

# ARKANSAS REGISTER

## Transmittal Sheet

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For Office

Use Only:

Effective Date \_\_\_\_\_ Code Number \_\_\_\_\_

Name of Agency Department of Human Services

Department Division of County Operations

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Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Toni Roy Toni.Roy@dhs.arkansas.gov

12.18.2020

Contact Person

E-mail Address

Date

### CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)

Signature

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Director, Division of County Operations

Title

12.18.2020

Date

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6100 Deductions -- Summary

### Deductions -- Summary

## 6100 Deductions – Summary

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SNAP Manual 01/01/2021

When calculating a Supplemental Nutrition Assistance Program (SNAP) budget, a certified eligibility worker must determine which deductions will be used in that budget. There is one (1) deduction that is uniformly used in every budget calculated. This is the standard deduction.

The standard deduction is used in every budget calculated. The amount of the standard deduction is dependent on the household size.

The earned income deduction is applied in every budget when the household contains a member with earnings.

The farm loss deduction is applied only when a household has a member engaged in a farming operation and that operation sustains a loss.

Dependent care deductions apply when there are payments for the care of a child or an incapacitated adult, so that a household member can work or attend training to prepare for work.

Households that include a person aged sixty (60) or older or individuals living with a disability are allowed an excess medical deduction. These eligible individuals with medical costs that exceed thirty-five dollars (\$35.00), but less than one-hundred thirty-eight dollars (\$138) per month per household, will be assigned the standard medical deduction.

A child support deduction is allowed for legally obligated child support paid by a household member to an individual who is not a household member.

Excess shelter cost deductions are allowed when any household's monthly costs for rent or house payment, real estate taxes, insurance on the home, and utilities exceed fifty percent (50%) of the household's income following all other deductions. There is no limit to the amount of excess shelter cost deductions for households containing a person aged sixty (60) or older or individuals living with a disability. All other households have a limit.

These are the only deductions that can be used when calculating a SNAP budget.

Deductions are applied after the gross income has been calculated. The gross income is calculated by determining the total gross amount of all income after all exclusions.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6100 Deductions -- Summary

### Deductions -- Summary

See SNAP 5400 (explaining income exclusions).

See SNAP 5500-5700 (explaining countable income).

See SNAP 7000 (explaining calculation of gross income prospectively).

Each deduction is discussed in the order that it is applied when calculating a SNAP budget.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6200 The Earned Income Deduction

### 6210 Farm Loss Deduction

## 6200 The Earned Income Deduction

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SNAP Manual 01/01/2021

When calculating a SNAP budget, the earned income deduction is applied first. The earned income deduction is a percentage of the gross earned income and is designed to cover mandatory deductions and work-related expenses. See Appendix D: Current Standards. Gross earned income, including self-employment income after all exclusions, is multiplied by the current percentage to determine the earned income deduction. The resulting figure is the earned income deduction. The earned income deduction will be rounded up or down to the nearest dollar and subtracted from the gross earned income to obtain net earned income.

Households with only unearned income are not entitled to this deduction. It is not applied to any excluded income such as the earnings of a child or irregular income. All earned income is totaled before the earned income deduction is calculated.

When earned income tax credits are paid as part of a household's earned income, the earned income tax credit will be excluded from the gross income before the earned income deduction is allowed.

## 6210 Farm Loss Deduction

SNAP Manual 01/01/2021

The losses from a farming enterprise operated by a household member may be deducted from the household's other countable income. See SNAP 5670.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6300 The Standard Deduction

### Standard Deduction

## 6300 The Standard Deduction

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SNAP Manual 01/01/2021

A standard deduction is applied to all SNAP households. The standard deduction is based on the household size. See Appendix D: Current Standards.

The deduction is a preset amount that is not required to be entered into the system.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6400 The Dependent Care Deduction

### 6410 Documentation and Verification of Dependent Care Costs

## 6400 The Dependent Care Deduction

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SNAP Manual 01/01/2021

Dependent care costs are payments for the actual care of a child or other dependent person, for example, an incapacitated adult. Payments are deductible only when necessary for a household member to:

1. Accept or continue employment;
2. Pursue education preparatory for employment;
3. Comply with the SNAP Employment and Training (E & T) Program requirements;

**OR**

4. Seek employment.

The dependent care deduction will include costs such as babysitter or day care fees, or the cost of an attendant for an incapacitated adult. The amount of the deduction will be the total cost of dependent care. There is no maximum deduction amount. Another responsible household member being present in the home will not impact whether the deduction is allowed.

Child care expenses that are reimbursed or paid by the Division of Child Care and Early Childhood Education (DCCECE), TEA Program, or other similar programs are not deductible. A deduction will be allowed only for the portion of child care expenses not paid or reimbursed by such a program.

Any reimbursements made by the DCCECE, the Transitional Employment Assistance (TEA) Program, or other similar program to the household will not be counted as income. See SNAP 5411.

## 6410 Documentation and Verification of Dependent Care Costs

SNAP Manual 01/01/2021

If the household does not supply the requested verification of dependent care costs within the specified time frames, the case action, such as application approval or change processing, will not be delayed solely to obtain this verification. The case will be processed without including the declared dependent care costs.

If at the time of application, eligibility is dependent upon the inclusion of dependent care costs, the application may continue to be held for up to sixty (60) days awaiting this verification.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6400 The Dependent Care Deduction

### 6410 Documentation and Verification of Dependent Care Costs

If the verification is later provided, the dependent care costs will be included in the household's budget. This action will be handled as a change and will be processed in accordance with the timeliness standards in SNAP 11410. The date upon which the verification was supplied will be considered the date the change was report.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### Medical Deduction

## 6500 Medical Deduction

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SNAP Manual 01/01/2021

Allowable medical costs listed in SNAP 6510 incurred by a person aged sixty (60) or older or individuals living with a disability are deductible. See the Glossary definition of “Aged or Disabled.” Only allowable medical costs in excess of thirty-five dollars (\$35.00) per month are deductible. The thirty-five dollars (\$35.00) per month disregard applies to the entire household and not individual members.

Households with an eligible individual may choose to verify actual medical expenses or elect a medical standard deduction when an aged or disabled household member incurs at least thirty-five dollars and one cent (\$35.01) per month in allowable medical expenses and provides verification of the expenses. See SNAP 6520. This is a household standard and not an individual standard. One (1) medical standard deduction per household is allowed. The individual will remain eligible at each subsequent case action for the standard medical deduction if he or she attests on the application, to medical expenses that exceed thirty-five dollars (\$35.00) per month. An attestation is a verbal statement, written statement, or appropriate response to a question supplied on a form. No further verification is required.

