



Administrative Policies and Procedures: 24.18

Subject Supplemental Nutrition Assistance Program (SNAP) Deductions from Income

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Approved by

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Authority

Federal Regulations 7 CFR § 273.9;
Tenn. Code Ann. §§ 4-5-202, 71-1-105, 71-3-157, 71-3-158;
7 USC§ 2014

Application

All TDHS Employees and Contractors

Policy Statement

The Tennessee Department of Human Services (TDHS) shall meet federal and state guidelines regarding Supplemental Nutrition Assistance Program (SNAP) deductions from income. TDHS shall define the different types of Supplemental Nutrition Assistance Program (SNAP) deductions that can be applied to an applicant/recipient's income.

Purpose

To provide procedures and guidelines explaining approved Supplemental Nutrition Assistance Program (SNAP) deductions that can be used for each household member after determining an applicant's gross income.

Procedures

A. Limitations on Deductions

1. Deductible expenses include only those costs described in this chapter.
2. Expenses may be deducted only if the service is provided by someone outside the household (HH) and the HH makes a money payment for the service.

B. Types of Expenses Not Allowed As Deductions

Refer to [Types of Expenses Not Allowed As Deductions](#) for examples of expenses that are not allowed as deductions when determining eligibility for SNAP.

C. Billed Expenses

1. Except as provided under Section D. "Fluctuating Expenses" and

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|---|--|
| Deducted in Month Due | <p>Section E. "Anticipating Expenses", a deduction is allowed in the month the expense is billed or otherwise becomes due, regardless of when the HH intends to pay the expense.</p> <ol style="list-style-type: none"> 2. Amounts carried forward from past billing periods are not deductible, even if included with the most recent billing and paid by the HH. |
| D. Fluctuating Expenses | <ol style="list-style-type: none"> 1. HHs may elect to have fluctuating expenses averaged. 2. They also may choose to have expenses which are billed less often than monthly averaged forward over the interval between scheduled billings. 3. If there is no scheduled interval, average forward over the period the expense is intended to cover. 4. HHs reporting one-time only expenses during their certification period may elect to either have a one-time deduction in the month the change would become effective, or to have the expense averaged over the remaining months in the certification period. 5. Averaging would begin the month the change would become effective. |
| E. Anticipating Expenses | <ol style="list-style-type: none"> 1. A HH's expenses are calculated based on the expenses for which the HH expects to be billed during the certification period. 2. Anticipation of the expenses is based on the most recent month's bills, unless the HH is reasonably certain that a change will occur. 3. Changes may be anticipated during the certification period based on last year's bills from the same period updated by overall price increases. 4. If only the most recent bill is available, utility cost increases or decreases over the months of the certification period may be based on utility company estimates for the type of dwelling and utilities used by the HH. 5. Past expenses will not be averaged (such as utility bills for the past several months) as a method of anticipating utility costs for the certification period. |
| F. Types of Expenses Allowed As Deductions | <p>The following deductions are allowed in calculating the HH's adjusted monthly income:</p> <ol style="list-style-type: none"> 1. Earned Income Deduction 2. Standard Deduction 3. Excess Medical Deduction 4. Dependent Care 5. Shelter Costs 6. Child Support Payments Deduction 7. Deduction for a Representative Payee |
| G. Earned Income Deduction | <ol style="list-style-type: none"> 1. 20% of gross earned income will be deducted. 2. Any additional deductions are not allowed (i.e., taxes, pensions, union dues, and the like) except for costs of self-employment. |

3. Excluded earned income is not subject to this deduction.
4. HH's that willfully and fraudulently fail to report earnings, and, thus, commit an Intentional Program Violation (IPV), are not entitled to the 20% deduction in the over issuance determination.
5. Once the earnings are discovered and counted in the ongoing SNAP budget, the HH is entitled to the 20% deduction.

Refer to the [Family Assistance Standards Desk Guide](#).

H. Standard Deduction

1. The standard deduction is the deduction of an established monthly amount from all types of income.
2. The appropriate standard deduction will be applied to each HH regardless of its income.

Refer to the [Family Assistance Standards Desk Guide](#).

I. Excess Medical Deduction

1. An excess medical deduction is a deduction from a HH's total gross income given when a disabled or elderly HH member has medical expenses over a specified monthly amount determined by federal regulations.

Refer to the [SNAP Medical Deductions Helpful Reminders](#).

