



August 10, 2004

**United States
Department of
Agriculture**

Food and
Nutrition
Service

Northeast Region

10 Causeway St.
Room 501
Boston, MA 02222

**Food Stamp Program Regional Letter 04-37
Subject: Medicare Prescription Drug Card; Not Prorating the \$600
when the Actual Pre-Discount Prescription Expenses are
Deducted**

Attached is another Question and Answer concerning the Medicare Prescription Discount Card. Previous questions and answers were transmitted via Regional Letters 04-31 and 04-35.

If you have any comments about this question and answer, please contact Katie Blanchette at (617) 565-6415.

Sincerely,


For

Laura A. Hurd, Acting Chief
State Program Improvement
Food Stamp Program
Northeast Region

Attachment

Question 50: There are two situations when a food stamp client will use an actual, pre-discount price for a prescription drug that is covered by the Medicare Prescription Drug Card:

- The state has chosen either the 1.25 method or the \$23 method and the client has verified a higher actual cost, or
- The state has chosen to use actual costs for all clients' prescriptions.

When either of these two situations occurs, does the state also consider the prorated \$600 credit to be a deductible medical expense?

Answer: No. Whenever the state uses the actual, pre-discount expense, that amount accounts for whatever portion of the credit went towards the purchase.