

What Makes a Person EBD for FS?



- Elderly = age 60 or older
- Blind = blind
- Disabled = determined disabled by DDB (must have Disability page completed)

Medical Expenses



Allowable Medical Expenses

- Allow previously acquired charges (not yet paid) and current payments, as long as the individual is still obligated to pay the expense and the incurred expense has not been previously allowed as a FS deduction.
- Past unpaid medical bills can be used at application or recertification.
- One time medical expenses (i.e. hospital bills) can be budgeted for one month or averaged over the remaining certification period.
- Medical expense payments made during the certification period are allowable. Medical expenses paid prior to the certification period are not allowable.

Example 1:

Jack has surgery in January and receives a hospital bill for \$400 in February. Jack then applies and becomes eligible for FS in April. At the time of application, Jack has not made any payments toward the medical bill. The ESS can use the entire \$400 hospital bill when calculating Jack's medical expense deduction.

Example 2:

Jack has surgery in January and receives a hospital bill for \$400 in February. He makes his first \$50 monthly payment toward his medical bill in March. Jack then applies and becomes eligible for FS in April. The ESS cannot use the \$50 March payment when calculating the medical expense deduction. The worker can, however, use the remaining \$350 of the hospital bill ($\$400 - \$50 = \$350$) to calculate the deduction.

Allowable Medical Expenses Are:

- Medical care
- Dental care
- Hospitalization
- Outpatient treatment,
- Nursing and nursing home care.
- Prescription drugs
- Medical equipment and supplies.
- **Health insurance premiums, including Medicare premiums.**
- Service animal costs
- Glasses and contact lenses, prescribed
- Transportation to obtain medical care
- An attendant, child care, or housekeeper necessary due to age / illness.
- MA Deductible expense
- BadgerCare and Medicaid Purchase Plan (MAPP) premiums.
- SeniorCare enrollment fee.
- Lifeline / MedicAlert.

Reminders

- Only allow the premium of the elderly, disabled, or blind food unit member.
- Medical expenses billed on a charge card are allowable. The interest cannot be included as a deduction.

Medical Expenses Not Allowed

- Expenses paid by insurance, or any governmental program, including MA and Medicare.
- Costs of health and accident (life insurance) policies
- Loan repayments for anything other than the loan's principal.
- Premiums for nursing home insurance policies that would not be used cover allowed medical expenses
- Lying in costs for the birth of a child
- Special diets
- Prescribed medical marijuana

Verification Requirements

Verification at Application

The amount of medical expenses claimed by an EBD individual must be verified at application in order for the expense to be used for FS.

Verification During the Certification Period

Verify changes in medical expenses reported during the certification period if they are from a new source, if the amount of medical expenses has changed by more than \$25, or when the information is questionable.

Verification at Renewal

Previously unreported medical expenses and changes in total recurring medical expenses of more than \$25 since last verified must be verified at renewal.

- Medical expenses are budgeted prospectively, so do not require eligible EBD household members to verify recurrent medical expenses monthly. Rely on estimates of recurring medical expenses during the certification period. Include changes that can be anticipated based on available information. Consider the group member's medical condition, public or private medical insurance coverage, and the current verified medical expenses incurred by the FS group member.
- When converting medical expenses to monthly amounts, use the same calculation methods used for budgeting prospective income.

Budgeting Medical Expenses

Medical expenses for elderly, blind, or disabled members may be entered through one of the following budgeting methods:

- Budgeted as a recurring monthly expense,
- Budgeted as a one time lump sum expense for one month, ***make sure to case comment**
- Budgeted for the remainder of a FS certification period,
- Budgeted based on the terms of a payment plan, or
- Averaged over the time period a one-time medical expense was intended to cover (such as a prepaid or met medical deductible).

Under all of the budgeting options, the obligation amount (amount incurred) is counted rather than the amount paid. The member may or may not pay the bill so it is important to make sure that the expense is not counted more than once.

A monthly medical expense obligation budgeted based on the terms of a payment plan can be claimed for as long as the original payment plan is in place. Amounts still due after they were budgeted during a previous FS certification period may not be included as part of the monthly expense.

The averaging of the one time medical expense cannot extend past the certification period in which the expense was originally counted.

Except when an expense is averaged during a certification period, the expense should be budgeted starting with the month it is billed or otherwise becomes due, regardless of when the member intends to pay the expense. Allow the expense in the next possible benefit month.

For instructions on how to enter allowable medical expenses into CWW, see Process Help, Section [18.2.4 Other Medical Expenses - Medical Expenses Page](#).

Deductible Expenses

- Deductible expenses actually incurred or anticipated to be incurred on a monthly basis may be used to determine the amount of the FS medical expense deduction. The MA deductible amount itself does not necessarily determine the amount of the FS medical expense deduction, and should not automatically be averaged over the FS certification period to arrive at an excess medical expense deduction.
- However, if an individual makes a pre-payment or incurs a one time medical expense that may be used to meet the MA deductible, s/he may choose to have the expense budgeted as a lump sum one month deduction, averaged over the remainder of the FS certification period, averaged over the period it was intended to cover (the deductible period), or budgeted based on the terms of a payment plan (if a payment agreement exists).

Example 3:

Worker M is processing a FS application for Ernie. Ernie is disabled. He has provided verification of an outstanding payment agreement for dental care he received. The payment agreement is \$40 per month for 24 months. Ernie has been making his monthly payments and has 17 months remaining in his payment plan (total remaining responsibility of \$680). The remaining obligation of \$680 is an allowable deduction. The \$280 that Ernie has already paid is not.



Example 4:

Worker C is processing an application for Alena, a disabled FS member in October. Alena has an outstanding hospital bill from September with a remaining patient responsibility of \$230 and November due date. Alena may choose to have the expense budgeted as a lump sum for one month or budgeted over the FS certification period. After discussing the budgeting options for FS with Alena, Worker C determines that budgeting the expense for one month (the month of November) will result in the best outcome for Alena.



Example 5:

A FS group member has a MA deductible of \$400 for a 6 month MA certification period. Based on the verified medical expenses in the previous 6 months, the person anticipates he will incur \$100 per month in medical expenses. Enter \$100 in expenses on the Medical Expenses page and CWW will allow \$65 in excess medical expenses for each month ($\$100 - \$35 = \$65$). **When the FS/MA group member meets the MA deductible and MA opens, the worker should remove the monthly excess medical deduction.** Remember to check the medical expense screens whenever MA opens and adjust the expenses accordingly.



Example 6:

A disabled FS group member has a MA deductible of \$600. He meets the deductible with a one-time expense of \$850. He chooses to average the expense over the period it was intended to cover. The worker averages the non-reimbursable portion of the expense, \$600, over the remaining months of the MA deductible period.

Scenario One

- Drax Cook (Training 6103545862) has a hospital bill of \$5200 from 4/01/2016 that was never paid. Medicare covered \$4000 of the bill. His FS begins 09/08/16, and his review is due 08/31/2017. He is currently not paying anything on the balance. What are his budgeting options?

Scenario Two

- Drax (use same number) meets his deductible with a doctor bill of \$1800 from 07/01/16. He is just reporting the expense today (09/08/16). His deductible started 06/01/16 and ends 11/30/16. What are his FS budgeting options?

Scenario 3

- Drax (same number) had a hospital bill from 09/01/2013 in the amount of \$2000 that he paid for with a credit card. The current amount of the charge with interest is \$3659. Can Drax still use this bill as a FS expense?

Scenario 4

- Drax has a statement from Medicare showing that he may be responsible for \$459 for a medical procedure he had done on 09/03/16. Can we use this as an expense?