J. Dependent Care

1. Payments for the actual costs for the care of children or other dependents when necessary for a HH member to accept or continue employment, comply with the employment and training requirements.
2. Dependent care costs include the costs of care given by an individual care provider or care facility, transportation costs to and from the care facility, and activity or other fees associated with the care provided to the dependent that are necessary for the household to participate in the care.
3. This deduction is not limited to the care of young children. It allows for cost of care for children [under eighteen (18)] and/or disabled individuals of any age when needed for a customer to accept or continue employment, or comply with the employment and training requirements.
4. At this time there is no limit on the dependent child care expense. However, if the dependent care is for a disabled HH member or individual, at no time can it be considered both a dependent care and medical care expense.

K. Shelter Costs

1. Monthly shelter costs are the amount in excess of fifty percent (50%) of the HH's income after all deductions have been allowed.
2. The shelter deduction cannot exceed the maximum unless the HH contains a member who is elderly or disabled. These HHs will receive an excess shelter deduction for the monthly cost that exceeds fifty percent (50%) of the HH's monthly income after all other applicable deductions.
3. The maximum shelter deduction is subject to change annually. Shelter costs include only the following.
 - a. Continuing charges for the shelter occupied by the HH, including

- rent, mortgage, condominium fees, homeowners association dues or other continuing charges leading to the ownership of shelter, such as loan repayments for the purchase of a mobile home, including interests on such payments.
- b. If a recipient takes a second mortgage or loan, in which the loan is secured by a lien on the homestead property by the lender, payments on these secured loans meet the criteria of continuing charges for the shelter and are considered shelter costs. This is true regardless of what the loan is actually for. Payments made on unsecured or personal loans are not considered shelter costs.
 - c. Property taxes, state and local assessments, and insurance on the structure itself, but not separate costs for insuring furniture or personal belongings.
 - d. Charges for heating, cooling, and cooking fuel; electricity; water and sewer; garbage and trash collection fees; the standard telephone allowance; and fees charged by the utility provider for initial installation of utility cost.
 - e. Costs incurred for repairing a home substantially damaged or destroyed by a natural disaster (such as a fire or flood).
 - f. Shelter costs can still be incurred for the home if not actually occupied by the HH in certain scenarios. Refer to [Shelter Costs Incurred for an Unoccupied Home](#) when the shelter costs can still be claimed depending on the HH circumstance.
 - g. Shelter deductions are allowed as incurred regardless of ability to pay. Although the HH has no money to subtract the deduction from, if they have verified that they have the expense then the expense can be keyed.
4. Payments NOT Included in Shelter Costs Are:
- a. fees charged for one-time deposits on utilities;
 - b. separate costs for insuring furniture or personal belongings;
 - c. repairs or replacement of any appliance, well, septic tank, or any portion of the home due to wear and tear or mechanical problems;
 - d. any costs related to housing not actually occupied by the household, except as specified in above;
 - e. down payments, closing costs, discount points, and other costs incidental to purchase and the closing of a mortgage;
 - f. costs of drilling a well or installing a septic tank;
 - g. site preparation to locate a mobile home;
 - h. rental insurance; and
 - i. charges for repair of the home that have been or will be reimbursed by private or public relief agencies such as insurance agencies or from any other source.
5. Homeless HH's Shelter Standard
- a. Homeless HHs that incur or expect to incur shelter costs during the month shall be eligible for a homeless HH shelter standard.
 - b. HHs which receive free housing and utilities throughout the month

would not be eligible.

- c. A homeless HH which uses the special standard is not entitled to the standard utility allowance (SUA) since average utility costs are included in the estimate.
- d. Homeless HHs with shelter costs higher than the HH standard would be able to claim these costs if they can be reasonably verified. If there is no such verification the homeless HH standard would be used.
- e. The eligibility counselor shall use prudent judgment in determining if verification obtained is adequate. Once there is a noticeable pattern to a homeless HH's shelter costs, the certification period can be adjusted accordingly. The HH at any time can report changes in their circumstances, including shelter costs.

6. Standard Utility Allowance (SUA)

- a. The SUA is used in calculating the shelter costs of those HHs which directly incur heating or cooling expenses on a regular basis separate and apart from their rent or mortgage payment.
- b. This includes residents of rental housing who are billed on a monthly basis by their landlords for actual usage as determined through individual metering or who are charged a flat rate separately from their rent.

7. Standard Telephone Allowance

A standard telephone allowance is to be used in calculating the shelter costs for HHs which incur a separate telephone expense, but are not entitled to any other utility allowance.

