



## SNAP 602-3

### ELIGIBILITY AND BENEFIT DETERMINATION

### Deductions-Medical

**Supersedes:** SNAP 602-3 (03/21/2022)

**Reference:** 7 CFR 273.9(d)(1) through (6), 7 CFR 273.10(d)

**Overview:** Elderly or disabled household members are eligible for a medical deduction for their total medical expenses minus any amount payable by a third party, such as health insurance, exceeding \$35 per month per household. **NOTE:** The medical expense deduction is not available to an elderly or disabled household member who is an ineligible alien or SSN disqualified. The elderly medical deduction begins the month of the individual's 60th birthday.

#### **HOUSEHOLDS ELIGIBLE FOR THE DEDUCTION:**

- **Elderly** - households with an elderly (age 60 or older) member. An individual is considered elderly the month of the individual's 60th birthday.
- **Disabled** - households with a disabled member (SNAP 0-4).
- **Deceased** - households with a legal obligation to pay medical expenses for deceased individuals who met the definition of elderly or disabled prior to dying and were SNAP household members at the time of death or time they entered a medical facility prior to death in the facility.
- **Recent Absence** - households with a legal obligation to pay medical expenses for an elderly or a disabled individual who was a household member immediately prior to entering a hospital or nursing home.

#### **INDIVIDUALS NOT ELIGIBLE FOR DEDUCTION:**

A spouse or other persons receiving benefits as a dependent of the SSI or SSDI recipient are not eligible for the medical expense deduction.

#### **REPORT AND VERIFY AT APPLICATION AND RECERTIFICATION:**

Households are required to report and verify the amount of medical expenses (including the total of reimbursements) at **every application and recertification**.

The eligibility staff member should reasonably attempt to verify information with a collateral contact when documentary evidence cannot be obtained or is insufficient to make a determination of the

deduction amount. The eligibility staff member must wait until an expense or verification of third-party payment is provided if the obligated amount is still questionable.

**The eligibility staff member must document in case notes the medical expenses allowed for the deduction.**

#### **CHANGES IN MEDICAL EXPENSES:**

A household may report changes in medical expenses during its certification period. The eligibility staff member is required to take an action on the change according to the household's reporting requirements within 10 calendar days (SNAP 1501-1).

The household must be allowed 10 calendar days from the date the verification is requested to provide verification of the reported change. The notice must also inform the household if verification is not provided within 10 days of the request, the medical expense will not be allowed.

**Cash Option Not Paid:** If Medicaid closes anytime during the certification/ recertification period because the household did not pay cash option, the cash option expense is removed as the expense is no longer being incurred; the information is verified upon receipt and does not require the household to provide verification. The previously reported and verified medical expenses are used to determine the medical expense deduction. Do not remove the unpaid cash option amount at simplified report or recertification unless the medically needy Medicaid case has closed. Medical expenses submitted to meet a spend-down are treated as a reported change. The eligibility staff member must evaluate the medical expense deduction each time a new bill or co-payment is received.

The eligibility staff member must document in case notes specific information about the change in the medical expense reported including the date of service or prescription, date expense was reported and the expense amount, even if the change reported does not change the benefit amount.

#### **ALLOWABLE MEDICAL EXPENSE:**

A medical expense can only be allowed once as a medical deduction.

Medical expenses are allowed when they become due. Medical expenses carried forward from past billing periods are not allowed even if they are included with the most recent billing and actually paid by the household. Once an expense becomes past due, it remains past due. However, see the section below for expenses not considered 'past due', for example, installments, averaged over period of intended use, and averaged over period until next recertification.

The eligibility staff member can use the expense for the next regular issuance if the household reported the change within 30 days of being billed. If the expense was not reported within 30 days of billing, it is not allowed unless it meets one of the exceptions. See the section below for expenses not considered 'past due', for example, installments, averaged over period of intended use, averaged over period until next recertification. **NOTE:** An expense is considered 'past due' 30 days after the billing date. 'Past due' means the payment is overdue to the provider not overdue at the time of application or recertification.

