

Medical Expense Deductions and How They Impact FoodShare Benefits

- Are you getting FoodShare benefits?
- Are you 60 or older, blind, or have a disability?
- Do you have medical expenses that you pay for out-of-pocket?

If you or someone in your household would say “Yes” to all three questions, you may be able to get more FoodShare benefits!



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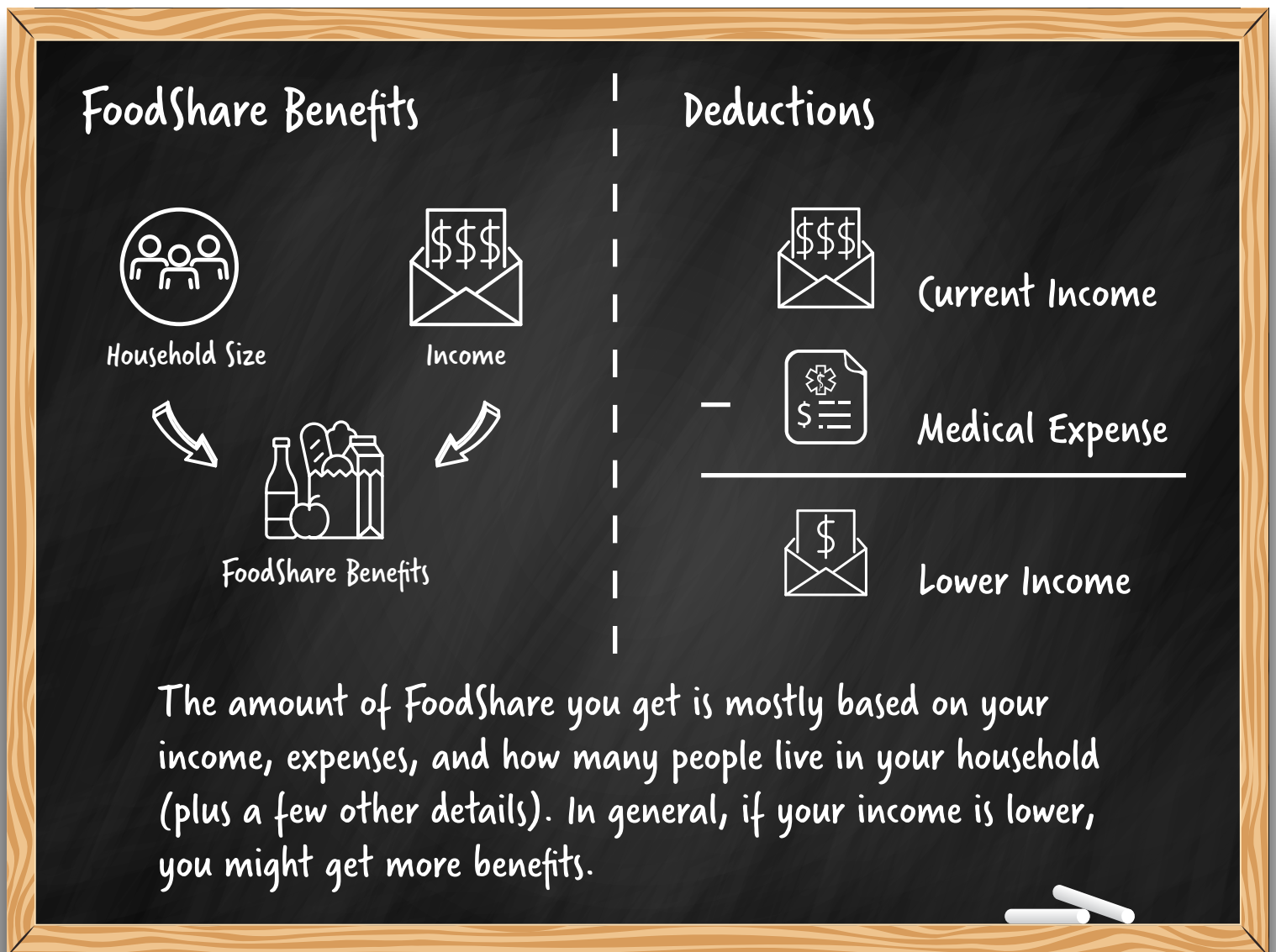
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Key Term: Subtracting or taking away expenses from your income is called a **deduction**.

If you are elderly, blind, or have a disability and pay out-of-pocket medical costs of more than \$35 per month, you may be able to subtract some of the costs from the income used to figure out your FoodShare benefit amount. A lower income level might give you more FoodShare benefits. If you qualify to subtract these costs from your income, you are getting a medical expense **deduction**.