8. Actual Utility Expenses

- a. Actual utility costs may be deducted if the HH can verify these costs, and it can be reasonably anticipated that the costs will continue for the length of the certification period.
- b. A HH living in public housing or other rental housing which has central utility meters and charges the HH only for excess heating or cooling costs cannot be permitted to use the SUA, unless eligible for it based on Low Income Home Energy Assistance Program (LIHEAP) policy. These HHs may elect to have their excess utility costs allowed in the billing month, or have the excess averaged forward over the interval between scheduled billings. (The HH may use the basic utility allowance (BUA) if eligible.)
- c. If a HH wishes to claim utility expenses for an unoccupied home, the HH must provide verification of the actual utility expenses for the unoccupied home. The SUA cannot be used for unoccupied homes.

9. Household's Option

- a. At the time of certification, explain to the HH that it may deduct its actual utility costs rather than the SUA throughout the certification period, if the household can verify these costs.
- b. The HH may switch between the SUA and actual costs during recertification only.
- c. The limit on the number of times a HH may switch between actual costs and the SUA applies only to those times it actually has a

choice.

- d. The HH's option of using actual utility expenses or the SUA does not apply when the HH must switch from the SUA to actual expenses because it is no longer eligible for the SUA (i.e., the household no longer incurs heating or cooling expenses).

10. When the SUA can be used

The SUA may be used:

- a. When the HH is billed on a regular basis for heating or cooling expenses separate and apart from its rent or mortgage. The SUA includes the cost of heating and/or cooling, cooking fuel, electricity, the basic service fee for one telephone, water, sewage, and garbage and trash collection.
 - i. A cooling cost is a verifiable utility expense relating to the operation of air conditioning systems or room air conditioners.
 - ii. Only HHs which directly incur a heating or cooling expense on a regular basis separate and apart from their rent or mortgage are entitled to the SUA.
 - iii. For exceptions refer to [Standard Utility Allowance](#).
- b. When there is no rent or mortgage payment, such as when there is free use of a house or mobile home, or when the home mortgage is fully paid, if the HH is otherwise eligible to use the SUA.
- c. When two or more HHs share a common residence and contribute to the common heating or cooling expense for the residence. Each HH would be eligible to receive the SUA for the number of individuals in its respective HH. For an example refer to the [SNAP Deductions from Income Example Scenarios](#).
- d. When the Standard Allowance for Utilities is not to be used:
 - i. the HH has no utility expense such as when all utilities are furnished as in-kind benefit;
 - ii. the HH wishes to claim expenses for an unoccupied home;
 - iii. HHs are charged only for water, garbage and trash collection, sewage, telephone, cooking fuel, or any combination of these expenses. To be eligible for the SUA, the HH must be directly billed on a regular basis for its heating and/or cooling costs;
 - iv. a HH lives in a public housing unit or other rental housing unit. The HH is charged only for excess utility costs, regardless of whether the unit is individually or centrally metered.
 - v. if a change is reported in shelter (increase or decrease) and the shelter amount is not verified, any expense would in the case and the case will be processed without the shelter deduction.
 - vi. Refer to [Standard Utility Allowance](#) for examples.

- e. Eligibility for the SUA for HHs Receiving Energy Assistance or Other Vendor Payments for Utilities.

To determine how to count energy assistance payments, refer to [Administrative Policies and Procedures: 24.12 SNAP Resources](#).

- i. Low Income Home Energy Assistance Act (LIHEAP)
LIHEAP payments made directly to the HH or provider do not affect the HH's eligibility for the SUA. HHs are entitled to the SUA even if the expense is totally covered by a LIHEAP payment.
- ii. United States Department of Housing and Urban Development (HUD) and Farmers Home Administration (FmHA) Utility Reimbursements
HHs receiving HUD and FmHA reimbursements are entitled to the SUA if they incur heating or cooling costs that exceed the amount of the excluded payment.
- iii. State and Local Energy Assistance and Other Vendor Payments
 - 1) Energy assistance payments made directly to the HH do not affect the HH's eligibility for the SUA if the HH is otherwise entitled to it.
 - 2) Energy assistance payments (other than LIHEAP payments) are considered as vendor payments when they are made directly to the utility company (including checks made jointly to the HH and the utility company).
 - 3) To determine a HH's eligibility for the SUA when vendor payments are made to the utility company, follow the procedures outlined in [Standard Utility Allowance](#)

11. Basic Utility Allowance

- a. The BUA is an option for a SNAP HH that incurs a utility expense including electricity and fuel for purposes other than heating or cooling, water, sewer, well and septic tank installation and maintenance, telephone, and garbage or trash collection.
- b. The BUA must include expenses for at least two utilities.

NOTE: If the HH lives in a public housing unit or other rental housing unit the HH is charged only for excess utility costs, regardless of whether the unit is individually or centrally metered. The HH is eligible for the BUA.