Each household member is evaluated individually for entitlement to the medical deduction. The spouse of a person aged sixty (60) or older or individuals living with a disability are not entitled to a medical deduction unless they are also an eligible individual. The medical expenses of household members receiving benefits as dependents of a Supplemental Security Income (SSI), Social Security, or Veterans Benefits Administration (VBA) recipient are not deductible, unless the dependent is also an eligible individual.

Entitlement to a medical deduction begins either in the month that an individual turns age sixty (60) or in the month that a disabled individual begins receiving a disability payment or Medicaid benefits.

A medical expense incurred for an eligible individual who was a household member immediately before entering a hospital or nursing home is allowable if the household is responsible for the bills. This also applies to medical expenses incurred for an eligible household who was a household member at the time of his or her death. This includes eligible individuals who die while in a hospital or nursing home if they were a household member immediately before entering the hospital or nursing home. Households may be assigned a certification period longer than twelve (12) months if all members are eligible for SNAP and each member is a person aged sixty (60) or older or individuals living with a disability.



# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6510 Allowable Medical Costs

#### 6510 Allowable Medical Costs

SNAP Manual 01/01/2021

Each category of allowable medical costs is explained below.

1. Attendants, home health aides, child care attendants for children living with a disability, or homemakers: These costs are deductible when such services are necessary due to the age, disability, or illness of a person aged sixty (60) or older or individuals living with a disability.
  - In addition to salary costs, an amount equal to the maximum SNAP benefit amount for one (1) person will be deducted if the household provides the attendant (or attendants) with more than fifty percent (50%) of the meals served in the household in a month. For example, two (2) attendants come each day. Therefore, the household is providing a meal to an attendant at each meal time. The full SNAP allotment for one (1) person will be deducted even though neither attendant takes more than fifty percent (50%) of his or her meals in this home in a month's time.
  - The amount of the meal related deduction is the maximum SNAP benefit amount for one (1) person that is in effect at the time of the household's certification or recertification. If a new basis of issuance (NBI) occurs, the eligibility worker is not required to update this deduction until the next scheduled recertification or annual review.
  - When the costs of an attendant could either be deducted as a dependent care expense or as a medical expense, the costs will be handled as a medical expense. If a mother pays dependent care costs for two (2) or more children, but not all the children are living with a disability, only the portion of the expense paid for the care of the eligible child or children will be allowed as a medical expense.

When the amount paid for the care of the eligible child or children is not identifiable, the entire expense will be allowed as a dependent care deduction. See SNAP 6400.

2. Corrective Devices: Corrective devices are items such as, but not limited to, the following:
  - Dentures: full or partial;
  - Braces worn on the teeth for orthodontic purposes;
  - Eye glasses and contact lenses prescribed by a physician skilled in eye diseases or by an optometrist;
  - Hearing aids (including batteries for the operation of the hearing aid);
  - Prosthesis;
  - Corrective braces worn on the limbs; and
  - Corrective shoes and orthotics when prescribed by a doctor or other health care professional.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6510 Allowable Medical Costs

3. Hospital and nursing home care: This includes costs incurred during confinement or out-patient care in a medical facility such as a hospital, out-patient facility, or nursing home recognized by the State. Such costs include, but are not limited to:
- Room and board charges;
  - Nursing care;
  - Drugs and medical supplies;
  - Therapy;
  - Surgery; and
  - Tests.

Non-medical charges such as television rental fees are not allowed.

4. Insurance - Death and Hospitalization Policy Premiums: This includes payments for a person aged sixty (60) or older or individuals living with a disability for health and hospitalization policy premiums such as, but not limited to, the following:
- Medical and hospital insurance;
  - Nursing home insurance;
  - Cancer and intensive care insurances;
  - Health insurance premiums deducted from paychecks;
  - Dental insurance; and
  - Prescription drug insurance including “prescription drug cards” purchased by a household member that pays part of certain prescription costs.

Some health insurance policies cover household members who are not entitled to a medical deduction as well as those who are. When the portion of the premium paid for a person aged sixty (60) or older or individuals living with a disability cannot be determined, the premium will be prorated among all members included on the policy. The pro rata amount for one (1) member will be multiplied by the number of eligible members. The resulting amount will be considered a medical cost.

5. Medicaid Cost Sharing: These are medical expenses incurred by an eligible individual who is not covered by Medicaid.
6. Medical and Dental Care: This includes a dentist’s or a physician’s charges for:
- Office calls;
  - Hospital visits;
  - Nursing home visits;
  - House calls;
  - Special treatments;
  - Tests; and
  - Other medical procedures.

This also includes other services provided by a licensed practitioner or other qualified

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6510 Allowable Medical Costs

health practitioner such as:

- Psychotherapy;
- Rehabilitative services; and
- Chiropractic services.

7. Medical Equipment and Supplies: This includes costs such as:

- Needles and syringes used for the injection of insulin or prescription medication;
- Costs for the purchase of sickroom supplies such as bandages and gauze for a surgical patient or bed pads and protective linens for bedfast patients;
- Costs for the lease or purchase of medical equipment such as crutches, wheelchairs, wheelchair ramps, hospital beds, or portable oxygen tanks;
- Costs for the purchase, maintenance, and training of seeing-eye dogs for the blind, and service dogs for people with mobility disabilities. This includes the cost of food and veterinarian's bills for the dog. If a deaf person is aged sixty (60) or older or individuals living with a disability, the costs of the purchase, maintenance, and training of a dog used to "hear" for the deaf person are also considered a medical expense; and
- Costs for the purchase and maintenance of a "lifeline" service intended to be used by an eligible individual to call for assistance in the case of an emergency. Related telephone costs are not allowable since they are covered by the telephone standard.

8. Medicare Premiums: These are premiums deducted from Social Security checks or paid by certain Railroad Retirement, Veterans Benefits Administration, and Social Security recipients for Medicare coverage under Title XVIII of the Social Security Act.

9. Prescription Drugs: This includes:

- Drugs prescribed by a licensed practitioner, such as a doctor, dentist, or chiropractor; and
- Over-the-counter medication recommended or approved by a licensed practitioner. This includes over-the-counter medications such as, but not limited to, insulin for diabetics, aspirin for arthritics, herbal supplements, and vitamins. Food supplements prescribed by a physician or other health care professional may be allowed as an over-the-counter medication, if the food supplement cannot be purchased with SNAP benefits. If information is needed about a food supplement, the worker must see the SNAP Section.

