



United States Department of Agriculture  
Food and Nutrition Service

Western Region

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Reply to  
Attn of:

FSP – Administrative Notice 04-56      August 6, 2004      FS-2-GEN

Subject:

**FSP – Medicare Prescription Discount Card; Not Prorating the \$600 Credit When  
the Client Deducts Actual, Pre-Discount Prescription Expenses**

To:

ALL WESTERN REGION FOOD STAMP PROGRAM COORDINATORS

Attached is another Question and Answer about the Medicare Prescription Discount Card.

If you have any questions, please contact your State Program Officer.

KAREN C. JIRSA, Policy Officer  
Food Stamp Program  
Western Region

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.