Refer to the [Utility Allowance Chart](#) for different situations on when to use the SUA, BUA, or actual utility deductions.

L. Child Support Payment Deduction Court ordered child support payments paid by a SNAP HH member to or for an individual living outside the HH are an allowable deduction.

- M. Deduction for a Representative Payee**
- 1. A monthly fee collected from SSI payments by an organizational representative payee is legally obligated to the payee and is not counted as income to the recipient for SNAP. The organization must be a community based nonprofit social service agency.
 - 2. Title XVI Supplemental Security Income (SSI) and Title II Social Security Insurance (SSDI) Payments to individuals whose disability is

based on drug addiction and/or alcoholism (DAA) are required to be paid through a representative payee. The amount of the fee, which the representative payee withholds from the funds received on behalf of the recipient, is not counted as income to the household for SNAP purposes.

N. Types of Expenses Allowed for Excluded Household Members

1. Ineligible Aliens, Individuals Whose Citizenship is Questionable and Individuals Disqualified for Failure to Provide or Apply for Social Security Number (SSN)

For clients excluded from the SNAP budget:

- a. The earned income deduction is applied to that portion of the excluded individual's earned income which is attributed to the HH.
- b. That portion of the HH's allowable child support payment deduction, shelter and dependent care expenses which is either paid by or billed to the excluded members will be divided evenly among the HH members, including the excluded members.
- c. Count all but the excluded member's share as a deductible expense for the remaining HH members. No deduction is allowed for the excluded member's medical expenses.

2. Individuals Disqualified for Intentional Program Violations or Failure to Comply with Work Requirements

The entire HH's allowable earned income deduction, standard deduction, child support payment deduction, medical dependent care and excess shelter deductions, including those of the disqualified person, continue to apply to the remaining HH members.

O. Criteria for Determining Who is Eligible for a Medical Deduction

1. General

- a. In order to be eligible for a medical deduction, a HH member must be either age sixty (60) or older, or disabled.
- b. Only HH members who meet at least one(1) of the eligibility criteria may receive the medical deduction.
- c. If a person becomes age sixty (60) during the initial month of certification, the medical expenses can be allowed beginning that month. If a person becomes age 60 later in the certification period, the medical expenses may be considered at that time.
- d. If a HH member is eligible for a medical deduction but does not claim any, document the case record that no medical expenses were claimed or subsequently reported.

2. SSI Essential Persons

Spouses and dependents who receive SSI benefits as SSI essential persons are not eligible for a medical deduction. They are, however, included in the HH.

3. When an Application for SSI or Social Security Disability Has Been Made

A member of a currently certified HH who is not age sixty (60) or older may apply for SSI or Social Security Disability. Do not allow a medical deduction until the individual actually receives an SSI or SSA disability check.

4. Termination of SSI, SSA, or Veteran's Administration (VA) Benefits

Whenever SSI, SSA, or VA benefits are terminated, the HH member is no longer entitled to the medical deduction unless he/she meets one of the other criteria. However, if Social Security determined the client disabled and the payment ended or never started due to income/resource rather than due to end of disability, as long as the client still shows classified as disabled by the Social Security Office then the client meets the definition of disabled. If such benefits are resumed later, the individual will be entitled to the medical deduction again.

P. Allowable Medical Expenses

A medical expense is an identifiable medical cost incurred by a HH member who meets one of the criteria given in Section O under sections 1, 2, 3, 4, and 5 of this policy.

Allowable medical costs may include, but are not limited to:

1. medical and dental care, including psychotherapy and rehabilitation services, provided by a licensed practitioner authorized by state law, of other qualified health professional;
2. hospitalization or outpatient treatment, nursing care, and nursing home payments by the HH for an individual who was a HH member immediately prior to entering a hospital or nursing home licensed (or recognized) by the state;
3. prescription drugs when prescribed by a licensed practitioner authorized under state law, and over the counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional; in addition, costs of medical supplies, sickroom equipment (including rental) or other prescribed equipment are deductible;
4. health and hospitalization insurance policy premiums;
5. Medicare premiums related to coverage under Title XVIII of the Social Security Act; and cost-sharing or spend-down expenses incurred by Medicaid recipients;
6. dentures, hearing aids and prosthetics;
7. costs of securing and maintaining an animal specially trained to provide service to the disabled including the cost of food and veterinarian bills. Costs over and above that covered by a reimbursement constitute an allowable deduction;
8. eyeglasses or contact lenses, prescribed by a physician skilled in eye disease or by an optometrist;
9. reasonable cost of transportation and lodging to obtain medical treatment/services;
10. monthly telephone fees for amplifiers and warning signals for handicapped persons;
11. costs of typewriter equipment and Video Relay Service monthly fees for the deaf;
12. special diets that require a prescription and must be obtained from a pharmacist (do not count other special diets); and
13. costs of maintaining an attendant, homemaker, home health aid, child care services, or housekeeper that are necessary due to age, infirmity, or illness. In addition, deduct an amount equal to the one-person

allotment if the HH furnishes the majority of the attendant's meals. The allotment for this meal-related deduction will be that in effect at the time of initial certification. Update the allotment amount at the next scheduled recertification.

