



FAMILY INDEPENDENCE ADMINISTRATION

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POLICY BULLETIN #04-19-ELI

FOOD STAMP DEDUCTIONS FOR MEDICAL EXPENSES

Date: January 27, 2004	Subtopic(s): Food Stamps
<p> This procedure can now be accessed on the FIAweb.</p> <p>Refer to FSSB, Section 11, pages 6-9 for more information on Medical Deductions</p> <p>Allowable medical expenses</p>	<p>The purpose of this policy bulletin is to provide staff with clarification regarding Food Stamp (FS) deductions for unreimbursed excess medical expenses for applicants/participants who are elderly (60 years of age or older) or disabled (refer to the Food Stamp Source Book [FSSB], Section 5, pages 9-10 for disability criteria).</p> <p>Currently, FS regulations allow for a deduction from household income allowable medical expenses in excess of \$35.00 per month which are not reimbursed by a third-party insurer, Medicare or Medicaid.</p> <p>The allowable medical expenses that can be deducted include:</p> <ul style="list-style-type: none"> • Health and hospitalization insurance policy premiums • Medicare premiums paid by the FS applicant/participant and related to coverage under Title XVIII of the Social Security Act; any cost sharing or spend-down expenses incurred by Medicaid recipients; • The cost of prescription drugs and over-the-counter medication (including insulin) when prescribed by a licensed practitioner or other qualified health professional. In addition, costs of medical supplies, sickroom equipment (including rental), or other prescribed equipment; • The cost of dentures, prescribed eyeglasses, hearing aids, and prosthetics;

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- The cost of hospitalization or outpatient treatment, nursing care and/or nursing home care, including payments made by the household for an individual who was a household member immediately prior to entering a hospital or nursing home facility recognized by the State;
- Medical and dental care expenses, including psychotherapy and rehabilitation services, provided by a licensed practitioner or other qualified health professional;
- Securing and maintaining a Seeing Eye, hearing, or service dog, including the cost of dog food and veterinarian bills;
- Reasonable cost of transportation and lodging to obtain medical treatment or services;
- Maintaining an attendant, homemaker, home health aide, dependent care services or housekeeping necessary due to age, infirmity or illness.

Note: If the costs qualify under both medical and dependent care deductions, the cost should be treated as a medical expense (refer to FSSB, Section II, page 6 for more information).

In addition, if the household provides the majority of the attendant's meals, an amount equal to the Thrifty Food Plan amount for one person (consult Basis of Coupon Issuance form **W-129F**) should be added to any other medical expense and used as a deduction. In these instances, Workers must ensure that at recertification the allotment is updated to the correct level according to the **W-129F**, as the allotment changes annually.

- Payments on a loan that was used to pay a one-time-only medical expense. Loan expenses, such as interest, are not allowable as part of the medical expense.

Clarified Information

As a result of recent clarification from the United States Department of Agriculture (USDA) the following can also be included as an allowable medical expense:

- The cost of delivery charged by mail-order pharmacies to deliver medications, supplies and equipment prescribed by a licensed practitioner.

Change reporting requirements

Households can report and verify medical expenses that qualify for a FS deduction at any time. Once the medical expense deduction is granted, households must report and verify changes in medical expenses at recertification. They may also voluntarily report changes during their certification period.

Changes in medical expenses reported and verified between certification periods that result in reduction of FS benefits

If the medical expense information reported and verified during the participant's certification period results in the reduction of Food Stamp benefits, no action can be taken to reduce the Food Stamp benefits until the participant's next recertification. For example:

John Norman, a 67-year-old man, receives medical deductions for out-of-pocket medical expenses that are not covered by his insurance. During his certification period, he informs his Worker that a third-party insurer will now pay for the medical out-of-pocket expenses.

In the above example, the removal of Mr. Norman's medical deductions will result in a reduction of his Food Stamp benefits. Therefore, the Worker must not take action to reduce his food stamps until his new certification period.

Changes reported and verified results in increase of FS benefits

If the medical expense information reported during the certification period results in the increase of Food Stamp benefits, action to increase the Food Stamp benefits can be taken upon verification of submitted information. For example:

Ms. Jones, a blind, 60-year-old SSI recipient, reports and verifies during her certification period that in addition to maintaining her Seeing Eye dog, she now incurs an out of pocket medical expense for a full-time home attendant. There are no other changes.

In this example, the unreimbursable home attendant expense qualifies as an allowable medical expense and will increase the allowable medical expense deductions. Therefore, the change, which has been verified, must be processed immediately.

Changes reported but not verified

However, given the same example, if the participant reported the additional expense but did not verify it, no action can be taken until the expense is verified.

In addition, the USDA has further clarified that any unpaid, past due medical expenses that have not been allowed as medical deductions at previous certification periods can be allowed at the next certification period or when reported and verified.

Effective Immediately

REFERENCES:

03 INF 43

02 ADM 7

[Food Stamp Source Book \(FSSB\) Section 5, pages 9–10](#)

[Food Stamp Source Book \(FSSB\) Section 11, pages 6–9](#)