Center for Students, Families & Communities

Susan Tave Zelman

Superintendent of Public Instruction

Office for Safety, Health and Nutrition
Jennifer Miller
Director

MEMORANDUM

To: National School Lunch Program, Child and Adult Care Food Program and Summer Food Service Program Sponsors

From: Jennifer Miller, Director, Office for Safety, Health and Nutrition

Date: October 13, 2004

Re: **Medicare Prescription Drug Card**
FY 04 School and Community Nutrition Programs Policy Memorandum #04-18

Authorized by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA), the prescription drug discount card provides Medicare beneficiaries with negotiated prices that should be lower than the regular price of prescription drugs. From June to December 2004, Medicare is providing (through the drug discount cards) a $600 subsidy ("transitional assistance") to Medicare beneficiaries whose incomes are not more than 135 percent of the poverty line and who do not have certain other drug coverage. An additional subsidy of up to $600 will be provided in calendar year 2005.

The availability of negotiated prices or transitional assistance received through the prescription drug card shall not be treated as benefits or otherwise taken into account in determining an individual's eligibility for, or the amount of benefits under, any other Federal program.

Therefore, in accordance with the MMA and regulations issued by the Centers for Medicare and Medicaid Services, any subsidy that a household receives through the prescription drug discount card program must not be treated as income in determining eligibility for free and reduced price meals under any of the Child Nutrition Programs.

If you have any questions, please contact our office at 614-466-2945.

RZ:kb

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