10. Transportation and lodging: - These are reasonable costs for transportation and lodging incurred to obtain medical treatment.

- Transportation and lodging costs are determined on a case-by-case basis. Transportation costs are based upon the type of transportation used. If a person aged sixty (60) or older or individuals living with a disability uses his or her own vehicle, the current state employee reimbursement rate will be allowed. If the member uses

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6511 Allowable Medical Deductions in Alphabetical Order

public transportation, the actual cost of the transportation will be allowed. If the member pays a non-household member for transportation, the amount charged by the individual will be allowed. Verification of the cost must be obtained. The type of transportation used and the reason for the trip must be documented. Lodging may be allowed if a person aged sixty (60) or older or individuals living with a disability is required to spend the night away from home to receive medical services. The reason the lodging is necessary must be documented in the case record. Verification that medical treatment did occur, as well as receipts to verify the lodging expense must be obtained.

- Lodging expenses are allowable for the parent or parents of a child living with a disability who is hospitalized or receiving treatment at a site that requires the parent or parents to obtain lodging. The cost of lodging does not include the cost of meals or other incidentals.

### 6511 Allowable Medical Deductions in Alphabetical Order

SNAP Manual 01/01/2021

1. Ambulance costs
2. Attendants, home health aides, care of a child living with a disability, homemakers, etc.
3. Braces, corrective for limbs
4. Braces, orthodontic
5. Chiropractic services
6. Contact lenses
7. Corrective shoes and orthotics
8. Crutches
9. Dental services
10. Dentures
11. Dogs (including the cost of food and other costs) trained to assist blind, deaf, or physically impaired
12. Drugs, prescription
13. Drugs, over the counter when prescribed by a licensed practitioner
14. Eyeglasses
15. Hearing aids and batteries
16. Hospital care
17. Hospital beds
18. Incontinence supplies
19. Insurance, cancer, and intensive care
20. Insurance, medical, and hospitalization

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6520 Medical Standard or Actual Expenses

- 21.
22. Insurance, Medicare
23. Insurance, Medipak
24. Lease costs for medical equipment
25. “Lifeline” service but not related phone costs
26. Lifts
27. Lodging when needed to receive medical treatment
28. Medicaid cost sharing
29. Needles and syringes used for insulin or other prescription drugs
30. Nursing home care
31. Oxygen
32. Physician’s charges
33. Prosthesis
34. Psychotherapy
35. Rehabilitative services
36. Surgery
37. Surgical dressing supplies
38. Telephonic aids used by persons with a disability
39. Tests, medical
40. Therapy
41. Transportation to medical facility
42. Wheelchairs
43. Wheelchair ramps

### 6520 Medical Standard or Actual Expenses

SNAP Manual 01/01/2021

Households with allowable medical expenses may claim the medical standard deduction or elect to deduct actual medical expenses. The medical standard is a predetermined deduction that an eligible household may elect to use in the SNAP budget to calculate total medical costs.

#### Standard Medical Deduction

Households with allowable medical expenses who wish to claim medical deductions may claim the medical deduction if they have medical expenses of at least thirty-five dollars and one cent (\$35.01). If expenses are less than one hundred thirty-eight dollars (\$138), the medical standard will be assigned, if they choose to claim and verify all their medical expenses. If medical expenses are greater than one-hundred and thirty-eight dollars (\$138), the household may choose either the medical standard or their actual medical expenses. If a household chooses to claim their actual

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6521 Factor One: How Often is the Expense Incurred?

expenses, the household will need to supply verification of all costs.

To be eligible for the standard medical deduction of one hundred and thirty-eight dollars (\$138), the following conditions must be met at initial and subsequent case actions:

- Households must verify, at each initial application, that they have incurred more than thirty-five dollars and one cent (\$35.01) a month in qualifying medical expenses.
- Households must attest at each re-certification and subsequent case action that they still have medical expenses more than thirty-five dollars (\$35.00). An attestation is a verbal statement, written statement, or appropriate response to a question supplied on a form. No further verification is required.
- Previously unreported medical expenses reported after initial application must be verified. Verification of these previously unreported medical expenses only need to show that the household incurred a medical expense more than thirty-five dollars (\$35.00).

### Actual Medical Deduction

For households choosing actual medical expenses, the eligibility worker should obtain the best estimate from the household at certification and subsequent case actions to anticipate medical expenses based on the best information available. The household is under no obligation to report changes in medical expenses but is allowed to do so. The worker will act on any reported changes in medical expenses.

The worker must consider several factors when anticipating medical expenses:

1. How often is the expense incurred? See SNAP 6521.
2. Will the expense be reimbursed? See SNAP 6522.
3. Is the expense past due? See SNAP 6523.

### 6521 Factor One: How Often is the Expense Incurred?

SNAP Manual 01/01/2021

#### 6521.1 Expenses Incurred Each Month

SNAP Manual 01/01/2021

Monthly rental payments on medical equipment, visits to a physician made at least once per month, and Medicare premiums are all types of monthly medical expenses. Any medical expense the household expects to incur at least once per month is classified as a monthly medical expense.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6521 Factor One: How Often is the Expense Incurred?

#### 6521.2 Expenses Incurred Periodically

SNAP Manual 01/01/2021

Medical expenses not incurred every month may be allowed in the SNAP budget if they are:

- a. Regularly recurring (expenses such as medication purchased every other month or insurance paid quarterly); and
- b. Reasonably anticipated (the customer expects to continue incurring these costs on a basis less, often than once per month).

The household may choose to average these expenses or to have them deducted in the month the household is billed for the cost.

#### 6521.3 One-Time Medical Expenses

SNAP Manual 01/01/2021

One-time medical expenses are those that are not expected to recur. Examples of medical expenses that may be incurred on a one-time basis are hospital costs, the cost of purchasing medical equipment, such as crutches, visits to the doctor when no additional visits or treatments are required, and glasses or dentures.

One-time medical expenses not paid in installments are allowable at initial application for eligible individuals, if the expense is incurred within thirty (30) calendar days prior to the date of application, or if payment will otherwise become due during the month of application.

A one-time medical expense may either be averaged forward over the period of certification or deducted in the month incurred.