Medical expenses pending verification of third-party reimbursement are not considered 'past due' until 30 days after the household's receipt of verification of their obligated portion after third party payment.

The following expenses are not considered 'past due':

1. One-time medical expenses averaged over the period until the next recertification (e.g., bill for gall bladder surgery).
2. Expenses paid on an installment plan; and,
3. Expenses averaged over the period of intended use (e.g., bill for quarterly health insurance).

Intent to pay is not considered when allowing a medical expense. Even if a household states it will not be paying a medical expense, it is used as a medical deduction. If the household states an intention for someone else to pay the medical expense, the expense is being reimbursed and is not allowed as a deduction.

Third party payments, such as health insurance payment to providers, are also known as reimbursements. Any medical expense covered by a third party cannot be allowed as a deduction. The non-reimbursable portion of the expense is allowed as a deduction at the time the amount of the reimbursement is received or can be verified. A deduction cannot be allowed until it is verified (e.g., a health insurance policy and a collateral contact confirm the exact obligated amount is the \$100 deductible) regardless of the time it takes for the reimbursement.

If a household has a deductible before the insurance pays any expenses, the household is allowed the expenses up to the deductible amount regardless of whether it has been paid or met. For example, if a household has a \$1000 deductible, they have not met at all, and a \$300 medical expense, they are allowed the \$300 medical expense. This is because the household is responsible for all medical expenses up to the deductible amount. In addition, if it is verified the insurance company only pays a certain percentage of expenses in excess of the deductible (e.g., co-insurance), the eligibility staff member anticipates expenses and allows the percentage the household is responsible for paying. So, if a household has a \$1000 deductible, \$1200 in medical expenses and a 30% co-insurance after the deductible, then they would be responsible for paying \$1,060 and this would be the allowable medical expense.

A household choosing the 'Medically Needy Cash Option' to meet its spend-down is considered to have incurred and paid that amount of medical expenses. Fiscal authorization is not required prior to allowing the deduction. **NOTE:** The amount of the cash option expense anticipated to be incurred after all recurring monthly medical expenses are averaged continues as long as the household anticipates paying the expense.

### **BUDGETING THE EXPENSE:**

Households reporting one-time only medical expenses may choose to:

1. Have a one-time expense; or

2. Average the expense over the remaining months until recertification. **NOTE:** Households certified for 24 months that report a one-time medical expense during the first 12 months have the following options:
  - a. Deducting the expense for one month.
  - b. Averaging it over the remainder of the first 12 months of the certification period; or
  - c. Averaging the expense over the remaining months in the certification period.

**Table of Allowable Medical Expenses:**

Medical Bill	Allowable for SNAP Expense
Medical Marijuana	No.
CBD Oils and CBD products	<p><b>Possibly.</b> The following criteria must be met:</p> <ol style="list-style-type: none"> <li>1. The cannabis product is an <b>FDA-approved drug</b> prescribed by a licensed healthcare provider. <b>As of 03/01/2022, the only FDA approved cannabis-derived drug is Epidiolex (Cannabidiol), which is a treatment for two rare types of Epilepsy.</b></li> <li>2. State agency allows the cannabis product (CBD Oil) as a medical expense if the household presents verification that a State Licensed practitioner or qualified health professional has:           <ol style="list-style-type: none"> <li>a. Approved or prescribed the product</li> <li>b. <b>And</b> certified that the product contains THC in an amount that does not exceed 0.3 percent on a dry weight basis.</li> </ol> <p>Both a. and b. must be verified and case noted to be allowed as a Medical Expense.</p> </li> </ol>
Past due obligations	No
Special diets	No. Items that can be purchased with SNAP benefits cannot be allowed as a medical expense. There is no exception for tube feeding.
Dental and medical care including psychotherapy and rehabilitation services.	Yes, if provided by a licensed practitioner authorized by State law or other qualified health professional.
Costs reimbursable or paid by a third party.	No.
Prescriptions, over-the-counter drugs, medical supplies, sick room equipment (including rental) or other equipment.	Yes. Each must be prescribed <u>OR</u> approved by a State-licensed healthcare practitioner or professional. Prescription <u>or</u> any approval document is acceptable verification. Vitamins and supplements cannot be bought with SNAP, so if prescribed or approved by a licensed healthcare practitioner, they could be allowable expenses. In general, eligibility staff do not evaluate whether what is prescribed is appropriate for the individual's medical condition, only that it is prescribed or approved by a State-licensed practitioner or qualified healthcare professional.
Postage for mail-prescription drugs.	Yes
Medicare premiums	Yes, unless paid by a third party (QMB, SLMB or QI). The month after QMB approval the Medicare premium expense cannot be given. The month of SLMB or QI approval the expense is not allowed.
Health, hospitalization, and ambulance insurance policy premiums.	Yes, only the portion of the premium assigned to the elderly or disabled household member. If the policy does not state the amount of the premium for each insured individual, the premium is prorated among the insured

