

CalFresh Handbook 63-05.33 :: CalFresh Medical Deductions for the Elderly/Disabled

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I. Summary

This Handbook discusses the medical deductions available for elderly and disabled recipients of CalFresh benefits. Reviewing elderly/disabled households for medical deductions allows more households to receive CalFresh benefits and increases the benefit level available to these households.

This handbook has been updated with the timing on acting on medical expense changes, service animal expenses information, and a link to the Food and Nutrition Service's guide on Treatment of Medical Expenses for Elderly or Disabled Household Members.

II. General

Households that have at least one elderly or disabled member are NOT subject to the gross income test. They are still subject to the net income test. Allowing the households their eligible deductions ensures we are correctly determining both eligibility and benefit allotments. Medical deductions can be allowed to any household that has an elderly or disabled member. Elderly persons are age 60 and over. To be considered disabled in CalFresh, the individual must meet the Social Security Administration Act definition.

Any medical expense that the household has or expects to have during the certification period is eligible for a medical deduction of costs in excess of \$35 per month. (Certification periods may be between 12 and 24 months- see Section III below). Most households that have an elderly or disabled member in their home will have out-of-pocket medical expenses.

Effective October 1, 2017, households with verified medical expenses within the range of \$35.00 to \$155.00 will receive a \$120 standard medical deduction (SMD).

Households with medical expenses above \$155.00 may receive actual deductions if they are able to verify the expense.

If a household claims medical expenses above \$155.00 a month but does not provide verification of expenses above \$155.00 per month that household may receive the SMD based on verified expenses that are between \$35.00 to \$155.00.

The Eligibility Services Technician (EST) shall document all medical expenses reported by the household, at [any time during the certification period](#), regardless of the dollar (\$) amount. Since many of the allowable medical items/supplies may not be purchased on a monthly basis, the anticipated or paid costs may be averaged over the certification period.

Note: if the report of a new or changed medical expense results in an increase in benefits, the change must be made effective the first issuance with timely notice after the date the change was reported. No supplements should be issued for any previous month(s) or the month that the medical expense is reported when benefits cannot be issued without timely notice due to a new or changed medical expense.

For example, a new medical expense reported on April 15 would increase the household's monthly benefit allotment beginning in May. If the same change was made on April 29, and the household's normal issuance is on May 1, the allotment increase would be effective in June. No supplement is issued for April or May.

If the report of new or changed medical expense results in a decrease in benefits during the certification period, no action shall be taken on the case. The reported change shall be noted in CalWIN case comments for review at the next periodic report (i.e., SAR 7) or recertification.

III. Allowable Medical Expenses

Allowable deductions include, but are not limited to:

- Medical and dental care including psychotherapy and rehabilitation services;
- Hospitalization or outpatient treatment, nursing care and nursing home care;
- Prescription drugs and the cost of postage and handling for medication received through the mail (**NOTE:** Medical marijuana is **not** an allowable expense, regardless of a doctor's prescription);
- Over the counter medicines, supplies, and equipment that are **prescribed** by a licensed practitioner;
- Health and hospitalization insurance policy premiums, including Medicare premiums;
- Any share of cost that is expected to be spent down by Medi-Cal recipients;
- Eyeglasses or contact lenses prescribed by a physician or optometrist;
- Dentures, hearing aids and prosthetics;
- Actual cost of transportation to medical appointments, pharmacies, etc.;;
 - The actual cost of transportation is an allowable medical cost provided that it is less than the actual cost of the least expensive mode of transportation reasonably available to the recipient. (i.e., public transportation)
 - When a more costly means of transportation, such as a taxi or private auto is the only means available, the actual costs of such transportation shall be allowed.
 - Calculated by multiplying the number of round trip miles by the federal mileage reimbursement rate (current reimbursement rates can be found at [IRS Standard Mileage Rate](#))
 - The ESTs may use MapQuest or Google Maps to determine mileage between locations.
- Cost for maintaining an attendant, home health aide, or child care services necessary for age/illness; and,
- Cost of securing and maintaining service animals, such as seeing/hearing dogs.

Note: For the purpose of CalFresh, service animals are animals that serve the needs of applicants and recipients who are older adults and/or disabled individuals. Service animals must be specially trained to assist the individual with their medical issue for which the animal is prescribed. If an emotional support animal meets both criteria outlined above, the emotional support animal shall be treated as a service animal.