➔ Visit dhs.wi.gov/foodshare/fpl.htm to see income limits.

Understanding FoodShare Benefits and Deductions



Key Term: Agencies that provide eligibility services for some assistance programs, like FoodShare, are called the **local agency**.

Key Term: Documents you might need to show or send in copies of to prove you meet the rules of a program you applied for are called **proof**. **Examples:** Pay stubs to prove how much you earn from a job or a valid driver's license to prove your identity.

1. Check the list of medical expenses to see what you can count.

⇒ See pages 6-7.

2. Keep track of any amount you spend out-of-pocket for your medical needs.

You can use our tracking sheet or any other method that works for you.

⇒ See page 13.

3. Work with the local agency to give them a list of your expenses.

Find the local agency at dhs.wi.gov/forwardhealth/imagency/index.htm.

4. Include proof of your expenses or medical costs.

There may be more than one type of document that can be used to show proof of medical expenses or costs.

⇒ See page 8 for more information about proof.

Types of Deductions

- 1. One-time expenses.** Medical costs that are not repeated on a regular basis. Examples of one-time expenses include hospital bills for surgery or a bill for dentures.
- 2. Repeating expenses.** Medical costs that are billed regularly. An example of a repeating expense is a monthly prescription.
- 3. Payment plan.** You and your health care provider agree that you will pay a set amount at regular times, until the amount you owe is paid off.

Deductions may also depend on *how* a cost is billed or *how* you pay for it. Actual medical expense totals can be deducted. Only the out-of-pocket amount you are responsible for paying can be deducted as a medical expense.

- Some expenses paid by credit card, like an urgent care visit copay, are allowed, but any interest you pay doesn't count.
- If you take out a loan to pay a one-time medical expense, payments toward the amount of the medical expense might count, but not payments you make to pay for the loan interest.

Types of Medical Expenses

Examples of medical expenses you can deduct. The images and tables below and on the next page give more details about some of the medical expenses that may count as a deduction. If you have a different medical expense not listed here, contact the local agency to see if it can be counted towards a deduction.



Prescription drugs



Over-the-counter medications



Insurance premiums



Eyeglasses and contact lenses

Medical Costs You Can Deduct	Example
BadgerCare Plus and Medicaid Purchase Plan (MAPP) premiums: Premiums for health care services that some BadgerCare Plus or Medicaid Purchase Plan members must pay.	Jane is enrolled in the Medicaid Purchase Plan (MAPP) and must pay \$200 per month to keep her coverage.
Caretaker costs: Certain costs for needing an attendant, home health aide, housekeeper, or a childcare provider due to medical reasons. If a FoodShare member is covering the cost of most of the meals for the individual providing this service, this cost can be deducted, as well.	Jane pays \$50 a week to have a caregiver help her get ready in the morning because she is physically unable.
Dentures, hearing aids, and prosthetics: The cost of dentures, hearing aids, or prosthetics (artificial body parts made to replace a missing part of the body or improve the use of a part of the body).	Jane has a bill of \$500 for hearing aids that were prescribed by her doctor.
Exercise equipment: Exercise equipment prescribed by a doctor or health professional.	Treadmill, free weights, stretch bands.
Hospital stays, outpatient treatment, nursing care, and nursing home care: Payments made for a household member to get care from a state-recognized hospital or nursing home.	Todd and Jane are both 64, married, live together, and get FoodShare benefits. Jane is hospitalized for two weeks. The out-of-pocket cost of Jane's hospital stay is an allowable medical expense.
Incontinence supplies: Products made to help with urinary or bowel output and are used to protect clothing, bedding, and furniture.	Adult diapers, liners, adult wipes, bed pans.

