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 | INFORMATIONAL LETTER |
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TRANSMITTAL: 94 INF-58

TO: Commissioners of
 Social Services

DIVISION: Economic
 Security

DATE: December 23, 1994

SUBJECT: FS: Medical Deductions Clarification

SUGGESTED

DISTRIBUTION: Food Stamp Director, Food Stamp Staff
 Income Maintenance Director
 Income Maintenance Staff
 CAP Coordinator
 Staff Development Coordinator

CONTACT PERSON: Your County Food Stamp Representative
 at 1-800-343-8859, extension 4-9225

ATTACHMENTS: None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
94 INF-23		387.12	7 CFR	<u>FSSB</u>	
		387.14	273.9(d)(3)	XI-C-3-all	
			273.12(c)	VI-B-2.2	
				VII-ALL	

94 INF-23 provided districts with Food Stamp information for using reasonable estimates in determining the medical expense deduction. This is to provide districts with further clarification received from the USDA regarding reporting changes in medical expenses.

In order to receive the medical expense deduction, households are required to report and verify all medical expenses at the time of certification and recertification. The household's monthly medical deduction for its certification period is based on the information reported by the household. This includes any anticipated changes in the household's medical expenses that can be reasonably expected to occur during the certification period based on available information about the recipient's medical condition, amounts of reimbursements for medical expenses expected from private or public insurance coverage, and current verified medical expenses. If the household reports a medical expense at certification or recertification but cannot verify the expense at that time, and if the amount of the expense cannot be reasonably anticipated based on the available information, the expense is considered at the time the amount of the expense is verified.

The following points should be considered when dealing with medical deductions for the purpose of FS eligibility:

1. Households are not required to report any changes in medical expenses during the certification period.
2. Households may choose to report any changes in medical expenses during the certification period. If the household voluntarily reports a change in medical expenses, take appropriate action to increase benefits, if verification is obtained. If the change decreases benefits, take the action even if it is not verified (see FSSB VI-B-2.2 and XI-3-all).
3. When a change in medical expenses is reported from a source other than the FS household, take action to increase or decrease only if the action can be taken without contacting the household for further information or verification. The household must be informed about the changes in the FS benefit in accordance with the notice requirements at FSSB VII.
4. Those changes learned from a source other than the household which are not verified upon receipt and therefore necessitate contact with the household for verification purposes, are not acted upon until the household voluntarily reports or is recertified. (See #2 for requirements regarding voluntarily reporting)

5. When a change in medical expenses that would increase benefits is voluntarily reported on the Quarterly Report and the household provides no proof of the change, then the household must meet the verification requirements outlined in FSSB VI-B-2.2. The household is advised of the additional verification requirement and that failure to provide the verification will result in benefits remaining at the current allotment. A medical expense change reported on the Quarterly Report that would decrease benefits is done without any further verification required until recertification. Any medical expense changes that go unreported on the quarterly report do not result in over/under payments to FS cases.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Economic Security