One-time medical expenses are allowed at the time of the semi-annual report if the expense is incurred or payment otherwise becomes due in the month of the semi-annual report or the month prior to the semi-annual report. These expenses will be allowed in the first month following the review or averaged over the second segment of the certification period. This is the household's option.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6522 Factor Two: Will the Expense be Reimbursed?

One-time expenses are allowed at the time of recertification, if the expense is incurred or payment otherwise becomes due in the month of recertification or the month prior to recertification. The expense will be averaged over the months in the new certification period or allowed in the first month of the new certification period. This is the household's option. For households certified for longer than twelve (12) months, the expense will be prorated over the remaining twelve (12) months.

A one-time expense voluntarily reported as a change is allowed if the expense was incurred or payment became due within thirty (30) days prior to the date the report was received in the county office. The expense will be averaged over the months remaining in the certification period or in the first month after the change. This is the household's option.

If the household is certified for longer than twelve (12) months, the medical cost reported as a change will be prorated over the month remaining, until the next annual review or recertification is due.

The household must verify that it has been billed for a one-time expense but need not verify that it is making payments on this expense.

If a household reports a one-time medical expense which will be billed in monthly installments, the monthly installment amount will be allowable in the month due.

One-time medical expenses paid with credit cards or loans are considered billed when the credit card statement is received, or the loan payment becomes due. Expenses such as interest charges or annual membership fees on credit cards are not allowable.

### 6522 Factor Two: Will the Expense be Reimbursed?

SNAP Manual 01/01/2021

A medical deduction will not be allowed for any portion of a medical expense that has been or will be reimbursed by an insurance company, Medicare, or Medicaid.

Regardless of how long it takes to obtain verification of the reimbursable portion of the medical expense, a deduction will not be allowed until this verification is obtained.

Negative verification will not be required if a household states that medical expenses will not be reimbursed unless the statement is questionable.



# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6524 Anticipating Monthly Prescription Drug Costs

#### 6523 Factor Three: Is the Medical Expense Past Due?

SNAP Manual 10/01/20

Payments on past due medical expenses are not an allowable medical expense. Bills for medical expenses are considered past due for SNAP purposes when the provider indicates the bill is past due. When a household reports that a member has begun payment on a bill, the certified eligibility worker will contact the provider to determine the status of the bill, unless the status can be determined from viewing the bill.

#### 6524 Anticipating Monthly Prescription Drug Cost

SNAP Manual 01/01/2021

Part of determining the total medical deduction is anticipating the household's monthly prescription drug cost. To complete this task successfully, the certified eligibility worker must work with the household.

Verification of the prescription medications taken by a person aged sixty (60) or older or individuals living with a disability is required. Acceptable verification of prescription medications includes receipts or bills from the pharmacist. Statements or computer printouts from the pharmacy are also acceptable. If the pharmacist provides a computer printout or statement, the worker will contact the pharmacist for clarification of the contents, if necessary.

If the household claims that a member is taking over-the-counter medication recommended or approved by a licensed health practitioner, the practitioner must verify he or she has recommended or approved the medication. See SNAP 6524.1

The worker will review the verification to determine the frequency of purchase. If the household states the member continues to take these medications, the worker will anticipate the current cost of each prescription as a monthly expense.

Prescriptions purchased at least once per month will be shown as a monthly cost. If a prescription is purchased more than once per month, the total cost will be shown as a monthly cost. For example, a drug is purchased two (2) times each month at a cost of ten dollars (\$10.00). The anticipated monthly cost will be twenty dollars (\$20.00).

Prescriptions purchased several times per year on a recurring basis will be anticipated as a periodic expense. See SNAP 6521.2.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6524 Anticipating Monthly Prescription Drug Costs

Prescriptions purchased infrequently will be allowed as a one-time medical expense unless the household states the member will begin purchasing the drug more frequently. This should be verified through the physician or pharmacist.

If the household cannot provide verification of past expenses or if the member's prescription costs have increased or decreased substantially, current receipts may be accepted as verification. The worker must document the household's statement about anticipated prescription costs. If the costs are exceptionally high, verification may be requested from the physician or pharmacist that the member is expected to continue taking the prescription drugs.

The method used to anticipate the monthly prescription drug cost will be fully documented in the case record along with the household's statements about anticipated changes in prescription drug costs.

### Medicare-Part D

SNAP Manual 01/01/2021

The Medicare Prescription Drug Plan is also called Medicare Part D.

Under Part D:

- All Medicare beneficiaries are eligible for drug coverage under a Medicare prescription drug plan that they select.
- Individuals with limited income and resources may qualify for extra help with paying for Medicare Part D costs, such as insurance premiums, deductibles, or co-payments, if they complete an application and qualify.
- Individuals who are currently covered by Medicaid, who are in a Medicare Savings Program, or who are receiving Supplemental Security Income (SSI) are enrolled in a Medicare prescription drug plan automatically and are eligible for the extra help automatically.

If an individual is enrolled in a Medicare Part D prescription drug plan, the following prescription costs will be an allowable medical cost:

- Out-of-pocket expenses for prescription drugs, including co-pays and uncovered over-the-counter drug costs; and
- Monthly premiums that the household must pay for prescription drug coverage.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6525 Calculation of Actual Medical Expenses

The Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003 contained a specific provision that prevents SNAP and other assistance programs from reducing benefits because of the Medicare Discount Drug Card. However, the Medicare Prescription Drug Improvement and Modernization Act (MMA) contained no similar provision for the new Medicare Part D Program. As a result, no standards or prorated credit amounts will be included in the household's SNAP budget. See SNAP 6524.

#### 6524.2 Medicare Approved Drug Discount Cards

SNAP Manual 01/01/2021

This section of policy has been deleted effective 11/01/11.

#### 6525 Calculation of Actual Medical Expenses

SNAP Manual 01/01/2021

To calculate a medical deduction, the eligibility worker must anticipate the household's actual monthly medical costs through a series of steps. Each individual declared cost must be anticipated separately.

**Item A:** Monthly Expenses – See SNAP 6521.1.

These are the medical costs the household expects to have each month during the upcoming certification period. In the case of an annual review or a reported change, these are the medical costs the household expects to have each month during the remaining months of the certification period.

**Item B:** Periodically Recurring Expenses – See SNAP 6521.2.

Periodic expenses are those expenses paid by the household less often than monthly.

**Item C:** One-Time Expenses – See SNAP 6521.3.

One-time expenses are those that are not anticipated to recur. Examples are dentures, hearing aids, and hospital stays. Costs like prescription drugs are not normally considered to be one-time expenses. One-time expenses not being paid in installments may either be averaged forward over the period of certification or deducted in the month incurred. The household makes this decision.