Medical Costs You Can Deduct	Example
<p>Insurance premiums, such as for health care, hospital stays, or Medicare: An amount a person pays, usually monthly, to be covered by an insurance policy.</p>	<p>\$120 of Jane’s social security check goes toward her Medicare Part C premium.</p>
<p>Lifeline or MedicAlert device: Any device used to alert medical providers of a health emergency. It must be prescribed or recommended by a doctor or health professional.</p>	<p>Cost of device, costs for the device’s services.</p>
<p>Medical, dental, and vision care: Medical or dental bills from clinics or other health care providers.</p>	<p>Surgery bills, dental cleaning bill, urgent care bill, eyeglasses, contact lenses.</p>
<p>Mobile phone app or subscription: The purchase cost or fees for mobile device apps needed for medical use.</p>	<p>Cost for insulin app, cost for app that reminds you to take medications.</p>
<p>Out-of-pocket Medicaid costs: Out-of-pocket costs for health care services that some Medicaid members must pay.</p>	<p>Medicaid cost-sharing, copayments.</p>
<p>Over-the-counter medication: Medication prescribed or recommended by a doctor or health professional and paid for over-the-counter at a pharmacy or other retail location.</p>	<p>Aspirin, ibuprofen, acetaminophen, non-prescription insulin, stool softeners.</p>
<p>Patient room equipment and medical supplies: A home patient room, like a spare room changed to a patient room for rehabilitation or hospice purposes, and equipment rentals.</p>	<p>Hospital bed, oxygen equipment, pressure mattress, lift, wheelchair, walker.</p>
<p>Prescription drugs: Medication prescribed by a medical professional.</p>	<p>Costs for prescription drugs from a pharmacy, cost of postage for mail-order prescription drugs.</p>
<p>Prescription drug discount program: A cost, usually annual, to join a program that saves you money on prescriptions.</p>	<p>SeniorCare annual enrollment fee.</p>
<p>Service animal: The costs to take care of a service animal when it is trained to perform some health-related things you cannot do on your own.</p>	<p>Cost of buying an animal, training, food, and veterinary care.</p>
<p>Transportation and lodging: Reasonable costs of travel to get needed health care.</p>	<p>Cost of a taxi or bus, mileage for the use of a private vehicle, or hotel room needed for travelling to a specialist or referral appointment that is far away.</p>

Proof of Expenses

To get medical expense deductions, you may need to send proof of the medical expenses. If proof is needed, the local agency will let you know. Examples of documents you may use as proof include:

- Medical expense bills
- Receipts
- Statement from a doctor or pharmacy

When sending proof, the documents may need to show:

- Name of the person who got the medical service
- Date of care
- Doctor or health care provider name
- How much was charged for the expense
- How much was paid by insurance or someone else
- How much is owed after insurance or someone else paid



Deductions cannot be applied for more than the full amount of the medical expense. If a deduction in the full amount of a one-time expense has already been applied, it cannot be used again later, even if you still owe the bill (or part of the bill) at the time of your next renewal.

⇒ A reminder about repeating expenses: if you keep having an expense, such as insulin, you can keep getting the deduction.

An **Explanation of Benefits (EOB)** is a document that lets you know your health care provider filed a claim for you, what the insurance claim was for, whether it was approved, and for how much. An EOB is not a bill nor a guarantee of what you will be responsible for paying.

⇒ An Explanation of Benefits (EOB) does not count as proof of medical expenses because an EOB is not considered a bill.



Remember, not every medical expense will result in more FoodShare benefits. The local agency will make sure the qualifying member is getting the most FoodShare benefits possible.

If I sent a medical bill to my local agency in the past and it was already applied to my case, can I still use it if I still owe it?

No. Once the total amount of a one-time medical bill has been applied, it cannot be used again, even if there is still a balance owed.

When can I send my medical expenses?

Medical expenses can be submitted at any time, as well as when a person is applying for or renewing FoodShare.

Can my minor child's medical bill be used as a deduction?

If your child is blind or has a disability, their medical expenses could be counted toward a medical expense deduction. Medical bills are not allowed as deductions for a child who is not blind or does not have a disability, even if you or someone else in your household is legally responsible for the bill and is age 60 or older, is blind, or has a disability.

Can nutrition supplements or foods for special diets count as an allowable medical expense?

No, even if they are prescribed or recommended by a medical professional for a medical condition.

Where can I find a full list of allowed medical expenses?

If a medical expense is not listed on pages 6-7, contact the local agency to see if it is an allowable expense.

If I don't know if my medical expense is allowed, should I report it anyway?

Yes, the local agency can let you know if the medical expense is allowed or not.

What is the smallest amount I need to have in medical expenses?

A member must have out-of-pocket medical expenses of at least \$35 to get a deduction. Medical expense deductions may or may not give the member more FoodShare benefits. The local agency will apply any medical expenses in a way that gives the most FoodShare benefits.

If I have a monthly insurance premium or cost-share for my Medicaid or BadgerCare Plus, do I still need to report the expense and send proof?