Q. Consideration of Medical Expenses

1. General

The total non-reimbursable medical cost exceeds thirty five dollars (\$35) per month. The thirty five dollar (\$35) exclusion will be applied to the HH, not to individuals. The thirty five dollars (\$35) is deducted for each month a medical deduction is allowed. The balance, in excess of the monthly thirty five dollar (\$35) exclusion, is counted as a medical expense. Refer to the [SNAP Medical Deductions Helpful Reminders](#).

2. Age of the Medical Expense

The following criteria will apply when a one-time medical expense is being considered:

- a. How old the expense is or when it was incurred will not be considered;
- b. It will be established that the medical expense still exists;
- c. It will be established whether the expense it has previously been considered (if it has been considered in the SNAP budget before, it cannot be considered again); and
- d. The current balance of the expense will be established. Only the existing balance can be considered.

3. Verification

- a. All medical expenses must be verified prior to allowing them as deductions. A deduction will not be provided if the expense cannot be verified. If the HH subsequently provides the verification, benefits will be re-determined at that time.
- b. Provide increased benefits, if any, according to established procedures for processing reported changes.

4. Responsibility for Medical Expenses of a Non-Household Member

- a. At times, the SNAP HH is responsible for a non-HH member's medical expenses. This normally occurs when an individual dies or enters a nursing home.
- b. The individual must have been an eligible HH member, and eligible for a medical deduction, immediately prior to entering the hospital or nursing home, or prior to death.
- c. Only the following should be considered:
 - i. hospitalization;
 - ii. out-patient care; and
 - iii. nursing home care.

R. Medical Reimbursements

1. General

- a. Medical expenses are allowed only after reimbursements have been determined.
- b. Possible reimbursements for a medical expense exist anytime the

individual has Medicare, or health or hospitalization insurance.

2. When Reimbursements Cannot Be Established

- a. Medical expenses are not allowed if the amount of the reimbursement cannot be established.
- b. Medical expenses are allowed only when the client is able to verify the amount of reimbursement, even if it is at a later day.
- c. For a one-time expense, the currently existing balance still owed at the time the amount of reimbursement is verified is allowed. Refer to the [SNAP Deductions from Income Example Scenarios](#) for an example on a medical reimbursement and calculating a one time expense from the reimbursement.

3. Verification and Documentation

- a. The HH's statement that no reimbursement will be received, unless questionable is acceptable.
- b. The case record will be documented within forty-eight (48) hours or by the next business day if the following day falls on a weekend or holiday, stating that reimbursements were discussed with the household, whether or not the possibility of reimbursement exists, the amount and expected date of the reimbursement, and how it was verified.
- c. For an example of verification used to document questionable reimbursements refer to [SNAP Deductions from Income Example Scenarios](#).

S. Repayment Plans for Medical Plans

1. Many times a household has established a billing or repayment arrangement with a medical services provider prior to application.
 - a. The HH will have a ~~Verbal~~ verbal or written agreement with the medical services provider.
 - b. The verbal or written agreement is ~~Normally~~ normally for payment on a one-time medical expense
2. The ~~a~~ repayment plan will be verified only if questionable.
3. When documenting medical repayment plans, document the amount of the one-time expense, the name and address of the provider, and the length and terms of the repayment plan.

Below are the different types of monthly payment plans and how each type is considered for SNAP.

4. How to Consider Monthly Payments for Medical Plans

Monthly Installments

- a. Monthly installment payments on a one time medical expense in the month they are due will be considered.
- b. Monthly installment payments will be counted for the entire length of the payment plan, even when it spans several certification periods.
- c. When a HH establishes a repayment plan after certification, the monthly installment payments will be counted for the entire length of the payment plan only if the medical expense has not

previously been considered.

Refer to [SNAP Deductions from Income Example Scenarios](#) on an example on how to consider monthly payments for a medical plan.

5. Loans

- a. Monthly payments on a loan that a HH received to pay a one-time only medical expense is considered as a medical deduction. The loan, etc. will be verified to ensure that it, is in fact for a medical expense.
- b. Normally, additional charges are added on to a loan or charge account. This is usually in the form of interest or finance charges, etc. These additional charges are not included as part of the medical expense.

