

## SNAP Medical Deductions

At initial application and at each recertification, use a reasonable estimate of the individual's anticipated medical expenses for the certification period. The estimate should be based on current medical expenses (including any medical insurance premiums) and any anticipated expenses based on the individual's medical history. Verify the costs and code the anticipated or averaged monthly medical expenses on FSMIS.

If the individual incurs and reports medical expenses that were not anticipated at initial application or recertification, these expenses may also be used in determining the individual's SNAP medical deduction. The individual can choose to use the full expense in the month after it is billed or becomes due, or to have the expense averaged over the remainder of the certification period. Medical expenses should be averaged if averaging would be beneficial to the individual. Paid medical expenses can be averaged, beginning with the month after the expense is paid (as long as the expense was paid in the month it became due). Unpaid medical expenses can be averaged beginning with the month after the expense is billed to the individual.

### CAUTION

Changes in medical costs reported during the middle of a certification period can only be used to adjust the next month's benefits. Do not act on reported changes retroactively back to the first of the month.

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If the case is in SRS, act on a reduction in medical costs during the certification period only when a one-time cost is used to increase benefits for just one month.

Partially paid SNAP medical expenses that were not anticipated

Facts: Bob is eligible for SNAP benefits from January through December. He is 70 years old and receives \$700 per month in Social Security benefits. He also gets Medicare. His Medicare premium payment is \$88.50 per month. His Medicare Part D cost is \$22.50 a month. Other than his Medicare premium, Bob anticipates no medical expenses for the certification period. He chooses not to apply for QMB-BAS. His medical deduction at certification would be  $\$111 = (\$88.50 + \$22.50)$

Situation: In March, Bob tells his worker that he has just started an allergy treatment program. It will cost him \$300 after Medicare pays 80 percent of the total cost. Bob pays \$200 in March and still owes \$100, for which he agrees to pay \$20 each month beginning in April. Bob tells his worker to average the \$200 he paid in March over the remaining months of his certification period. His March benefits cannot be supplemented to reflect the extra medical expense. The \$200 expense is averaged from April through December (nine months) and added to Bob's medical deduction for those months.

Bob's gross monthly medical deduction for April through August (the month in which his allergy treatment will be paid off) is:

$$(\$200 \div 9) = \$22.22 + \$20 + \$88.50 + 22.50 = \$153.22$$

Bob's gross monthly medical deduction for September through December is:

$$(\$200 \div 9) = \$22.22 + \$88.50 + 22.50 = \$133.22$$

Paid SNAP medical expenses that were not anticipated

Facts: Jane is eligible for SNAP from January through December. Jane is 58 and is disabled ([GP-A.24](#)). She receives \$750 per month in Social Security disability benefits. Her Medicare premium payment is \$88.50 per month. Her Medicare Part D premium is \$21.70 a month. Other than her Medicare premium, Jane anticipates no medical expenses for the certification period. She does not want to apply for QMB. Her medical deduction at certification would be \$110.20 = (\$88.50 + \$21.70)

Situation: In July, Jane shows her worker that she paid a medical bill of \$350. Jane had not anticipated this medical expense. Her July benefits cannot be supplemented to reflect the extra medical expense. The \$350 expense is averaged from August through December and added to Jane's medical deduction for August through December. (Jane could also choose to apply all \$350 as a deduction in August.)

Jane's gross monthly medical deduction for August through December is:

$$(\$350 \div 5) = \$70.00 + \$88.50 + 21.70 = \$180.20$$

Jane pays for some prescription drugs in August (another expense she had not anticipated). She sends a copy of the charges to her worker on August 12. The total amount is \$154. She tells her worker to average the amount over the remaining months of her certification period. Her August benefits cannot be supplemented to reflect the extra medical expense. The \$154 expense is averaged from September through December and added to Jane's medical deduction for those months.

Jane's gross monthly medical deduction for September through December is:

$$(\$154 \div 4) = \$38.50 + \$180.20 = \$218.70$$

Jane is billed for and pays for a pair of eyeglasses on December 2. The eyeglasses cost \$65. Jane sends a copy of the eyeglasses bill to her worker on December 6. No additional medical deduction is allowed for the eyeglasses because Jane paid the cost and reported it in the last month of her certification period, after December 1. Jane's SNAP benefits for December cannot be supplemented because no errors were made in calculating her benefit amount. Jane simply reported the eyeglass expense too late to be used in calculating her December benefits.

Therefore, Jane's gross medical deduction for December is \$218.70. Because the bill was paid in December, she is not eligible for a deduction for the glasses in the next certification period starting in January.

Unpaid SNAP medical expenses that were not anticipated

Facts: Harry is eligible for SNAP from January through December. He is 67 and receives \$700 per month in Social Security benefits. He also gets Medicare. His Medicare premium payment is \$88.50 per month. His monthly Medicare Part D cost is \$22.00. Other than his Medicare premium, Harry anticipates no medical expenses for the certification period. He chose not to enroll in QMB. His medical deduction at certification would be \$110.50.

