



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

For Immediate Release

Monday, June 14, 2004

Grassley: Key Official Repeats No Loss of Food Stamps With Medicare Drug Card

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today released a reiteration from a key Medicare official that no older American will lose eligibility for food stamps with a new Medicare drug discount card. Grassley made public a letter from Dr. Mark McClellan, administrator of the Centers for Medicare and Medicaid Services, correcting mistaken guidance from the Agriculture Department that the drug discount cards might interfere with food stamp eligibility.

“Someone at the Agriculture Department made a mistake, and whoever made it should be held accountable,” Grassley said. “Medicare administrators need to make sure no other federal agency makes the same kind of mistake. The new Medicare law is perfectly clear that low-income Medicare beneficiaries who take advantage of the drug discount card don’t lose any benefits. In fact, Congress said not a single low-income benefit from the federal government is affected by the Medicare drug discount card and low-income benefit.”

The text of the McClellan letter follows.

June 11, 2004

The Honorable Charles Grassley, Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

During the June 8, 2004, Finance Committee hearing on the Medicare Prescription Drug Discount Card, a question was asked of me by Democratic Leader Daschle regarding the \$600 in transitional assistance and discounted prices, and its application to determining an individual’s eligibility and benefits under the USDA Food Stamp program. I am writing to reiterate my answer in response to this question and to clarify any ambiguity on this important matter: Low-income beneficiaries who

get valuable new help with their drug costs by using a Medicare-approved drug discount card do not lose any eligibility or benefits in the Food Stamp program.

Section 1860D-31(g)(6) of the Social Security Act, as added by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, states: “The availability of negotiated prices or transitional assistance under this section 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.”

In response to the question, I said the law clearly states that assistance for low-income beneficiaries through the drug card and transitional assistance cannot take away or reduce any other existing federal benefits. Low-income Medicare beneficiaries who receive food stamps and have prescription drug costs should definitely apply for the card and the transitional assistance. Beneficiaries may reduce their drug spending by literally thousands of dollars as a result of the financial assistance and discounts in the drug card program, and it will not affect the calculation of food stamp benefits. Please find attached a posting to the USDA website clarifying this policy.

Let me also thank you and your committee again for your leadership in providing relief from high drug costs for Medicare beneficiaries without drug coverage. Thanks to your leadership and the new Medicare law, low-income Medicare beneficiaries can get help right now with drugs and food. I am sending a similar letter to Democratic Leader Daschle.

Sincerely,

Mark B. McClellan, M.D., Ph.D.
Administrator