6. Charge Accounts

- a. Once in a while, a HH pays on a one time medical bill through a charge account, VISA, etc.
- b. Only the one-time medical expense as billed when the HH receives the first charge account statement will be considered. At that time, the HH will be given the option of treating the one-time medical expense as:
 - i. a one-time medical deduction; or
 - ii. prorating the one-time expense over the remainder of the certification period.
 - iii. The payment of a one-time medical expense through a charge account as a repayment plan will not be considered. This is due to the fact that there is no means of establishing what portion of the individual's monthly payment on the charge account is actually credited towards the medical expense, as opposed to other items that were also charged on the same account.

T. Medical One-time Expenses

1. Consideration of a One-Time Expense

a. Initial Applications

- i. Only the existing balance still owed in the month of application will be considered. Any portion paid prior to the month of application will not be considered.
- ii. For an example of consideration of a one-time medical expense for initial applications staff shall refer to [SNAP Deductions from Income Example Scenarios](#).

b. Reported After Initial Certification

- i. Only the existing balance still owed on a one-time expense at a time it is reported will be considered. Any portion of the expense paid prior to reporting it is not allowed.
- ii. For an example of consideration of a one-time medical expense reported after initial certifications staff shall refer to [SNAP Deductions from Income Example Scenarios](#).

2. One-Time Deduction vs Proration of a One-Time Expense

- a. HHs reporting a one-time only medical expense, when a repayment plan has not been established, have the option of:
 - i. considering the expense as a one-time deduction; or
 - ii. having the expense prorated over the certification period (if it is reported at the time of application), or prorated over the remainder of the certification period (if it is reported as a change during the certification period.)
- b. HHs reporting a one-time only medical expense when a repayment plan has been established, have the option of:
 - i. considering the expense as a one-time deduction; or
 - ii. having the repayment plan considered over the length of the repayment agreement.

Note: A one-time medical expense is not pro-rated when a payment plan has already been established.

- c. The following will be fully explained to the HH, to assist it with making a decision:
 - i. the difference in benefits, based on the various options available;
 - ii. that a one-time expense may be considered only once, even if it remains unpaid or there is a balance still owing at a later date; and
 - iii. that if a repayment plan already exists, it may be counted the entire length of the agreement. However, if the HH establishes a repayment plan after the one-time expense has been counted, it cannot be considered again.

3. One-Time Medical Deduction

- a. The following will occur if the HH elects a one-time deduction:
 - i. It will be established whether the individual is entitled to a reimbursement for the medical expense, and if so, how much; and
 - ii. It will then be established whether any portion of the medical expense has already been paid by the individual.
 - iii. Once the one-time medical expense has been allowed, it is not allowed again, even if there is still a balance owing on the bill.
 - iv. Refer to [SNAP Deductions from Income Example Scenarios](#) for an example of when to not allow a one-time medical deduction.

4. Proration of the One-Time Expense

- a. When the HH elects to have the one-time medical expense prorated, they must:
 - i. It will be established whether the HH has a repayment plan; and
 - ii. Whether the individual is entitled to a reimbursement and the amount of the reimbursement will be established.

- b. Prorating One-Time Medical Expense at Application
 - i. If the expense is reported and verified during the application processing period, the amount of the countable expense will be divided by the number of months in the certification period to obtain a monthly figure.
 - ii. Refer to [SNAP Deductions from Income Example Scenarios](#) for an example of how to prorate one-time medical expenses at application.
- c. Prorating One-Time Medical Expenses during the Certification Period
 - i. If the expense is reported during the certification period, the amount of the countable expense will be divided by the number of months remaining in the current certification period, based on when the expenses was verified and when the change can be effected to obtain a monthly figure.
 - ii. Refer to [SNAP Deductions from Income Example Scenarios](#) for an example of how to prorate one-time medical expenses during the certification period.

U. Treatment of Recurring Medical Expenses

1. Averaging vs. Actual Medical Bills
 - a. When an individual has recurring medical expenses, he/she has an option to:
 - i. bring in the medical bills each month for a month by month deduction; or
 - ii. have the medical expenses averaged.
 - b. To assist the client in making a choice, the client will be provided with sufficient information to make an informed decision.
2. Averaging Recurring Medical Bills
 - a. For clients that have a predictable pattern of medical expenses each month and/or has approximately the same amount of expenses each month it may be less cumbersome for the client if the expenses are averaged rather than have them be considered on a month by month basis.
 - b. In order to obtain an accurate average, the HH will have to provide adequate verification of medical expense for the past three months, as a rule.
 - c. However, some medical expenses occur less frequently than monthly, but frequently enough to be averaged [ie. a prescription that is filled every four (4) months]. In these cases, verification for a longer period of time will be appropriate (4-6 months) in order to accurately average the expense.
3. Using Actual Expenses
 - a. The HH has the option of using actual medical expenses on a month-by-month basis.
 - b. Using the actual expenses may be more beneficial when the client is billed less often than monthly for an expense.
 - c. This may happen if the HH's only allowable medical expense is a

