

J NA Medical Expenses – Effecting Changes



Effecting changes to a participant's NA Medical Expense deduction.

Policy

Changes in medical expenses are not required to be reported until the next renewal.

When an NA budgetary unit member that is elderly or has a disability does not report a change in medical expenses that occurred during an approval period, **all** of the following apply:

- The NA budgetary unit is not eligible for supplements
- The NA budgetary unit is not subject to overpayments

When changes are reported during the approval period, **all** of the following applies:

- When an NA budgetary unit is receiving the Standard Medical Deduction (SMD), a participant statement can be used as verification unless it is [questionable\(g\)](#) or [unclear\(g\)](#).
 - When an NA budgetary unit is not receiving the SMD and reports during their approval period that they now have out-of-pocket medical expenses, the new medical expense must be verified. (See [Example 1](#))
 - When the NA budgetary unit is receiving the actual medical expense deduction, the new medical expenses must be verified when the change is over \$25. (See [Example 2](#))
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Procedures

When an NA budgetary unit reports medical expenses for the first time, or during the NA approval period, workers are to use the Standard Medical Deduction (SMD) Worksheet (FAA-1813A). The FAA-1813A provides an explanation of the difference between the SMD and actual medical expenses. This also provides an opportunity for staff to educate NA budgetary units about SMD.

Request verification of the medical expenses for **any** of the following:

- When the expense has not been previous verified
- Is questionable
- The amount of the medical expenses exceeds the SMD amount
- When a change is reported for a budgetary unit that has actual medical expenses and the new expenses exceeds \$25

Key the medical expense type on EXNS.

Verification

The participant has the primary responsibility for providing verification. (See [Participant Responsibilities – Providing Verification](#) for additional policy.)

Documented verification is required when the budgetary unit is adding the NA Medical Expense deduction for the first time. When the budgetary unit had a previous NA Medical Expense deduction, a participant's statement is acceptable verification unless questionable. A participant's statement cannot be used when the budgetary unit is receiving the actual medical expense deduction and the new expense exceeds \$25.

Acceptable documents that can be used to verify NA medical expenses include, and are not limited to, **any** of the following:

- Medical bills
- Insurance receipts (latest payment or billing)
- Current statement from a [medical provider\(g\)](#) responsible for providing care
- Collateral contact with the medical provider or insurance company

Acceptable verification of a [Medicare\(g\)](#) expense includes, and is not limited to, **any** of the following:

- Award or benefit letter from the Social Security Administration (SSA)
- State Verification Exchange System (SVES)
- Collateral contact with SSA

AZTECS Keying Procedures

Key all allowable expenses on EXNS using the appropriate Expense Code. (See [Medical Expense Types](#) for the Expense Code.)

Examples

- 1) Michael has a disability and at his interview he did not have any out-of-pocket medical expenses. After his initial approval he reports a change that he now has a \$55 monthly out-of-pocket medical expense that is not covered by any insurance. Michael provides the agency with the verification.

The agency allows the Standard Medical Deduction of \$160 minus the \$35 disregard and AZTECS deducts the \$125 from the budgetary unit's income. This causes the NA benefits amount to increase.

Michael receives a notice in the mail advising him of the NA increase.

- 2) Michael and Wendy are married to each other, and both are over 60 years of age. They are currently receiving the actual cost of their medical expenses because it exceeds the SMD amount.

During their NA approval period Michael reports an increase in their actual monthly medical expenses. The change is more than \$25.

The agency requests verification of the change and Michael provides the verification. The agency then enters the additional medical expense to the EXNS

screen and redetermines the NA benefits. The agency then sends an increase notice to the budgetary unit.

Legal Authorities

7 CFR 273.9 (d)(3)

Approved Food and Nutrition Service (FNS) Demonstration Project until 2025

[Prior Policy](#)

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