



State of Arizona
Department of Education

Tom Horne
Superintendent of
Public Instruction

CN# 05-05

MEMORANDUM

To: School Health & Nutrition Program Sponsors

From: Mary Szafranski, Deputy Associate Superintendent
Arizona Department of Education, Health & Nutrition Unit

Holly Mohr, Program Director
Arizona Department of Education, School Health & Nutrition Programs

Date: August 17, 2004

RE: Medicare Subsidy as Household Income

Households on Medicare that receive a subsidy through the prescription drug discount card program are not to include this subsidy as household income on the application for free and reduced price meals. This is in accordance with section 1860D-31(g)(6) of the Social Security Act.

- This subsidy must not be treated as income in determining eligibility for free and reduced price meals under any of the Child Nutrition Programs.

More about the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA):

- Issued by the Centers for Medicare and Medicaid Services
- Provides Medicare beneficiaries with negotiated prices for prescription drugs.
- From June – December 2004, Medicare is providing \$600 in subsidies through the drug discount card to Medicare beneficiaries.
 - Medicare beneficiaries must have an income less than or equal to 135% of the poverty line and do not have other specified drug coverage.
- Additional subsidies up to \$600 provided in calendar year 2005.

If you have questions or concerns regarding this memo, please contact your assigned School Health & Nutrition Program Specialist (602) 542-8700.