health insurance premium paid once every three (3) months, or if the individual goes to the doctor only once every so many months. If the bills were averaged, the expense may be less than thirty five dollars (\$35.00) per month, resulting in no deduction.

4. Once an expense has been allowed, it cannot be allowed again, regardless of whether the HH actually paid it.
5. Staff shall refer to [SNAP Deductions from Income Example Scenarios](#) for an example on how use actual expenses when calculating a medical deduction.

V. Changes in Medical Deductions

1. Applications
 - a. A change may occur during the application processing period which affects an individual's eligibility for a medical deduction. These changes will be considered in determining the HH's SNAP allotment beginning with the initial month of the certification period.
 - b. If the HH anticipates a medical expense several months into the certification period and provides adequate verification at application the HH may elect to have the expense averaged over the entire certification period.
 - c. When a HH reports an anticipated medical expense at the time of application but is unable to provide the verification at that time, the expense will not be allowed until the verification is provided.
2. Active Cases
 - a. HHs are required to report and verify all medical expenses at the time of application and at reapplication. They may report changes in their medical expenses during the certification period but are not required to do so.
 - b. When a HH voluntarily reports a change, the changes will be acted upon within the normal timeframes for handling changes.
 - c. When a change in medical expenses is discovered from a source other than the HH, the change would be acted upon if the change is considered verified and no further information is needed. If the change that was reported from another source would require a contact of the HH, the change would not be acted upon during the certification period.
3. Death of the Eligible HH Member
 - a. One-Time Medical Expenses - the medical expense will continue to be counted throughout the remainder of the certification period when:
 - i. the HH member who is eligible for the medical deduction dies;
 - ii. the one-time medical expense was prorated over the certification period.
 - b. Recurring Medical Expenses - The medical deduction will be terminated within the normal criteria concerning changes which reduce benefits when:
 - i. the HH member who is eligible for the medical deduction

- dies; and
 - ii. the HH is receiving a medical deduction for recurring medical expenses (either averaged over the certification period or actual expenses).
 - c. Staff shall refer to [SNAP Deductions from Income Example Scenarios](#) for an example on how to treat the medical deduction for the death of the eligible HH member.
4. Expenses of a Non-Household Member - Sometimes the SNAP HH is responsible for a non-HH member's medical expenses.
- a. The individual must have been an eligible HH member, and eligible for a medical deduction, immediately prior to entering the hospital or nursing home, or prior to death.
 - b. Only the following expenses are allowed:
 - i. hospitalization;
 - ii. outpatient care; and
 - iii. nursing home care.

This applies, even if none of the remaining HH members are age sixty (60) or disabled.

- c. Staff shall refer to [SNAP Deductions from Income Example Scenarios](#) for an example on how allow the medical expenses of a non-HH member.
5. Changes Reported in the Last Month of the Certification Period - A HH may report and verify an allowable one-time medical expense during the last month of the certification period.
- a. Household Remains Eligible at Recertification
 - i. If the HH continues to be eligible at recertification, the currently existing non-reimbursable balance owed at the time is only allowed.
 - ii. The HH has the same options available to it, as discussed under Treatment of Medical Expenses, based on whether or not it has established a repayment plan.
 - iii. Staff shall refer to [SNAP Deductions from Income Example Scenarios](#) for an example on how treat the medical expense when the HH remains eligible at recertification.
 - b. Ineligible at Recertification
 - i. If the HH is determined ineligible at certification, no further action is required.
 - ii. If the HH reapplies at a later date, and is determined eligible, it will be verified whether the expense is reimbursable and the amount of the reimbursement.
 - iii. The currently existing balance owed on the one-time expense at the time the HH reapplies and is determined eligible will only be allowed.
 - iv. Recurring expenses that have been brought forward from previous billing periods will not be allowed.

