

.02 MD Allowable Expenses

The MD family budgetary unit may use MD Allowable Expenses (paid or unpaid) to reduce the MD family budgetary unit's income when determining eligibility. (Also see [MD Nonallowable Expenses](#))

Expenses may be incurred by participants who were in the budgetary unit during part of the MD expense period. When this occurs, the incurred medical expenses may be used to determine eligibility for the remaining participants when BOTH of the following apply:

- The participant who died or left the MD budgetary unit was an MD participant during the month the medical expenses were incurred.
- A participant who remains in the MD family budgetary unit is financially responsible for the incurred medical expenses.

EXCEPTION

When a child with incurred medical expenses moves from one of their parent's home into the other parent's home, the incurred medical expenses of the child go with the child. The MD family budgetary unit in which the child is currently residing can use the child's expenses for eligibility purposes.

(See Examples [MD Expense 1](#), [MD Expense 2](#), [MD Expense 3](#) and [MD Expense 4](#))

Allowable medical expenses must be the financial responsibility of the MD family budgetary unit. It IS required that the medical expense be incurred in the United States. (Also see [MD Nonallowable Expenses](#))

Allowable medical expenses include, but are not limited to, the following:

- [Activity for Daily Living Services](#) (ADLS)
- Artificial limbs or braces
- Assistive devices and durable medical equipment, and associated maintenance and repair costs
- Audiology services
- Blood and blood derivatives

- Chiropractic services
- Dental services
- Eyeglasses, artificial eyes, and eye appliances
- Family planning services
- Health insurance premiums, co-pays, and deductibles
- Hearing aids
- Hemodialysis services
- Homeopathic, naturopathic services
- Hospital inpatient services for acute care
- Inpatient mental disability services
- Inpatient psychiatric services
- Laboratory, X-ray services
- [Licensed Behavioral Health Services](#)
- Licensed [Long Term Care](#) facility services
- Medical supplies
- Medicare premiums, copays, and deductibles

EXCEPTION

Medicare Part B premiums paid by the State of Arizona are considered a vendor payment, and are not allowable. (See [BDXI](#))

- [MD Medical transportation](#) costs incurred in the U.S.
- Nutritional supplements prescribed by a physician
- Occupational therapy services
- Optometry services
- Physical therapy services
- Physician services - office, home, clinic, inpatient
- Podiatry services

- Prescription drugs

NOTE When the participant is enrolled with a Medicare Approved [Discount Drug Card](#) program, they are entitled to claim the non-discounted price for their prescription. To obtain the cash price, see [Cash Price](#).

- Psychiatric services - psychiatrist, psychologist
- Radiation therapy services
- Services provided in developmental disability facilities recognized by DES
- Speech therapy services
- The cost of purchasing and maintaining animals trained to assist disabled participants
- Allowable expenses paid by someone not in the MD family budgetary unit, which must be repaid

NOTE When a medical expense is not listed in this section or in [MD Nonallowable Expenses](#), or is questionable, contact the FAA Policy Support Team (PST) via e-mail for clarification. (See [PST](#) for the e-mail address)

(See [MD Expense Verification](#))

WARNING

When a participant is enrolled in Indian Health Services (IHS), see [MD-IHS](#).