### Purpose
To inform contractors that any subsidiary or transitional assistance a household receives through the Medicare prescription drug card must not be treated as income when determining eligibility for program participation.

### Background
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 are lower than regular prescription drug prices.

From June 2004 to December 2004, Medicare is also providing a $600 subsidy (called transitional assistance) through the drug discount cards to Medicare beneficiaries whose incomes are not more than 135% of the poverty line and who do not have other drug coverage. An additional subsidy of up to $600 will also be provided in 2005.

### Procedure
Any subsidy that a household receives through the prescription drug discount card program must not be treated as income or resources in determining eligibility for participation in the CSFP.

### Authority
Section 1860D-31(g)(6) of the Social Security Act, as amended by the MMA.

### Contact
If you have any questions, please contact your contract manager.