

INFORMATION SHEET ON MEDICAL EXPENSES

ALLOWANCE FOR MEDICAL EXPENSES:

This allowance is permitted ONLY for TENANT or CO-TENANT who is age 62 OR OLDER, HANDICAPPED OR DISABLED.

1. The allowance for medical expenses is the amount by which total medical expenses EXCEEDS 3%(percent) of annual income.

“TOTAL MEDICAL EXPENSE” included ALL medical expenses that:

1. Are anticipated to be paid by the household in the 12 months following the effective date of the certification/recertification. You can use the PAST 12 months as a guideline for re-occurring medical expenses; and,
2. Are NOT paid by an outside source, e.g., insurance, Medicare, or grants by a State agency or charitable organization.

NOTE: You may include expenses for the care of a permanently institutionalized family member (who is NOT the Head of Household) in those cases in which their income is a part of the household and comes to the Head of Household. Please discuss with the manager.

Medical Expenses Include:

1. Services of physicians;
2. Services of health care facilities;
3. Medical insurance premiums;
4. Prescription/non-prescription medicines (MUST be prescribed by a doctor);
5. Transportation to/from treatment. (At the rate of 12 cents per mile);
6. Medical care of permanently institutionalized family member IF his/her income is included in family income;
7. Dental expenses (checkups): Dentures are NOT covered unless brought to the attention of the manager BEFORE the bill is paid;
8. Eyeglasses are NOT covered unless you receive a new pair EVERY YEAR;
9. Hearing aids as long as it's brought to the attention of the manager BEFORE the is PAID and Hearing aid batteries;
10. Attendant care or periodic medical care; and,
11. Payments on accumulated medical bills;
12. Chore worker/housekeeping services (MUST BE PRESCRIBED BY A DOCTOR). If the special apparatus or attendant care for a handicapped member enables the handicapped or any other family member to work, they may be counted as a medical expense.

ALLOWANCE FOR MEDICAL EXPENSES FOR HANDICAP PERSONS

This allowance applies **ONLY IF** a family member is handicapped or disabled. This allowance is the **LESSER** of:

1. The amount by which total expenses for handicap/medical expenses exceed 3% (percent) of annual income; or

2. The employment income adult members will earn because the medical expense is available.

Medical expenses for handicap Persons include attendant care and auxiliary apparatus expenses that:

1. Are necessary to enable a family member (including the handicapped or disabled member to be employed.

2. Are anticipated to be paid by the household in the 12 months following the effective date of the certification/recertification;

3. Are **NOT** paid or reimbursed by an outside source such as insurance, Medicare, or grants by a State agency or charitable organization; and,

4. Are **NOT** paid to a family member living in the household.

Auxiliary apparatus includes, but is **NOT** limited to, wheelchairs, reading devices for the visually handicapped and equipment added to cars and vans to permit their use by the handicapped or disabled family member.

If the individual or organization providing attendant care for the handicapped member also provides other services to the family, the owner must prorate the total cost and allow a specific amount for attendant care. The allocation must be reasonable in terms of hours and type of care. (I.e. specialized medical versus companionship) provided.

VERIFYING EXPENSES:

ALL expenses must be verified from third party sources. If they are not verified, they will not be considered as an expense on the certification/recertification. Suggested verification of handicap/medical expenses is as follows.

Verification for:

ASSISTANCE TO HANDICAPPED:

In **ALL** cases, applicant needs a **WRITTEN** certification from a doctor that the handicapped person requires the services of an attendant, or the use of auxiliary apparatus, to permit the handicapped person to be employed or to function in a sufficiently independent manner to enable another family member to be employed. **IN** addition, family's written certification as to what whether they receive reimbursement for any of the expenses listed below and the amount of, if any, reimbursement received.

1. Attendant Care: Attendant's written certification as to the amount received from the applicant/tenant; frequency of receipt; hours of care provided; and copies of canceled checks used to make those payments.

2. Auxiliary Apparatus: Receipts for purchases of, or evidence of monthly payments for, auxiliary apparatus. In the case where the handicapped person is employed, a statement is necessary from the employer that the auxiliary apparatus is necessary for employment.

MEDICAL INSURANCE:

Medicare - written confirmation from the Social Security Administration;

Other Medical Insurance - written confirmation by insurance company or applicant's employer of health insurance premiums paid by the applicant, or payment stubs indicating the cost and the period of time covered (two month premium, etc.). A copy of the insurance policy may be required to verify that it is a health insurance policy rather than life insurance or other unacceptable insurance.

Not Acceptable - life insurance or other income continuation type policy.

MEDICAL EXPENSES:

Anticipated medical expenses for the next 12 months based on past medical bills from doctors. For instance, someone with ongoing medical problems such as diabetes, heart disease, high blood pressure, etc., would normally have a pattern established of paying those continuing illness costs. In addition, these bills are required to be submitted to Medicare (and other medical insurance companies) to determine the amount payable from those sources and ultimate out-of-pocket expenses to the tenant. The printout from Medicare and other insurance companies must be provided to verify actual out-of-pocket costs to the tenant.

PRESCRIPTIONS:

Anticipated prescription costs for the next 12 months based on past prescription usage. Certification of these costs can easily be obtained from the pharmacist (many can provide computerized listing of the last 12 month usage). Listing will show pattern of actual usage. Anticipated costs should be updated based on current verified cost of each prescription. Another verification would be the actual prescription receipts stating the name, number of pills in the prescription, number of pills to be taken, and the cost. Cancelled checks would not be acceptable. These bills would have to be submitted to Medicare (and other medical insurance companies) to determine the amount payable from those sources and ultimate out-of-pocket expenses to the tenant. The printout from Medicare and other insurance companies must be provided to verify actual out-of-pocket expenses/cost to the tenant.

MEDICAL BILLS:

If it appears that the above anticipated costs or any accumulated medical bills may exceed tenant's ability to pay within the following 12 month period, management must verify the amount tenant is currently paying on those bills and project that amount as their annual anticipated expense.

Example: Tenant was hospitalized for surgery; a bill was received for \$5,000 and submitted to Medicare and their other medical insurance company. Medicare paid \$3,200, the other medical insurance company paid \$800, and leaving \$1,000 to be paid by the tenant. The tenant is capable of making payments of \$50 per month and has an agreement with the hospital for that amount. The medical expense anticipated for the next 12 months on this bill is $\$50/\text{month} \times 12 \text{ months} = \600 ; NOT the \$1,000 that is owed. The remainder would be considered the following year at the next recertification.

FUTURE EXPENSES:

Any anticipated surgery, dental work, eyeglasses, hearing aids, etc., will not be considered a medical expense until the expense has been incurred, the bills submitted to the appropriate medical insurance companies, and a determination made by them of the tenant's actual cost. If, after this has been done, tenant feels the amount is substantial enough to affect their rent, management should be requested to complete an Interim Recertification. Keep in mind that if a bill is received, tenant pays it in full and then receives complete reimbursement from their insurance company(s), there is no ultimate out-of-pocket expense to the tenant and no medical expense would be permitted.