



Iowa Department of Human Services

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GENERAL LETTER NO. 7-E-105

ISSUED BY: Bureau of Financial, Health and Work Supports
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title 7, Chapter E, *INCOME*, pages 42, 43, and 54,
revised.

Summary

Chapter 7-E is revised to:

- ◆ Clarify that prescribed vitamins are an allowable medical expense.
- ◆ Increase the little standard utility allowance from \$175 to \$224.
- ◆ Decrease the telephone standard utility allowance from \$36 to \$25.

Effective Date

November 1, 2011

Material Superseded

This material replaces the following pages from Employees' Manual, Title 7, Chapter E:

<u>Page</u>	<u>Date</u>
42, 43	September 21, 2007
54	September 11, 2009

Additional Information

Refer questions about this general letter to your area income maintenance administrator.

Allowable Medical Expenses

Legal reference: 7 CFR 273.9(d)

Allow the following medical expenses:

- ◆ Medicare premiums, Medicaid premiums, and any cost-sharing or spenddown expenses incurred by Medicaid members.
- ◆ Medical and dental care, including psychotherapy, rehabilitation services, and acupuncture provided by a licensed practitioner authorized by state law or another qualified health professional.
- ◆ Hospitalization or outpatient treatment, nursing care, and nursing home care provided by a facility recognized by the state.
- ◆ Prescription drugs when prescribed by a licensed practitioner authorized under state law. Use an average of anticipated cost, a per-dose method, or other reliable method to determine the cost of prescription drugs. Be sure to document the method you used in the case file.
- ◆ Mailing costs associated with the filling of prescriptions.
- ◆ Over-the-counter medication (including insulin and vitamins) when approved by a licensed practitioner or another qualified health professional.
- ◆ Medical supplies and prescribed equipment (including rental equipment).
- ◆ Dentures, hearing aids, and prosthetics.
- ◆ Eyeglasses prescribed by a physician skilled in eye disease or by an optometrist.
- ◆ Reasonable cost of transportation and lodging to get to and from medical treatment or services. This includes transportation to the dentist and to fill prescriptions, including eyeglass prescriptions.

If the person uses a car owned by a household member or a relative, allow the state employee reimbursement rate. Use the rate per mile that is in effect at the time of certification. If the amount changes during the certification period, change it at the next certification.
- ◆ Securing and maintaining service animals like a seeing-eye or hearing dog, including the cost of dog food and veterinarian bills.
- ◆ The cost of a medic alert or lifeline system.

- ◆ The cost of an attendant, homemaker, home health aide, or housekeeper, or of child care services that are necessary due to age, infirmity, or illness.

If the household furnishes the majority of the attendant's meals, also deduct an amount equal to the maximum Food Assistance allotment for one person. Allow the allotment that is in effect at the time of certification. If the maximum allotment changes during the certification period, do not update the deduction until the next certification.

Allow the client participation cost when a household has in-home health-care expenses. When a household has dependent care costs that could be either a medical deduction or a dependent care deduction, use it as a medical deduction.

- ◆ The cost of amplifiers and warning signals for handicapped people. Cost of typewriter equipment connected to the telephone for deaf people (like TDD). The cost of building a ramp for a wheelchair is also an allowable expense.
- ◆ Health and hospitalization insurance policy premiums. Do not deduct costs of:
 - Health and accident policies, such as those that pay lump-sum settlements for death or dismemberment; or
 - Income maintenance policies, like those that continue mortgage or loan payments while the beneficiary is disabled.

Some insurance policies pay a specific amount for each day in the hospital or make cash payments for each day that nursing home care or cancer treatment is needed. Allow premiums only if the insurance policy itself says that the policy's benefits are intended to cover medical expenses rather than normal living expenses. Medical expenses may include:

- Ambulance service,
- Medically necessary nursing home care, or
- Treatments for cancer or other illnesses.

Allow that part of the medical insurance premium assigned to all eligible elderly or disabled household members. If you cannot determine how much of the premium is for these members, prorate the total premium amount among all people covered. Exclude the amount for the members who are not elderly or disabled.

Note: Do **not** allow the cost of special diets like Ensure, juices, or nutritional supplements as a medical expense.

Little Standard Utility Allowance

Legal reference: 7 CFR 273.9(d)(6), 441 IAC 65.8(5)

The amount of the little standard utility allowance is \$224 per month per household.

A household can get the little standard utility allowance when it is responsible for paying any portion of the following utility costs either directly to the utility provider, to a landlord, or to someone with whom the household shares these expenses:

- ◆ Water
- ◆ Sewer
- ◆ Electricity for other than heating or air-conditioning
- ◆ Cooking fuel
- ◆ Garbage disposal

This includes excess or flat fees for these costs. Use this allowance for the entire year if the household is entitled to it.

Telephone Standard Utility Allowance

Legal reference: 7 CFR 273.9(d), 441 IAC 65.8(3)

Allow a telephone standard of \$25 if the household is responsible for any portion of the basic service fee for a telephone (including cellular phone) and it is the household's only utility expense. The phone expense is already included in the other standard utility allowances.

For cellular phones, the cost is deductible whether the household pays a monthly fee or buys a prepaid card with a certain dollar value or number of minutes.