

**County of San Diego, Health and Human Services Agency (HHSA)
CalFresh Program Guide**

Excess Medical Deduction & Standard Medical Deduction

Number

Page

63-232

1 of 4

Revision Date:

08/01/2021

Background:

Individuals who meet the CalFresh definition of elderly and/or disabled are eligible to deduct qualifying medical expenses from their income to determine CalFresh eligibility. The California Department of Social Services (CDSS) has been authorized to operate a Standard Medical Deduction (SMD) Demonstration Project.

Purpose:

This section has been updated to include recent clarification received from CDSS and as a result of a sunset review.

Policy:

The excess medical deduction is the portion of medical expenses in excess of the allowable amount per month, excluding special diets, incurred by any household (HH) member who is elderly and/or disabled. See 63-1103 for the definition of elderly and disabled.

Elderly and/or disabled household members who verify medical expenses within the range of \$35.01 to \$155 a month will be given an SMD of \$120 a month. HHs with verified medical expenses over \$155 a month may claim actual expenses in excess of \$35.

- Spouses or other household members receiving benefits as a dependent of the disabled recipient are **not** eligible to receive this deduction

Verified Medical Expenses	Eligibility
Under \$35 a month	Not eligible for a medical deduction
\$35.01 to \$155 a month	Eligible for the SMD (i.e., \$120)
\$155.01 a month and over	Eligible to deduct actual expenses over \$35 (i.e., \$120+)

A wide range of expenses that are not reimbursed or covered by health insurance count as a medical deduction. Countable medical expenses may include, but are not limited to, the items listed below:

1. Medical, Dental and Eye Care:

- Medical care including psychotherapy and rehabilitation services; dental care including dentures and orthodontics provided by a licensed practitioner or other qualified health professional authorized by state law
- Hearing aids and batteries
- Eyeglasses, contacts, lens solutions prescribed by a physician skilled in eye disease or by an optometrist
- Acupuncture, chiropractic, or herbal treatments
- Health care supplies and equipment, incontinence supplies
- Prosthetics (including assistive devices)

2. Hospitalization or Outpatient Treatment:

- Hospitalization or outpatient treatment
- Nursing care and nursing home care, including payments by the household for an individual who was a household member immediately prior to entering a hospital or nursing home, provided by a facility authorized under state law

County of San Diego, Health and Human Services Agency (HHS)
CalFresh Program Guide

Excess Medical Deduction & Standard Medical Deduction	Number	Page
	63-232	2 of 4

3. Prescription Drugs and Costs of Medical Supplies:

- Prescription drugs and over-the-counter medication (including insulin), when prescribed by a licensed practitioner or other qualified health professional authorized under state law (excludes special diets, nutritional drinks and dietary supplements, such as vitamins)
- Costs of medical supplies, sickroom equipment (including rental) or other prescribed equipment

NOTE: The cost of any substance considered illegal under Federal Law, including medical marijuana, even when prescribed, is **not** allowed.

4. Health Insurance Premiums, Copays and Share of Cost:

- The costs of health and hospitalization insurance policy premiums and co-pays
- Any Share-of-Cost or spend down expenses for medical costs incurred by Medi-Cal recipients

EXCEPTIONS: The following are **not** allowable medical expenses:

- The costs of sickness and accident policies, such as those payable in lump-sum settlements, for death or dismemberment
- Income maintenance policies, such as those that continue mortgage or loan payments, while the beneficiary is disabled

5. Medicare Premiums:

Medicare premiums related to coverage under Title XVIII of the Social Security Act.

6. Maintaining Service Animals:

Service animals are animals that serve the needs of customers who are elderly and/or disabled. Service animals must be specially trained to assist the individual with the medical issue for which the animal is prescribed. Emotional support animals that meet the criteria outlined above are treated as service animals. The cost of securing and maintaining any service animal such as, but not limited to, seeing eye, hearing, or service dogs, and the cost of related food and veterinarian bills.

If it is evident that an animal is specially trained to perform a function that an elderly and/or disabled person cannot readily perform on their own, staff will consider this animal a service animal and allow the medical expense. A case comment noting staff observation is considered verification for this purpose. If it is questionable if an animal qualifies, staff may only ask the customer the following questions:

- Is the animal required because of a disability?
- 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. Do not require formal documentation or proof of certification or licensing as a service animal.

7. Transportation:

- The out-of-pocket, non-reimbursed costs of travel to health care appointments and pharmacies by a third party such as public transportation, taxis, or ridesharing.
- Medical travel by private vehicle will be verified by verbal or written customer statement that travel was required for medical reasons, unless questionable. The expense will be calculated by multiplying the number of round-trip miles by the federal **business standard mileage rate** (current reimbursement rates can be found at www.irs.gov). MapQuest or Google Maps may be used to determine mileage between locations.

8. Homemaker or Health Aid:

Maintaining an attendant, homemaker home health aide, childcare, or housekeeper services necessary due to age, infirmity, or illness.

**County of San Diego, Health and Human Services Agency (HHSA)
CalFresh Program Guide**

Excess Medical Deduction & Standard Medical Deduction	Number	Page
	63-232	3 of 4

9. Verification:

Qualifying medical expenses must be verified for a HH to claim the excess medical deduction or the SMD. If medical expenses cannot be verified electronically (such as Medicare premiums) the HH must submit verifications to claim the expense. However, staff will not require a specific type of verification and will assist the HH in obtaining verification if needed. If obtaining verification of a medical expense may delay the HH certification, the HH will be advised that its eligibility and benefit level may be determined without allowing a deduction for the unverified expense. Do not deny or discontinue a case for failure to provide verification of medical expenses.

Once verified, staff will not re-verify medical expenses at the next report, including medical travel, if they are unchanged or change by \$25 or less. In addition, qualified HH remain eligible for the SMD at subsequent recertification if they report that their medical expenses continue to exceed \$35 per month. Re-verification is not required unless the reported expense is questionable.

10. Reported Change of Medical Expenses:

If the report of a new or changed medical expense results in an increase in benefits, the change must be effective no later than the first allotment issued 10 days after the date the change was reported. Do not issue a supplement for a previous month or the month the medical expense is reported when benefits are adjusted timely.

Example 1:

A new medical expense reported and verified on April 15 th would result in a benefit increase.	Increase the benefit allotment beginning with the May benefit month. Do not issue a supplement for April.
---	---

Example 2:

A new medical expense is reported and verified on April 27 th , will result in a benefit increase, and the HH normal issuance is on May 1 st .	Increase the benefit allotment beginning with the June benefit month. Do not issue a supplement for April or May.
--	---

Example 3:

A new or changed medical expense reported and verified on April 15 th would result in a benefit decrease.	Do not take action on the case. Enter case comments and place in held changes for review at the next periodic report or recertification.
--	--

Other Program Impacts:

No Impact

References:

- FNA 2008 Section 17(b)(1)(A) and Section 5(5)
- CFR 271.2
- ACL 17-35, 19-89 and 21-13
- ACIN I-63-05, I-06-96 and I-45-11
- MPP 63-502.3

Sunset Date:

This policy will be reviewed for continuance by 07/31/2024

County of San Diego, Health and Human Services Agency (HHSA)
CalFresh Program Guide

Excess Medical Deduction & Standard Medical Deduction	Number	Page
	63-232	4 of 4

Approval for Release:

Rick Wanne, 8-17-21

RICK WANNE, Director
Self-Sufficiency Services