Verification of a Service Animal's Status

If it is evident that an animal is specially trained to perform a function that an older adult or disabled person cannot readily perform on their own, ESTs shall consider this animal a service animal and allow the costs of securing and maintaining the service animal as medical expenses. A CalWIN case comment noting the ESTs observation is sufficient verification for this purpose. For example, if a dog is observed guiding an applicant who is blind or has low vision, a case comment noting the EST observed the use of the dog as a service animal is sufficient verification that the animal is a service animal.

If it is not evident whether an animal qualifies as a service animal, ESTs may only ask the recipient/applicant the following questions:

1. Is the animal required because of a disability, and
2. What tasks is it trained to perform?

A case comment that states the animal is required because of a disability and lists the tasks the animal is trained to perform is sufficient verification when the status of a service animal is not evident. ESTs shall **not** require formal documentation or proof of certification or licensing to verify that an animal is a service animal.

Medical Reimbursement for Service Animals

Direct payments to service animal owners intended to cover costs associated with a service animal shall not be considered income for purposes of determining CalFresh eligibility and shall be excluded from unearned income as a medical reimbursement. For example, payments such as a \$50 stipend from the Assistance Dog Special Allowance Program are not counted as unearned income when determining CalFresh eligibility. These payments must be considered, however, when determining the amount of medical expenses. The direct payment shall be excluded from the individual's total medical expenses.

When the household has a reported an actual or anticipated medical expense, the information will be recorded on the application and in CalWIN case comments. The EST will also request verification of the costs from the household.

When the household does not have actual proof of the cost of the expense(s), due to loss, misplaced documents or receipts that were not requested when paid, a sworn statement can be used. The [Form CF 31, Supplemental Form for Special Medical Deductions](#) is an optional but recommended form for clients to document their medical expenses.

CalWIN will only allow medical expenses when the *Collect Medical Expense Detail* window is documented with the cost(s).

TIPs:

- Having the Form CF 31 available for the customer to view, helps the household remember of out-of-pocket medical expenses they may not otherwise think of.
- Remind the customer to think of items or services they anticipate paying for in the next 12-36 months. There is no overissuance if the anticipated expense is not actually paid for during the certification period.
- If the customer is wearing eyeglasses or a hearing aid, ask them about that expense.

IV. Certifications

If **all adult** household members are elderly and/or disabled (even if children are in the household), the household may be certified for up to 36 months.

Elderly/disabled households given up to a 36 month certification period should be asked about medical expenses at the time of the interview (in office or telephone). The EST should identify the various types of medical expenses that can be allowed as a deduction, and that these can be for expenses the household is currently paying or costs they expect to have during the certification period. The EST should inform the household that medical deductions may allow them more CalFresh benefits.

Elderly Simplified Application Project (ESAP) Households:

CalFresh applicants and recipients are eligible for the Elderly Simplified Application Project (ESAP) program if all household members are elderly (age 60 or older) and/or disabled and have **no earned income**. While ESAP households can report and verify medical expenses in excess of \$35 in order to receive a deduction [at any time during the certification period](#), the SAR 7 will be used to attest to the household's circumstances and report any changes at **12 months and 24 months**.

Reminder: ESAP households no longer need to complete recertification interviews unless the case has been denied and will have a recertification period of 36 months.

For more information on ESAP households please see [CalFresh Handbook 63-04.02](#).

EXAMPLE:

A 65 year old woman and her 16 year old grandchild are applying Food Stamps. She did not report any medical deductions on her application. When interviewing the customer, the EST informs her of

the available medical deductions. She states that she:

1. Buys eyeglasses at least once every two years which costs \$125.00;
2. Has an \$85 monthly Medicare premium deducted from her Social Security income;
3. Spends approximately \$25.00 every 3 months for over-the-counter inhalers, aspirin, etc., that her doctor prescribed; and
4. Travels 120 miles round trip each month driving to her doctor appointments and the pharmacy as there are no bus stops near her home.

Monthly Average deductions:

Glasses, \$125 / 24 months = \$5.20 per month

Medicare premium = \$85 per month

Over-the-counter medicines, \$25 x 4 = \$100 / 12 = \$8.33 per month

Travel expenses, \$67.20 per month (120 * 0.56 = \$67.20 with 56 cents/mile being the 2021 IRS mileage reimbursement rate)

Total monthly medical expenses = \$165.73.

Enter all costs into CalWIN, and CalWIN will allow her [actual deductions if expenses are verified](#).

V. Food and Nutrition Service (FNS) Guide

Below is a link to the United States Department of Agriculture Food and Nutrition Service's (USDA-FNS) guide to the treatment of medical expenses in the CalFresh program for elderly or disabled household members.

[FNS Guide](#)

References

ACL 21-13

ACL 17-35

ACL 17-34

ACL 14-106E

MPP 63-102(e) and 63-502.331