If a one-time expense is being paid in installments, the amount of the installment will be considered a monthly expense and handled as such. Take care not to allow one-time expenses in the budget twice.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6527 Verification of Medical Expenses

#### 6526 Changes in Medical Costs

SNAP Manual 01/01/2021

Households are allowed, but not required, to report changes in actual medical costs. If the household does not voluntarily report a change in medical expenses, the change cannot be made retroactively. For example, a one-time expense is incurred in July. The household reports the expense on its annual review in October. The expense is not allowable.

Many households with members entitled to a medical deduction are certified for longer than twelve (12) months. One-time expenses voluntarily reported during the first twelve (12) months of an extended certification period will be allowed during the certification period. The household will determine if the expense is averaged over twelve (12) months or deducted in the month it occurred. See SNAP 6521.3.

#### 6527 Verification of Medical Expenses

SNAP Manual 01/01/2021

At initial application and at the time of a reported change, the amount of any deductible medical expenses, including the amount of reimbursements, must be verified if the household has elected to use actual medical expenses. Verification of other factors such as allowable services provided or the entitlement of a household member to claim a medical expense will be required if the factor is questionable.

For households electing to claim actual medical expenses at recertification and at a reported change, previously unreported medical expenses and total recurring medical expenses that have changed by more than twenty-five dollars (\$25.00) must be verified. Medical expenses that are unchanged or changed by twenty-five dollars (\$25.00) or less will not be verified unless information regarding these expenses is incomplete, inaccurate, inconsistent, or outdated. If the household declares a medical expense that must be verified but chooses not to verify it at any case action, this decision must be documented in the case record. Households that have elected the medical standard must declare that they still have at least thirty-five dollars and one cent (\$35.01) in allowable medical expenses to remain eligible for it.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6528 Documentation of Medical Deductions

An initial application, or an application for recertification will not be held beyond the time allowed for normal processing solely for the purpose of obtaining required verification of medical expenses if the household is otherwise eligible. The household will be advised that the case was processed without the medical expense and that it may furnish this required verification at a later date. When the household does provide verification of the medical expense, the expense will be deducted, and the SNAP benefit amount will be adjusted according to the timeliness standards for a reported change.

See SNAP 8500 (processing standards for initial applications).

See SNAP 10600 (processing standards for timely filed recertifications).

See SNAP 10700 (processing standards for untimely recertifications).

See SNAP 11410 (processing standards for changes reported independent of periodic reporting).

Suggested sources of verification of medical expenses are:

- Bills, receipts, or statements received by the household;
- Collateral contacts with providers including letters, or telephone calls; and
- Insurance policies or benefit cards.

### 6528 Documentation of Medical Deductions

SNAP Manual 01/01/2021

All medical deductions will be documented in enough detail so that a reviewer can determine exactly how the deduction was calculated. Documentation should be retained in the electronic case file if the household is using actual medical costs. At a minimum, the following information should be documented:

- The name of the member who incurred the expense.
- The type of expense, such as prescription drugs, transportation costs, or doctor's visits. Identifying information about the specific expense and the verification obtained for the expense.
- If a medical expense is verified at recertification or at the time of a reported change, document why the verification was required.
- If the expense is reimbursable, state approximately when the household expects reimbursement.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6550 Child Support Deductions

- The figures used in the calculation of the medical deduction; Identify any averaged expenses and indicate the figures used to calculate the averaged expense. Also identify monthly and periodically incurred expenses and indicate why they were allowed. For example, attaching copies of bills that were used as an indication of medical expenses that the household expects to continue through the period of certification.
- Also verify the fact that the household chooses not to verify medical expenses or to delay verification until after certification, if this option is chosen.

### 6550 Child Support Deductions

SNAP Manual 01/01/2021

A deduction will be allowed for legally obligated child support payments made by a household member to an individual who is not a household member. A legal obligation may be a court order that has been upheld by a judge in a court of law, an order issued through an administrative process, or a legally enforceable separation agreement. Amounts paid out of the household's current income to make up for months in which the household did not meet its child support obligation will be deductible. Payments for child support arrearages will be allowed only if the household was legally obligated to pay the amount in arrears. The value of legally binding child support that is provided in-kind, such as payment of rent directly to the landlord, will be deductible. Payments a non-custodial parent is legally obligated to make to obtain health insurance coverage for a child or children are deductible. This also includes dental insurance, cancer insurance, or intensive care insurance if the parent is legally obligated to furnish this coverage. When the child is covered on a family plan and the amount paid per person cannot be determined, divide the total premium by the number of people covered. Only the portion paid to maintain coverage for a child or children under the terms of the legal obligation will be counted.

Payments for alimony are not deductible. Child support payments made voluntarily are not deductible. This includes milk and diapers purchased for a child unless the parent is legally obligated to make these purchases. Child support payments for a child who is included in the SNAP household are deductible if the parent is legally obligated to pay child support and it is paid to someone living outside of the household. Child support payments that are above and beyond the obligated amount are not deductible. Child support intercepted from a state or federal income tax refund is not deductible.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6552 Verification of Child Support Payments

#### 6551 Determining Amount of Child Support Deduction

SNAP Manual 01/01/2021

The child support deduction must reflect the child support the household expects to pay during the certification period rather than the obligated amount. Exception: Child support paid on a basis less frequently than monthly, such as annually or quarterly may be averaged forward for the period the payment is intended to cover.

The amount of the child support deduction will be based on the average amount paid if the average amount does not exceed the obligated amount. If the court has ordered a change in the obligated amount, this change must be considered when establishing the child support deduction. For example, if a recent court order has increased the child support from twenty-five dollars (\$25.00) to fifty dollars (\$50.00) per week and the household states they will meet this new obligation, fifty dollars (\$50.00) per week will be anticipated as the child support payment.

For households submitting an initial application, the average must be based on at least three (3) months' payments unless there is less than three (3) months' history. If there is less than three (3) months' history, the average will be based on the payments made to date. If there is no payment history, the child support deduction will be anticipated based on the amount the household is obligated to pay plus the household's statement of what it intends to pay.

If the household states it will pay less than the obligated amount, the lesser amount will be deducted. In no instance will the amount deducted exceed the obligated amount.

For households submitting a subsequent application, the average will be based on the child support paid during the previous certification period with appropriate adjustments for any change in the amount of obligation. See SNAP 1622.9, 1623.1, and 1623.2.

