



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA INFORMATION MEMO

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

FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR

RE: ALLOWABLE MEDICAL EXPENSES

PROGRAM AFFECTED: FOOD STAMP PROGRAM

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

SUMMARY

The Food and Nutrition Service (FNS) recently advised us that allowable medical deductions for food stamps include the postage that an individual pays for mail order prescriptions. Although the policy and procedure for calculating the medical deduction has not changed, we are taking this opportunity to remind staff about the possible medical deductions. The policy is covered in Food Stamp Manual Sections 212 and 213.

Remember: At application and recertification, ask all elderly (over age 60) or disabled individuals about any bills they have for medical expenses, including over the counter medications and medical supplies. Be sure to ask, even if the person receives medical assistance.

List medical expense information on the CARES FSME screen, using the correct frequency valid value and including "cents." CARES will perform the calculation by deducting \$35 per month from the total and allowing the correct excess medical deduction.

The attachment to this information memo contains lists of allowable medical expenses as well as examples. The attached pages are formatted so that you can place them in the Food Stamp Desk Guide.

INQUIRIES

Please direct policy questions to Kay Finegan at 410-767-7939. Please direct CARES questions to Fern Parson at 410-767-7064.

cc: FIA Management Staff Constituent Services DHR Help Desk

DEDUCTIBLE MEDICAL EXPENSES

Case managers must allow medical expenses of entitled household members to the extent that they exceed \$35 for each household member each month.

The following medical expenses are deductible when performed, prescribed, or approved by a licensed practitioner, qualified health professional or recognized facility:

BASIC CARE	DRUGS	EQUIPMENT	INSURANCE	MEDICARE/ MEDICAL ASSISTANCE	SERVICE ANIMALS	OTHER
Medical Care	Prescription Drugs	Medical Supplies	Premium for health insurance	Medicare Premiums	Securing a service animal	Reasonable costs of transportation and lodging to obtain medical treatment or services. Use State mileage allowance when actual costs cannot be determined
Dental Care	Nonprescrip- tion drugs	Sick-room Equipment	Premium for hospital insurance	Medical Assistance cost- sharing expenses	Maintaining a service animal	Attendant, homemaker, home health aid, childcare services, housekeeper necessary due to age, infirmity, or illness. Amount equal to the one-person coupon allotment if the household furnishes the majority of the home health care attendant's meals.
Psychotherapy		Dentures		Billed spend- down expenses	Veterinary care	
Rehabilitation		Prosthetics			Animal food	Hospitalization, outpatient, nursing and nursing home care for a person who was a household member immediately prior to entering a hospital or nursing home
Hospitalization		Hearing aids and batteries				
Outpatient care		Prescribed eye glasses			Animal food	
Nursing care		Other prescribed equipment				
Nursing home care						

DEDUCTIBLE MEDICAL EXPENSES

Over the counter medications or items, including medical equipment, that the customer's **doctor or qualified health professional prescribes or approves, including, but not limited to:**

Over the counter pain medication (Aspirin, Tylenol, etc.)	Adult Diapers or other items for incontinence	Dietary Supplements considered medicinal in purpose and not eligible for purchase with food stamps	Vitamins/minerals
Bandages, tape, gauze	Support stockings	Allergy medications	Antibiotic creams or ointments
Eye or ear drops	Antibacterial soaps	Skin cream (not for cosmetic purposes)	Antacids
Disposable mattress pads (Chux)	Temporary splints, orthotics, medical equipment	Disinfectants/ cleaners	Medications and supplies including insulin

Note: Food items that can be purchased with food stamps cannot be a medical deduction (i.e. Ensure, infant formula, etc.)

VERIFICATION:

- Verify total medical expenses, including the amount of reimbursement:
 - At initial application, and
 - At recertification if the source or the amount changes by more than \$25.
- If a household voluntarily reports a change in medical expenses during a certification period, it must be verified if the change would increase the household's allotment.
- Do not verify at recertification or when a change is reported if the source has not changed or the amount has not changed by more than \$25 unless the information is incomplete, inaccurate, inconsistent or outdated.

Note: Medical expenses are the exception to the policy that allowable expenses can only be deducted when they are due. The household may report and verify at recertification medical bills incurred in the prior certification period.

REMINDER: Do not include past due bills on which there is no current payment plan.

DEDUCTIBLE MEDICAL EXPENSES

Billed Expenses

- Generally, deductions, unless averaged (see below), are allowed only in the month the expense is billed or otherwise becomes due, regardless of when the household intends to pay the expense.

Mr. B's doctor states he needs to take aspirin every day. He spends \$5.00 per month on aspirin. The case manager enters the \$5.00 with a frequency code of "MO" – Monthly on the FSME screen. He also pays a Medicare premium each month. This monthly amount is also entered on the FSME screen with the "MO" frequency code.

EXCEPTION: Medical expenses that may be covered by insurance, Medicare, Medicaid, etc. are not considered billed to the household until a statement is received showing the amount of payment made by the insurer, or other proof of insurance payment is provided.

Averaging Expenses

- A household may elect to have fluctuating expenses averaged.

Mrs. S has a Seeing Eye dog. She takes him to the vet every 6 months. Last year she paid \$175 one time and \$100 the second time. These vet appointments are expected to continue. The total cost of vet bills could be averaged over the certification period an \$22.92 ($\$100 + \$175 = 275 \div 12 = \22.92) would be entered on the FSME screen with a monthly frequency code.

- Expenses that are billed less often than monthly may be averaged forward over the interval between scheduled billings.

Ms. K has three prescription medications. She purchases one (#1), every 2 months for \$120. Another one (#2) costs her \$60 every three months and the third one (#3) only needs filled as needed. It costs \$200 and she filled it 3 times last year. The case manager enters:

#1 - \$120 with a frequency code (valid value) of "BM" – Bimonthly

#2 - \$60 with a frequency code of "QU" – Quarterly

#3 - \$600 with a frequency code of "AN" – Annually ($\$200 \times 3 = \600)

DEDUCTIBLE MEDICAL EXPENSES

Mrs. M pays \$300 quarterly to Blue Cross for her health insurance. The case manager enters \$300 on the FSME screen with a frequency code of "QU" – Quarterly.

- The expense may either be averaged over the certification period or deducted in full in the month billed, at the household's option.

Mr. K goes to the dentist once a year and pays \$50 each visit. The \$50 could be given as a deduction in the month he is billed for the dentist visit or averaged over the 6-month certification period ($\$50 \div 6 = \8.33 would be entered on the FSME screen with a monthly frequency code). It could also be averaged over the period between anticipated billings. The case manager would enter \$50 with a "SA" – Semi-annual frequency code.

- The household may elect to have one-time-only expenses averaged over the entire certification period in which they are billed.

EXCEPTION: Households wishing to average one-time-only medical expenses reported during the certification period must have the expenses averaged over the remaining months of the certification period. Averaging begins the month the change is effective.

Mrs. S reported that she was in a car accident and had to go to the emergency room. Her total emergency room bill was \$1000. The \$1000 could be given as a deduction in the month the bill was incurred or prorated over the remaining months of the certification period.

Mr. L reported at recertification that he bought dentures two months ago. The cost of the dentures was \$1500. The \$1500 could be averaged over the certification period and \$125 entered on the FSME screen with a frequency code of monthly.

See Food Stamp Manual Section 213.42 E and F for how to calculate one-time-only expenses for 24-month certification periods