Medical Bill	Allowable for SNAP Expense
	household members. Only the prorated amount for the eligible member is considered a deduction.
Dentures, hearing aids and prosthetics.	Yes
Costs of attendant, homemaker, home health aide, childcare or housekeeper services necessary because of age, infirmity or illness.	Yes, if the service is provided by someone outside the SNAP household. If the household provides the majority of the attendant's meals, also deduct an amount equal to the one-person benefit allotment: amount paid to individual PLUS an amount equal to the one-person benefit allotment = the total allowable deduction. If the attendant care costs qualify under both the medical and dependent care deduction, the costs may be deducted as a medical expense or a dependent care expense, but not both.
Medicaid co-payments	Yes, generally the best estimate for co-payments is to anticipate for initial months and average for ongoing eligibility.
Cancer or other specialized insurance policy costs.	Yes, if the policy itself states the monies are intended to be used to cover medical expenses. If the policy pays personal debt (car loan, mortgage etc.), the premium is not an allowable expense.
Prescription for home meal delivery service.	No, generally payable with SNAP benefits.
Loan payments for medical debt.	Yes, including medical expenses charged to a credit card. The interest or late fees are not allowed as part of the deduction.
Prescription to buy exercise equipment or get exercise at a health club.	No, club membership or purchase of equipment is not allowed. The services of a medical provider such as a physical therapist would be allowed.
Acupuncture	Yes
Chiropractor	Yes
Reasonable costs of transportation and lodging to obtain medical treatment or services; including, the cost of a trip to a pharmacy or other location to fill a prescription for medicine, dentures, a hearing aid, eyeglasses, etc.	Yes, all costs must be verified and <u>not exceed</u> current lodging reimbursement rates for state employees and Medicaid travel costs for transportation. Meals are not an allowable expense.  <b>Reminder:</b> expenses being reimbursed are not allowed as a deduction. If Medicaid travel will reimburse the expense, it cannot be allowed for SNAP.
Prescription eyeglasses or contacts	Yes, if prescribed by an ophthalmologist or by an optometrist.
Securing and maintaining 'service animals' such as seeing eye dogs, hearing guide dogs and monkeys specially trained to provide a service to the disabled.	Yes, in addition to the initial purchase of the animal, animal food and veterinary bills are also allowed as a deduction.
Hospitalization or outpatient treatment, nursing care, and nursing home care.	Yes, including payments by the household for an individual who was a household member immediately prior to entering a hospital or nursing home. Only medical costs are allowed. The cost of room and board is not allowed.
Current cash option payments made to meet a spend-down obligation of Medicaid recipients	Yes, if the household anticipates paying the cash option.
Medic Alert System, Life Line or other home monitoring system.	Yes, as follows: The basic fee for the telephone is a utility expense; and,

<b>Medical Bill</b>	<b>Allowable for SNAP Expense</b>
	The additional expense for the medic alert system is an allowable medical expense.
Fee for membership in a mail-order prescription drug company.	No. The fee is not insurance, and the fee does not actually pay for the drugs, treatment, or other specified medical expenses.

**Effective Date: August 10, 2022**