Forms

N/A

Collateral Documents

[Standard Utility Allowance \(SUA\)](#)
[Family Assistance Standards Desk Guide](#)
[Shelter Costs Incurred for an Unoccupied Home](#)
[SNAP Deductions from Income Example Scenarios](#)
[SNAP Medical Deductions Helpful Reminders](#)
[Utility Allowance Chart](#)
[Types of Expenses Not Allowed As Deductions](#)

Additional Resources

[Renewal Verification Requirement](#)
[Required Verifications](#)

Retention of Records

[RDA Summary for Policy 24.18 Supplemental Nutrition Assistance Program \(SNAP\) Deductions from Income](#) (For internal use only)

Glossary**Term****Definition*****Disabled***

1. FS (Work Registration) An individual having mental or physical impairment which renders him or her incapable of gainful employment either permanently or temporarily will be exempt from work registration requirements for the SNAP Program
2. FS (Disability for Entitlement to Special Consideration Regarding Medical Deductions, Excess Shelter Deductions, Use of Net Income Standards, and Separate Household Status for Parent/Child and Siblings) An individual is considered disabled if he or she meets any of the following and will be eligible for special income and deduction considerations when determining SNAP eligibility and allotment amounts:
 - a. receives payments for disability or blindness under Titles I, II, X, XIV, or XVI of the Social Security Act;
 - b. receives federally, or state administered supplemental benefits under section 212(a) of Public Law 93-66;
 - c. receives disability retirement benefits from a governmental agency because of a disability considered permanent under section 221(i) of the Social Security Act;
 - d. is a veteran receiving VA benefits for a service or non-service connected disability rated or paid as total (EX.100%), or is

- considered by VA standards to be in need of regular aid and attendance, or considered permanently housebound;
- e. is a disabled surviving spouse of a veteran and is considered by VA standards to be in need of regular aid and attendance or is permanently housebound;
- f. is a disabled surviving child of a veteran and is considered by VA standards to be permanently incapable of self-support;
- g. is a surviving spouse or child of a veteran and entitled to VA compensation for a service connected death or VA pension benefits for a non-service connected death and has a disability considered permanent under the Social Security Act;

Note: "Entitled" as used in this definition refers to surviving spouses and children of veterans who are receiving the compensation or benefits stated above, or have been approved for such payments but are not receiving them.

- h. receives an annuity payment under section 2(a)(1)(iv) of Railroad Retirement Act of 1974 and is determined to be eligible to receive Medicare by the Railroad Retirement Board;
 - i. receives an annuity payment under section 2(a)(i)(v) of the Railroad Retirement Act of 1974 and is determined to be disabled based on the criteria used under Title XVI of the Social Security Act (SSI);
 - j. receives interim or presumptive payments pending receipt of SSI; or
 - k. receives medical assistance based on disability under title XIX (Medicaid).
3. FS (Disability for Determining Eligibility of Separate Household Status of Elderly Individuals Living With Others and Not Purchasing Food and Preparing Meals Separately from Others) Disability for this purpose is defined as a disability considered permanent under the Social Security Act or any other non-disease related, severe permanent disability which would prevent the individuals from purchasing and preparing their own food.

Elderly

For SNAP Program purposes, a person sixty (60) years of age or older or is fifty nine (59) years old on the date of application and will be sixty (60) before the end of the month of application.

Energy Assistance Payment

Any payment made to a household or utility company, which is earmarked specifically to pay a household's utility costs. These may be paid from federal, state, or local programs, private agencies, etc.

Medicaid

A Federal and State funded medical insurance program administered in this state by the Tennessee Department of Public Health—Medicaid Division. Benefits are available only for certain groups of people. The Federal base for the program is Title XIX of the Social Security Act as amended.

Medicare

A hospital insurance benefit and supplemental medical insurance benefit program administered by the Social Security Administration for certain individuals who receive Social Security benefits. Administered under Title XVIII of the Social Security Act as amended.

Other Qualified Health Professional

Other qualified health professionals include registered nurses, physician assistants, nurse practitioners, certified registered nurse anesthetists, and physical, speech, occupational, and massage therapists. All have demonstrated skill and expertise in their field of study to complete the

education and regulatory requirements, to obtain licensure, and to remain in good standing with the respective licensing boards.

Acronyms**Abbreviation****Expansion*****BUA***

Basic Utility Allowance

DAA

Drug Addiction and/or Alcoholism

FmHA

Farmers Home Administration

HH

Household

HUD

United States Department of Housing and Urban Development

IPV

Intentional Program Violation

LIHEAP

Low Income Home Energy Assistance Program

TDHS

Tennessee Department of Human Services

SSA

Social Security Administration

SSI

Supplemental Security Income

SSDI

Social Security Disability Insurance

SSN

Social Security Number

SUA

Standard Utility Allowance

VA

Veteran's Administration

Supersedes

SNAP Policy Manual, April 2016, Chapters 23 and 25.