



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

## FIA ACTION TRANSMITTAL

Control Number:

#01-05

Effective Date: October 1, 2000

Issuance Date: August 11, 2000

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF**

**FROM: *Charles E. Henry*  
CHARLES HENRY, ACTING EXECUTIVE DIRECTOR**

**RE: TREATMENT OF ATTENDANT CARE INCOME**

**PROGRAM AFFECTED: FOOD STAMP PROGRAM**

**ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS**

### SUMMARY

At the request of another State, the Food and Nutrition Service (FNS) has reconsidered the treatment of attendant care payments made by an outside source to a disabled household member for attendant care when the person providing the care is also a household member. This action transmittal provides the new policy about treatment of income in this situation.

### OLD POLICY

Currently, we consider the payment from an outside source made to the disabled member for care as unearned income for the household.

### CURRENT AND ONGOING POLICY

When an attendant care payment is made to the disabled household member and someone who is not in the food stamp household provides the care, consider the payment as earned income to the care provider. The payment is excluded income for the disabled member's food stamp household because it is a reimbursement.

When the payment provider makes payment directly to a household member who supplies the care, consider the payment as earned income to the attendant care provider.

## **NEW POLICY**

- When attendant care payments are made by an outside source to a disabled household member for aid and attendant care and the person providing the care is also a household member, treat the payment as:
  - Earned income to the household member providing the attendant care, and
  - A reimbursement (excluded income) for the disabled person.
- Do not count the payment twice for the household.
- This policy applies only to reimbursements for expenses provided by an outside source to a household member when another household member performs the service.
- This policy does not apply to household members that pay other household members for services, such as childcare.

**Policy Reminder: An expense paid for by an excluded vendor payment or reimbursement is not deductible.**

### **Example 1:**

Mr. A, the disabled household member receives a \$300 monthly payment from his insurance company to pay for his attendant care. He pays the entire amount to his daughter who is in the food stamp household and who provides the care. Consider the \$300 payment made to Ms. A as earned income to the household. Do not count any amount for Mr. A because it is a reimbursement.

**\*Note:** If Mr. A does not spend the entire amount for his care, include the retained amount as Mr. A's unearned income.

### **Example 2:**

Ms. B receives \$500 each month from an outside source to pay for her attendant care. Ms. C, the care provider, is in the food stamp household. Ms. B pays Ms. C \$300 for attendant care. Ms. B uses the remaining \$200 to pay other expenses. The case manager will:

Ms. C – Count the \$300 as earned income.

Ms. B – Not count the \$300 because it is an excluded reimbursement.

Count the remaining \$200 as unearned income.

## **ACTION DUE**

This policy is effective October 1, 2000 with new applications, recertifications and interim changes.

## **PAYMENT ACCURACY**

When discussing medical expenses, it is important for the case manager to review with the customer during the interview and at subsequent contacts whether a payment is a reimbursement to the customer or if in the future, insurance will reimburse the customer for attendant care expenses.

The case manager must remember to **count the income only once** when the caregiver is part of the food stamp household. That portion of the income given to the caregiver is earned income to the caregiver, any portion retained by the customer is unearned income.

A reimbursed expense cannot be allowed as a medical expense deduction.

## **INQUIRIES**

Please direct policy questions to Kay Finegan at (410) 767-7939 and system questions to Theresa Holmes at (410) 238-1303.

cc: DHR Executive Staff  
FIA Management Staff  
Constituent Services  
DHR Help Desk  
RESI

## **CARES ACTION REQUIRED**

Enter the attendant care payment on CARES for the household member providing the care as follows:

- ☐ On the **ERN1 Screen** enter:
  - For **Employer Name** list ATTENDANT CARE FOR (Name of Disabled Person).
  - Complete the **address** and **phone number** for the household.
  - **EI** for earnings/wages in the **TYPE Field**.
  - The date the household member began providing care in the **BEGIN DATE Field**.
  - **Y** or **N** in the **LATE REPORT Field** to indicate if the recipient was late in reporting the attendant care payment.

Press **ENTER** for the **ERN2 Screen**.

- ☐ On the **ERN2 Screen** enter:
  - The amount of the attendant care payment based on the frequency. (e.g. monthly, weekly, bi-weekly) in the **AMT Field**. **(Don't forget to drop the cents before entering the amount.)**
  - The number of hours that care is provided in the **HRS Field**.
  - The type of verification used in the **V Field**.
  - The correct frequency code in the **FREQ Field**.

If the disabled person does not pay the entire amount of the attendant care payment to the household member, include the retained amount as unearned income. This unearned income should be entered as follows:

- ☐ On the **UINC Screen** for the **disabled recipient** enter:
  - **OF** for other countable income for Food Stamps only in the **SOURCE Field**.
  - The retained amount is entered in the **AMT Field**.
  - The type of verification used in the **V Field**.
  - The correct frequency code in the **FREQ Field**.

**Remember to carefully narrate all case activity.**