#### 6552 Verification of Child Support Payments

SNAP Manual 01/01/2021

At initial application, both the obligation to pay child support and the amount of deductible child support paid must be verified. The household will be the primary source of verification of the legal obligation to pay child support, the amount of the obligation, and the amount paid. Any document that verifies the obligation to pay child support, such as a court order, administrative order, or legally enforceable separation agreement, would be sufficient verification of the obligation and obligated amount.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6500 Medical Deduction

### 6552 Verification of Child Support Payments

Documents used to verify the household's legal obligation to pay child support will not be acceptable verification of the household's actual payment. Acceptable verification of amounts paid include canceled checks, wage withholding statements, verification of withholding from unemployment compensation, and statements from the custodial parent regarding direct payments, or payments that the non-custodial parent pays or expects to pay on behalf of the custodial parent. Payments made through the Office of Child Support Enforcement (OCSE) may be verified through OCSE screens.

Payments for child support arrearages must be verified. Both the legal obligation to pay arrearages and the amount of payment must be verified. Arrearages can be verified through the person receiving the child support, through each person's attorney, through OCSE, through private collection agencies, or through any other documentary evidence, such as court orders.

At each recertification, and when a semi-annual report is processed, the amount of child support paid must be verified. The obligation to pay child support must be verified again only if the household reports a change in the obligated amount. If the household reports a change in the obligation to pay child support, both the obligation and the amount of child support paid must be verified.

An initial application or an application for recertification will not be held beyond the time allowed for normal processing solely to obtain required verification of deductible child support payments, if the household is otherwise eligible. The household will be notified that its case was processed without the child support deduction and that verification of child support may be supplied later. When the household does provide verification of the child support payment, the expense will be deducted, and the SNAP benefit amount will be adjusted according to the timeliness standards for a change reported outside of the reporting period. See SNAP 11410.



# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6600 Medical Deduction

### 6610 Allowable Shelter Costs

## 6600 The Excess Shelter Deduction

SNAP Manual 01/01/2021

The excess shelter deduction is the amount of the household's allowable shelter costs in excess of fifty percent (50%) of the household's adjusted SNAP income. The household's adjusted SNAP income is their income after all other allowable deductions, such as earned income, standard, dependent care, child support, and medical.

Unless the household contains a person aged sixty (60) or older or individuals living with a disability, the shelter deduction cannot exceed a maximum allowable figure. See the Standards Appendix (Appendix D) for this figure. See the Glossary definition of "Aged or Disabled". Households with a person aged sixty (60) or older or individuals living with a disability may deduct all shelter costs in excess of fifty percent (50%) of its adjusted SNAP income.

## 6610 Allowable Shelter Costs

SNAP Manual 01/01/2021

A shelter is defined as a household's principal place of residence. Allowable shelter costs are listed below:

1. Continuing charges for the shelter occupied by the household.

The cost of rent or continuing charges leading to the ownership of the shelter are allowable when the household incurs such costs. This includes, but is not limited to, the cost of mortgage payments, condominium or association fees, payments of liens against the property (e.g. second mortgages made to repair the home or personal loans made using the property as collateral), or payments on loans for the purchase of a mobile home. Interest on all such payments will also be an allowable cost. When a household moves into a new residence and incurs the cost of the "first and last month's rent," both months' rent will be allowed as a shelter cost in the month in which the household is billed for the two (2) months of rent.

2. Property taxes on the household's shelter.

The cost of state and local assessments and voluntary road or other improvement taxes will be allowed when incurred by the household. The cost of identifiable personal property or real estate taxes on mobile homes used as a permanent residence will also be allowed when incurred by the household. Personal property taxes other than those on mobile homes used as a permanent residence are not allowable.

Under Arkansas Code Annotated § 26-26-1118, households may receive a tax credit reducing real property taxes if the property is a homestead. The full cost incurred for real estate taxes

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6600 Medical Deduction

### 6610 Allowable Shelter Costs

will be allowed as a shelter deduction.

Homeowners who claim a homestead tax credit receive a three hundred seventy-five-dollar (\$375.00) credit on their real estate for the assessment year. These bills must have been paid on or before October 15<sup>th</sup> of each year unless the household moves, changes in shelter costs are not required to be reported. Therefore, the county office worker will not adjust the household's real estate tax bill to reflect this credit until the household's next recertification unless the household moves and reports a change in shelter costs or otherwise reports a change in the tax bill. At that time, the household will be asked to furnish proof of the household's current real estate tax bill. This bill should reflect the amount of real estate taxes after the credit was allowed.

If the household's real estate taxes are included in the household's mortgage payment, the county office worker will not attempt to adjust the amount of the household's mortgage payment to allow for the tax credit. Instead, the county office worker will continue to use the cost incurred for the current mortgage payment in the budget. After the tax credit is allowed, the mortgage company should adjust the amount of the mortgage payment to reflect the tax credit. However, since the household is not required to report changes in shelter costs unless the household moves, the change in the mortgage cost will most likely be reported at the next recertification.

#### 3. Insurance on the household's shelter.

The cost of insurance on the structure itself, but not separate costs for insuring furniture or personal belongings, are allowable when incurred by the household. If homeowner's insurance is sold as a "package" and the company does not identify the cost incurred for coverage on the contents of the home, the entire premium is allowable. The case record must contain documentation to this effect. Membership charges paid to organizations offering insurance to members are not an allowable shelter cost.

#### 4. Utility costs.

The following utility expenses will be considered when determining eligibility for a utility standard:

- The cost of cooking fuel;
- The cost of heating fuel;
- The cost of cooling (*a verifiable utility expense relating to the operation of air conditioning systems, room air conditioners, or evaporative water coolers*);
- The cost of electricity;
- Water and sewer costs;
- Well installation and maintenance;
- Septic tank installation and maintenance;
- Garbage and trash collection fees; and

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6600 Medical Deduction

### 6620 Utility Expenses

- - Fees charged by the utility provider for initial installation of the utility.
5. Shelter costs for a home temporarily unoccupied by its owners.
- Shelter costs will be allowed for those homes that are temporarily unoccupied by the owners because of employment or training away from home, illness, or abandonment caused by a natural disaster or casualty loss.
- In order to include the costs of a home temporarily unoccupied by the owners, all four (4) of the following criteria must be met:
- The household must be incurring these shelter costs.
  - The household must intend to return to the home.
  - The home must not be leased or rented during the absence of the owners.
  - If there are occupants currently in the home, these occupants must not be claiming the shelter costs for SNAP purposes.

