documents, call us at the phone numbers on the **front** of this notice or write to us at the address on the **front** of this notice.