

DEPARTMENT OF SOCIAL SERVICES  
744 P Street, Sacramento, CA 95814



September 29, 2003

ALL-COUNTY INFORMATION NOTICE NO. I-63-03

TO: COUNTY WELFARE DIRECTORS  
FOOD STAMP COORDINATORS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order or Settlement Agreement
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: MEDICAL EXPENSE DEDUCTION

REFERENCE: United States Department of Agriculture Food and Nutrition Service (FNS) Administrative Notice 03-36; Manual of Policies and Procedures (MPP) Section 63-502.331

The purpose of this letter is to provide counties with policy clarification on the treatment of postage and handling costs associated with the shipment of prescription drugs as an allowable medical expense. FNS has determined that postage for prescription drugs should be considered an allowable medical expense for Food Stamp Program purposes.

Obtaining prescription drugs through the mail relieves the affected individuals the burden of visiting a retail pharmacy and is in the best interest of the elderly and disabled household members for whom the excess medical expense deduction is intended.

The cost for postage and handling of prescription drugs is an incidental expense similar to transportation and lodging to obtain medical treatment or services, which is currently considered a deductible expense. The cost of the postage for mail-order prescription medication is part of the cost of the prescription medication and as a result is a deductible expense under MPP 63-502.331.

If you have any questions about this policy clarification, please contact Katie Kwiatek at (916) 654-1898.

Sincerely,

***Original document signed by***

RIGHTON YEE, Chief  
Food Stamp Branch

## **Medical Expense Deduction**

### **Question #1**

If the doctor is from the United States but the pharmacy is out of the country, is the client still allowed the medical expense deduction for postage and handling?

### **Answer**

MPP Section 63-502.331(c) states that prescription drugs when prescribed by a licensed practitioner, who is authorized under state law, is an allowable medical expense. Since the doctor is from the United States and is prescribing the medication, the client would be allowed the cost for postage and handling as a medical expense.

### **Question #2**

Is there a limit to the cost of the postage and handling for mail-order prescription medication that a client can claim as part of the deductible expense?

### **Answer**

This deduction would be treated as every other medical deduction. The client can use the amount they spent on the postage and handling for the prescription medication as a deductible medical expense.

### **Question #3**

If the client has their prescription delivered to them instead of mailed to their home would the cost of delivery be allowed for the medical expense deduction?

### **Answer**

Since delivery costs is an incidental medical expense and is similar to postage and handling costs, the delivery cost would be allowed.