Verification: If a household claims expenses for a temporarily unoccupied home, the worker will verify the household's actual utility expenses for the unoccupied home in every case and will not use the standard utility allowance.

6. Charges for Repair of Home.
- Charges for the repair of the home which was damaged or destroyed due to a natural disaster such as, but not limited to, a fire or a flood are deductible when such charges are billed or otherwise become due. Shelter costs will not include charges for repair of the home that have been or will be reimbursed by private or public relief agencies, insurance companies, or from any other source.

### 6620 Utility Expenses

SNAP Manual 01/01/2021

At initial application, utility expenses will be verified to determine the type of utility allowance the household will receive. At recertification, a reported change, or at the time of the semi-annual report, utility costs will be verified if the source has changed, as when the household has moved, or the household becomes ineligible for the current utility allowance.

The utility allowances are predetermined amounts assigned to eligible households based on the utility expenses incurred by the household. Actual utility costs are not allowable even if the expenses are higher than the standard. At application, a household will be assigned one (1) of the following:

- Basic Utility Allowance (BUA), if eligible;
- Standard Utility Allowance (SUA,) if eligible;
- Homeless Living Allowance (HLA), if eligible; or
- Telephone Standard.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6600 Medical Deduction

### 6620 Utility Expenses

Households may change standards at any point during the certification, no matter the length of the certification period.

If the Basic Utility Allowance (BUA), Standard Utility Allowance (SUA,) Homeless Living Allowance (HLA), or the Telephone Standard is chosen for a deduction, but required verification is not furnished, the deduction will be disallowed.

All unverified utility costs will be disallowed if the household fails to provide verification by the date shown on the Request for Information or the Notice of Action. If the household wishes to claim expenses for an unoccupied home, the utility standard will be disallowed for an unoccupied home. See SNAP 4410.

#### 6620.1 Standard Utility Allowance (SUA)

SNAP Manual 01/01/2021

Households must incur and be billed for or expect to incur during the next heating and cooling season, the actual cost of heating or cooling to be eligible for the Standard Utility Allowance (SUA). The household may also be eligible if the household receives or expects to receive low income energy assistance payments from the Low-Income Home Energy Assistance Program (LIHEAP) during the next heating and cooling season, whether an actual heating or cooling cost is incurred. Eligibility for LIHEAP implies out-of-pocket expenses, or the household must receive energy assistance of at least twenty dollars (\$20.00) per year under federal law. Households billed less than monthly for heating costs, such as butane or propane, are entitled to the Standard Utility Allowance between billing months. If the household reports a change in eligibility for the SUA, but still has a utility expense, the standard must be changed to the Basic Utility Allowance or Telephone Standard.

A household that receives reimbursement for utility expenses, or if the expense is paid through an excluded payment, such as a vendor payment from Housing and Urban Development HUD or Farmers Home Administration (FMHA), the Standard Utility Allowance may be used when the heating or cooling costs exceed the excluded payment amount. The portion of the expenses paid by an excluded reimbursement or vendor payment is not deductible. The amount left after deducting the excluded payment is deductible and includes HUD or FMHA rent, and utility payments. Expenses are only deductible if the service is provided by someone outside of the household and the household makes a monetary payment for the service.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6600 Medical Deduction

### 6620 Utility Expenses

Renters and homeowners who live in separate residences are entitled to the entire Standard Utility Allowance, if they receive a Low-Income Home Energy Assistance Program payment (LIHEAP) of at least twenty dollars (\$20.00) per year for their current residence.

The standard utility allowance must not be prorated when households who share a dwelling share utility cost. When households share a dwelling and utility costs, both SNAP households will be allowed to claim the full standard utility allowance.

#### 6620.2 Utility Expenses of Expedited Households

SNAP Manual 01/01/2021

There are special provisions which apply to the choice of Standard Utility Allowance (SUA) by households entitled to expedited services.

If an expedited household chooses to use the Standard Utility Allowance (SUA), but the expenses are not verified within the expedited timeframes, the household may be certified using the Basic Utility Allowance (BUA). If the verification is later provided, the household's budget may be recalculated using SUA for the following months.

In the absence of any choice by the household, it should be assumed that the household has chosen to use the Basic Utility Allowance (BUA).

#### 6620.3 Specific Costs

SNAP Manual 01/01/2021

##### Heating

A household that incurs the full cost for its primary source of heating separate and apart from its rent or mortgage costs is entitled to elect the utility standard. Incurring a cost only for supplemental heating, such as, but not limited to, space heaters in bathrooms, electric blankets, heat lamps, or cook stoves, does not qualify a household for the utility standard. Incurring only a cost for an electric blower for an oil or gas furnace does not qualify a household for the utility standard.

The cost of wood is an allowable shelter cost. When wood is used as the primary heating source, the cost of purchasing wood does qualify the household for the utility standard. If a household purchases some wood and cuts the rest, that household will qualify for the utility standard. Costs associated with cutting wood such as hiring labor, the purchase of a chain saw, or the purchase of gas for running the saw are not allowable shelter costs nor do they entitle a household to elect the utility standard.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6600 Medical Deduction

### 6625 Telephone Standard

#### Cooling

A household that incurs the full cost of running a central air conditioning unit, a room air conditioner, or a water cooler (evaporative cooler) is entitled to elect the utility standard. Incurring only a cost for running a fan, including attic fans, does not qualify a household for the utility standard. The utility standard is based on cooling costs. Just owning an air conditioner does not qualify a household for the utility standard. The household must use the air conditioner. Use of an air conditioner on an as-needed basis will qualify a household for the utility standard.

#### 6622 Basic Utility Allowance

SNAP Manual 01/01/2021

The Basic Utility Allowance (BUA) includes utility charges that a household incurs other than for heating and cooling. Households that are not eligible for the Standard Utility Allowance (SUA) are eligible for the Basic Utility Allowance (BUA).

Households only responsible for sewage, trash fees, water, garbage, and other basic service fees, and taxes for one (1) telephone are eligible for the BUA. The costs for a telephone are included in the Basic Utility Allowance (BUA), and may not be allowed as a standalone deduction.

#### 6624 Homeless Living Allowance

SNAP Manual 01/01/2021

The Homeless Living Allowance (HLA) is a predetermined amount updated annually. The homeless household must provide a statement declaring expenses. Households must meet the definition of a homeless household and cannot receive free shelter throughout the month in order to be eligible for the deduction.