Situation: Harry is unexpectedly hospitalized in March. The hospital sends him a medical bill of \$850 in April, which he sends to his worker that same month. His worker calls him. He states he did not make an arrangement to make payments each month. The worker explains how the bill is averaged over the remaining months of his certification period, beginning in May (the month after the expense was billed). The worker also explains to Harry that anything that Medicare covers cannot be used as a deduction. Harry says that Medicare has already paid their portion. Harry's gross monthly medical deduction for May through December (eight months) is:

$$(\$850 \div 8) = \$106.25 + \$88.50 + 22.00 = \$216.75$$

In July, Harry is billed for two checkups he received in June that were not anticipated. The total amount is \$140 after Medicare. His worker receives a copy of the bill on July 6. Harry chooses to have the bill averaged over the remaining months of his certification period, beginning in August. Harry's gross monthly medical deduction for August through December (five months) is:

$$(\$140 \div 5) = \$28 + \$216.75 = \$244.75$$

In September, Harry is billed for a lab test that was not anticipated. The amount due is \$35. He has not paid the bill yet. He tells his worker that he would like to have the bill used in full for his October deduction.

Gross medical deduction for October only is:

$$\$35.00 + \$244.75 = \$279.75$$

Gross monthly medical deduction for November and December is \$244.75

Medical expenses change, but are not reported

Facts: Myrtle gets \$900 per month Social Security benefits. Her Medicare premium costs \$88.50 but it is covered by Medicaid (SMB). At her initial intake, she was expecting office visits with her doctor twice a month, at the cost of \$45 per visit. She also expected her cost at \$35 per month in prescription medicines.

The worker calculated  $2 \times \$45 = \$90 \times 20$  percent (Myrtle's share) = \$18 per month for office visits.

\$18 office visits + \$35 prescriptions = \$53.00 medical deduction for the certification period.

Situation: At recertification, Myrtle reports that four months ago, she began having doctor's office visits only once every other month and her prescription costs ([GP-A.18](#)) dropped to \$12 per month. The charge for the doctor's office visit continues to be \$45 per visit. The worker calculates a new medical deduction for the next certification period as follows:

\$22.50 ( $\$45 \div 2$ ) office visit + \$12 prescriptions = \$34.50 medical deduction. Although this amount will not affect Myrtle's SNAP allotment (it is less than \$35), it is a good idea to code it on FSMIS.

There is no overissuance for the prior certification period because Myrtle is not required to report changes ([SNAP-I.2](#)) in medical expenses.

## MEDICAL DEDUCTION RECALCULATION

*Although Myrtle is not required to report a change in her medical expenses, the worker must recalculate the medical deduction if changes up or down are reported and verified during the certification period for cases in CRS. For cases in SRS, changes must be verified when the reported change will increase benefits.*

## Medical expenses reported monthly for companion medical case

Facts: Martha is eligible for SNAP from January through December. She receives \$1045 a month Social Security benefits. Her \$88.50 Medicare premium is picked up by the state and her monthly Medigap plan premium is \$124.80 a month. In addition she has other medical costs -- over-the-counter (OTC) costs for prescribed aspirin, vitamins, and Depends of \$90.00 a month. She is receiving in-home services.

For the purpose of the SNAP medical deduction her medical program liability is \$225.50 \$1045 SSB - 604.70 standard - \$124.80 insurance costs - other costs of \$90.00 OTC). The individual is required to report the other medical costs on a month by month basis for the Medical program. However, the costs are anticipated and averaged for the year for the SNAP program.

The medical deduction is calculated as:

$\$124.80 \text{ insurance} + 90.00 \text{ other costs} + \$225.50 \text{ liability} = \$440.30$   
medical deduction per month of the certification period.

Situation: Martha is reporting other medical costs each month for her medical case. The other medical costs change monthly and thereby change her liability. The costs and liability were anticipated at certification and there are no new costs and therefore, no changes to the medical deduction. However, during April she reports and verifies that her March costs increased because she had a one-time over the counter cost of \$20. Because this is a one-time cost, \$20 is averaged out over the balance of the certification period (eight months). The expense is included in Martha's medical deduction for May through December.

$\$20 \div 8 = \$2.50 + \$440.30 = \$442.80$

In August, Martha reports she purchased glasses that were outside of the two-year cycle and her cost was \$250. She has set up a payment plan and will pay \$50 a month for five months. The expense of \$50 a month is included in Martha's medical deduction for September through December (four months). The remaining \$50 can be allowed for a new certification period in January if the \$50 is still due and not in arrears.

$\$50 + \$445.30 = \$492.80$