



Food and Nutrition Service

U.S. DEPARTMENT OF AGRICULTURE

DATE: December 5, 2024

SUBJECT: Medicare Advantage Supplemental Benefits Excluded from Income

TO: All SNAP State Agencies
All Regions

The Food and Nutrition Service (FNS) has received questions regarding whether State agencies should count certain Medicare Advantage (MA) supplemental benefits as income for Supplemental Nutrition Assistance Program (SNAP) purposes. MA supplemental benefits are benefits for items and services which have a nexus to the health of the enrollee and are not available under Medicare Part A, B, or D. The Centers for Medicare & Medicaid Services (CMS) approves these items and services according to statutory and regulatory criteria as part of the Medicare program.

MA supplemental benefits must either be “primarily health related,” or qualify as Special Supplemental Benefits for the Chronically Ill (SSBCI). To be considered primarily health related, a benefit must diagnose, prevent, or treat an illness or injury, compensate for physical impairments, act to ameliorate the functional/psychological impact of injuries or health conditions, or reduce avoidable emergency and health care utilization. SSBCI must have a reasonable expectation, demonstrated through evidence, of improving or maintaining the health or overall function of chronically ill enrollees. MA organizations may administer these benefits through regularly issued spending cards limited to certain covered items or services that vary by insurer, such as food, transportation, utilities, or other items that improve or maintain the health or overall function of the enrollee.

State agencies must exclude all MA supplemental benefits when determining income for SNAP purposes under Section 5(d)(5) of the Food and Nutrition Act of 2008. This section excludes reimbursements for past or future expenses from income to the extent they do not exceed actual expenses, and do not represent a gain or benefit to the household. Since CMS approves supplemental benefits as “primarily health related” or, in the case of qualifying chronically ill enrollees, “to improve or maintain the health or overall function of the enrollee,” these expenses are not subject to the restriction on normal living expenses at 7 CFR 273.9(c)(5).

State agencies must exclude MA supplemental benefits as medical reimbursements which do not represent a gain or benefit to the household per 7 CFR 273.9(c)(5)(i)(C).

State agencies with questions should contact their respective FNS Regional Office representatives.

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