The Homeless Living Allowance (HLA) is for households that are considered homeless that have expenses that may include, but not limited to, hotel and motel rooms, homeless shelters, payments to relatives or friends, or the cost of laundry. This living allowance also includes telephone expenses. Individuals living in their vehicles that make payments for ownership or a portion of insurance that covers vehicle damage are eligible for this deduction.

#### 6625 Telephone Standard

SNAP Manual 01/01/2021

The telephone standard is for households that incur expenses for any type of telephone service regardless of the number or type of telephone used by the household. The standard costs for telephone expenses will apply across the board to all areas of the state. No more or no less will be allowed for the telephone costs regardless of the household's actual costs.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6600 Medical Deduction

### 6628 Applying the Excess Shelter Deduction

If the household is assigned the Standard Utility Allowance (SUA), Basic Utility Allowance (BUA), or the Homeless Living Allowance (HLA), a separate deduction for telephone will not be allowed because telephone expenses are included in the Standard Utility Allowance, Basic Utility Allowance, and the Homeless Living Allowance.

### 6626 Households with HUD or FMHA Utility Reimbursements

SNAP Manual 01/01/2021

See SNAP 5413, SNAP 5411, and SNAP 6700. The electricity bill runs about ninety dollars (\$90.00) per month. The household may choose to use the utility standard.

### 6627 Verification and Documentation of Shelter Costs

SNAP Manual 01/01/2021

At any case action, verification of charges for the shelter occupied by the household, property taxes, or insurance will be requested only when these costs are questionable. At any case action, entitlement to the utility standard needs to be verified only if the household's statements regarding the household's primary source of heating or cooling are questionable or contradictory.

### 6628 Applying the Excess Shelter Deduction

SNAP Manual 01/01/2021

The excess shelter deduction must be calculated after the household's adjusted SNAP income has been determined. To apply the deduction, one-half of the adjusted SNAP income must be calculated. Then, this figure is subtracted from the household's total shelter costs. The result is the household's excess shelter.

Unless the household contains an individual living with a disability or a person sixty (60) years old or older, the excess shelter deduction must not exceed the maximum allowable. The maximum amount is adjusted annually.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6700 Medical Deduction

### 6710 Determining the Month the Deduction should be Allowed

## 6700 Determining if an Expense should be Deducted

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SNAP Manual 01/01/2021

Dependent care costs are specified in SNAP 6400. Allowable medical expenses are specified in SNAP 6510. Allowable shelter costs are specified in SNAP 6610.

No expense is deductible unless the expense is incurred for a service provided by a non-household member, and the household has made or will make a money payment for the service.

Child support payments are deductible as specified in SNAP 6550 only if the payment is legally obligated and made by a household member to an individual who is not a household member.

Allowable expenses paid with money borrowed by a household member are deductible.

The following expenses are not allowable, even if incurred by the household:

1. Expenses paid with excluded educational income. See SNAP 1622.9.
2. Expenses covered by demonstration project cash-out funds. See SNAP 5413.1.
3. Expenses covered by an excluded reimbursement. See SNAP 5411.
4. Utility costs paid through an excluded payment or an excluded reimbursement. For example, to determine allowable shelter costs when the household receives a HUD utility reimbursement check, subtract the amount of the check from the total actual utility costs. See SNAP 6626.2.
5. Dependent care costs reimbursed or paid through the Division of Child Care, the Transitional Employment Assistance program, or similar programs. See SNAP 6400.
6. Expenses that will be covered by an excluded vendor payment. See SNAP 5413.
7. Expenses that are provided as an in-kind benefit. See SNAP 5406.

## 6710 Determining the Month the Deduction should be Allowed

SNAP Manual 01/01/2021

A deduction for a billed expense other than child support payments will be allowed only in the month the household is billed for the expense or the expense otherwise becomes due. This is true no matter when the household intends to pay the expense.

Recurring monthly expenses will be allowed on a monthly basis even if two (2) bills are received in the same month due to a billing cycle. Except for child support payments, amounts carried forward from past bill periods are not deductible even if included in the most recent bill and actually paid by the household. In any event, an expense may only be deducted once.



# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6700 Medical Deduction

### 6723 Special Procedures for Projecting Child Support Payments

Child support paid out of the household's current income to make up for months in which the household did not meet its legal obligation is deductible. See SNAP 6550-6552.

Bills that only include past due amounts are not allowable.

Rent paid "in advance" is an allowable shelter cost. The monthly rent amount that would have otherwise been incurred by the household will be allowed as a shelter cost for each month covered by the advance payment.

### 6720 Projecting Expenses in a Prospective Budget

SNAP Manual 01/01/2021

When calculating a prospective SNAP budget, the eligibility worker attempts to project the household's expenses by considering past expenses as well as the household's statements about what they expect their expenses to be. Unless the household is reasonably sure that a change will occur, the most recent month's bills may be used to anticipate expenses.

### 6721 Special Procedures for Projecting Medical Expenses

SNAP Manual 01/01/2021

Monthly medical expenses are projected for households who are eligible for a medical deduction. One-time and periodic expenses are handled. See SNAP 6521.1.

The eligibility worker must review the household's medical bills and question the household to determine:

- a. If the expense is incurred on a monthly basis, for example, a maintenance drug purchased every thirty (30) days;
- b. If the household expects to continue incurring the cost on a monthly basis such as when an eligible household member visits the doctor each month; and
- c. If the amount of the expense can be expected to increase or decrease. For example, does the household expect to continue taking the same dosage of the prescription drug?

Based on the household's most recent expenses plus any anticipated changes, an amount may be determined for the cost of monthly medical expenses.

### 6723 Special Procedures for Projecting Child Support Payments

SNAP Manual 01/01/2021

The child support deduction will be projected based on the average amount of child support paid, as long as the averaged amount does not exceed the obligated amount. See SNAP 6551.

# SNAP CERTIFICATION MANUAL – SECTION 6000

## 6700 Medical Deduction

### 6730 Averaging Expenses

#### 6730 Averaging Expenses

SNAP Manual 01/01/2021

Households may choose to average expenses that change from month to month.

Households may also choose to average irregularly, or periodically recurring expenses as specified below:

1. Expenses that are billed less often than monthly may be averaged forward over the interval between scheduled billings.
2. Expenses that are billed less often than monthly may be averaged forward over the period the expense is intended to cover if there is no scheduled interval for billing.