



January 8, 2025

Administrator

Washington, DC 20201

The Honorable Lloyd Doggett
U.S. House of Representatives
Washington, DC 20515

Dear Representative Doggett:

Thank you for your letter to President Biden regarding Medicare Advantage (MA) supplemental benefits and their potential impact on enrollees' eligibility for federal assistance. The White House has referred your letter to the Centers for Medicare & Medicaid Services (CMS), and we are pleased to respond. We appreciate your view that debit cards provided to MA enrollees by MA plans to administer certain benefits should not be considered countable assets or income for the purposes of calculating eligibility for federal assistance and benefits allowance.

Section 1852(a)(3)(A) of the Social Security Act (the Act) permits MA plans to offer supplemental benefits to plan enrollees beyond what is covered under Medicare Parts A and B. Pursuant to section 1852(a)(3)(D) of the Act, supplemental benefits may include certain benefits offered only to qualifying chronically ill enrollees, known as Special Supplemental Benefits for the Chronically Ill (SSBCI). Supplemental benefits must either be primarily health related or, if offered as SSBCI, have a reasonable expectation of improving or maintaining the health or overall function of the chronically ill enrollee. SSBCI benefits may include food and produce, rental and utility assistance, and over the counter items. MA plans may administer supplemental benefits through plan issued debit cards, sometimes marketed as "Flex Cards" by MA plans. A plan debit card is not a covered benefit but rather, a mechanism by which an MA plan may provide payment to providers for the covered benefits. All items and services offered as supplemental benefits, whether administered through a debit card or some other mechanism, must meet the supplemental benefit requirements at 42 CFR 422.100(c)(2) and 422.102. Further, MA plans are expected to administer benefits in a manner that ensures a debit card can only be used towards plan-covered items and services (86 FR 5864, 5913).

While CMS does not have statutory or regulatory authority to regulate how other federal agencies categorize supplemental benefits, we have made it clear that debit cards are not benefits themselves, but rather a mechanism for MA plans to make payments for plan covered items and services. In other words, they are simply a means to access a covered benefit. Additionally, we've also clarified that section 1854(d)(1) of the Act expressly prohibits MA plans from offering enrollees cash. Plan debit cards are not cash benefits and cannot be considered as such. Please note that the US Department of Agriculture (USDA) recently released guidance clarifying that 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 2008¹. We will continue

¹ <https://www.fns.usda.gov/snap/medicare-advantage-supplemental-benefits-excluded-income>

to work with other federal agencies and stakeholders to clarify how other federal agencies account for supplemental benefits in their programs.

Thank you for your letter and your interest in ensuring that MA enrollees are not negatively affected by the receipt of plan provided supplemental benefits. Should you have additional questions or concerns, please have your staff contact the CMS Office of Legislation.

Sincerely,



Chiquita Brooks-LaSure

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