



George E. Pataki
Governor

NEW YORK STATE
OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE
40 NORTH PEARL STREET
ALBANY, NY 12243-0001

Robert Doar
Commissioner

Local Commissioners Memorandum

Section 1

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| Transmittal: | 06-LCM-07 |
| To: | Local District Commissioners |
| Issuing Division/Office : | Office of Budget, Finance and Data Management |
| Date: | August 4, 2006 |
| Subject: | Claiming of Food Stamp Program (FSP) administrative funds for the medical screening of Food Stamp Employment and Training (FSE&T) participants to establish exemption from program rule requirements. |
| Contact Person(s): | Regions 1-4 , Carolyn Oleyourryk at 1-800-343-8859, extension 4-7549 Email: carolyn.oleyourryk@otda.state.ny.us Region 5 , Michael Borenstein at (631) 854-9704 Email: michael.borenstein@otda.state.ny.us Region 6 , Marian Borenstein at (212) 961-8250 Email: marian.borenstein@otda.state.ny.us |
| Attachments: | |
| Attachment Available On – Line: | |

Section 2

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to clarify U.S. Department of Agriculture (USDA) policy regarding the use of Food Stamp Program (FSP) administrative funds to pay for medical screening costs to establish individual exemption from program work requirements. As food stamp administrative costs are funded 50% by the federal government, medical screening costs to establish exemptions from food stamp employment requirements are funded 50% by the USDA. However, this federal reimbursement is strictly limited to the costs of medical screening to establish an exemption from food stamp employment requirements. Medical screenings or medical determinations for other purposes, such as determining disability, as defined in the Food Stamp Act (7 USC 2012), are not reimbursable as a food stamp administrative costs.

II. Background

USDA has provided clarification on the use of Food Stamp Program (FSP) administrative funds to reimburse the costs of medical screening to establish individual exemption from program work requirements.

While the use of federal TANF funds to pay for medical services is prohibited, the expense associated with a doctor's examination or medical assessment required to evaluate whether or not an individual is exempt or non-exempt from participation in work activities or to identify any limitations on work activity, constitutes an allowable agency cost under the TANF program. In the event that existing medical documentation has been provided to a social services district for the purpose of establishing a medical exemption from FSP work requirements, the district will determine whether the documentation provided, in conjunction with any other documentation that is collected pursuant to district procedures, would be sufficient to establish an exemption from work rules under the TANF program. If the district determines that the documentation is sufficient for an exemption from TANF work rules, then the documentation must also be considered sufficient to establish a medical exemption from FSP work rules.

Since the FSP requirements cannot be less restrictive or less comprehensive than TANF requirements, the use of FSP administrative funds to reimburse agencies for the 50% federal share of expenses for such verification is considered a reasonable and necessary cost to the program, and is allowable. However, the prohibition against the use of Food Stamp Employment and Training (FSE&T) funds for these medical screenings remains. Such costs should be claimed as FSP administration. While the costs of medical screenings to evaluate work participation are permissible, the costs of other medical services such as determining disability using criteria other than employment exemption criteria or for rehabilitation services remain unallowable FSP costs.

III. Claiming

Reimbursement is available for medical screening for the expense associated with a doctor's examination or medical assessment required to evaluate whether or not a food stamp applicant or recipient is exempt or non-exempt from participation in the FSE&T Program or to identify any limitations on work activity participation. Such costs constitute an allowable agency cost when determining eligibility for the FSP. The Local Social Services District (LSSD) would claim the expenditures using the normal reimbursement processes through the Schedule RF-2A (Monthly Statement of Administrative Expenditures Federal and State Aid) claim package. These expenditures should be claimed for reimbursement as F7 functional costs. Costs would be claimed on the LDSS-2347E - Schedule D-7 Distribution of Food Stamp Expenditures to Activities. These expenditures would be reimbursed at 50% federal funding.

The balance remaining after the 50% Federal share is distributed between state and local shares. With the exception of Nutrition Education and A87 costs which are not eligible for state funding, the local districts determine the amount of state funding to be applied to the food stamp program through the Local Administration Fund (LAF). Also, State participation is limited to the local district's LAF allocation.

The state share for administrative costs of the federal FSP is applied to the local district's state LAF cap. Any costs that exceed the state LAF cost cap will be 100% local share.

Expenditures claimed on the LDSS-2347-B1-Schedule D3 (Allocation and Claiming of Administrative Costs for Employment Programs) under the FSE&T Program can **not** include costs for medical screenings.

This policy is effective immediately. Districts may file appropriate supplemental claims back to October 2002.

Issued by _____

Name: *Michael Normile*

Title: Director

Division/Office: OBF&DM