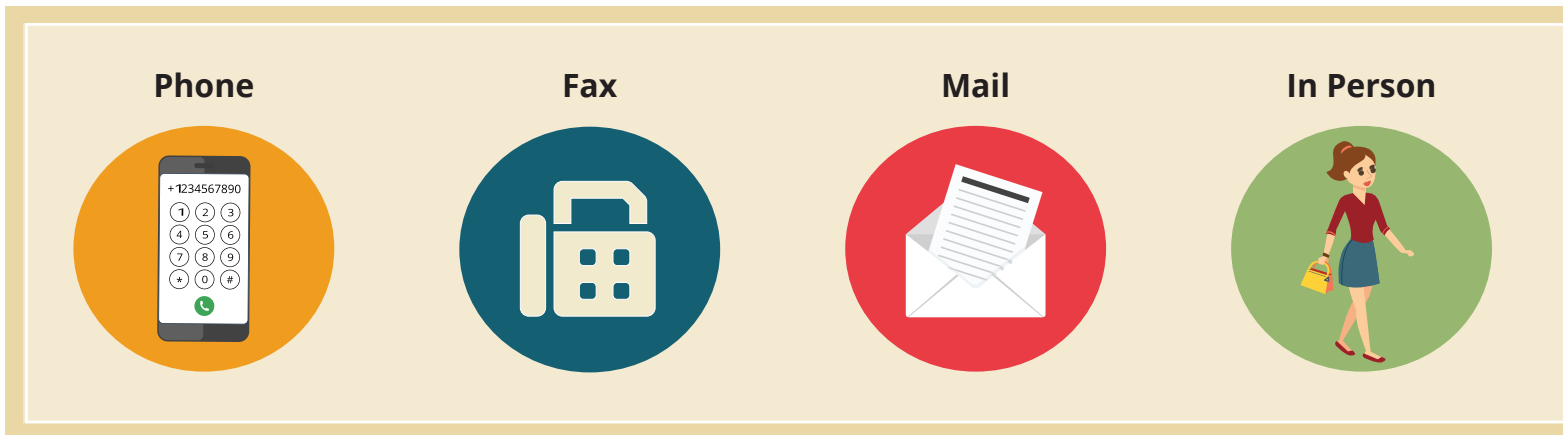
Yes. Report all medical expenses to the local agency. The local agency may be able to get proof of your medical expenses without you needing to send anything. If you do need to submit proof, you will get a letter in the mail.

How will I know if I need to send in proof?

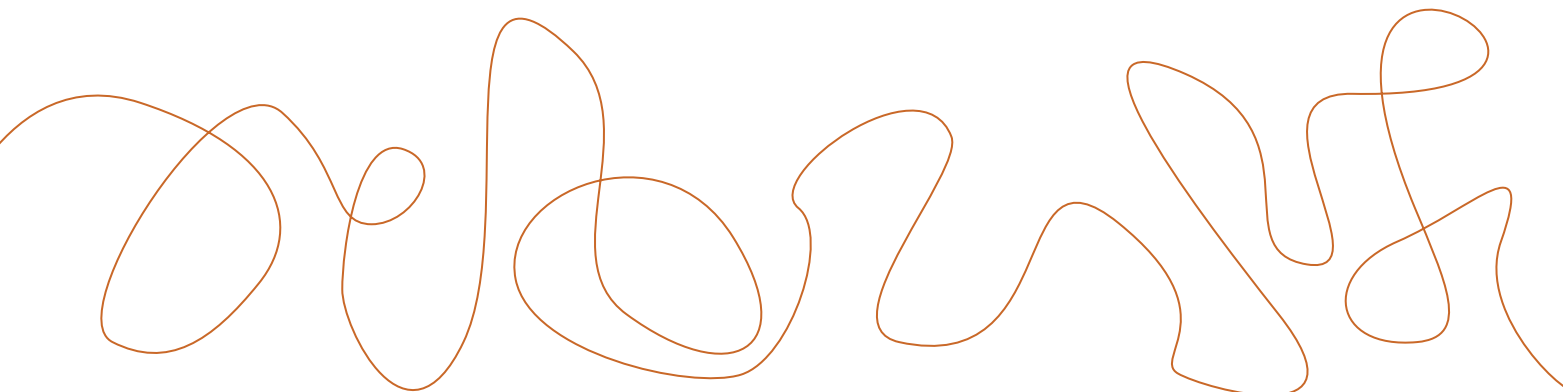
Agencies will need proof of most reported medical expenses. If a household has not already given the needed proof to their local agency, the agency will let them know what proof is needed by sending them a letter in the mail. There may be more than one kind of document that can show proof of medical expenses.

Get Help

If you have questions about allowable medical expenses and deductions, you can contact the FoodShare member's local agency by phone, mail, or by visiting in person. Local agencies can be found by visiting dhs.wi.gov/forwardhealth/imagency/index.htm.



If someone has not applied for FoodShare benefits, they can include medical expense information with their application. Someone can apply for FoodShare online through the ACCESS website by visiting access.wi.gov, in person at their local agency, by calling, or by faxing or mailing a finished paper application to their local agency.



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1. Mail:

Food and Nutrition Service, USDA
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Alexandria, VA 22314; or

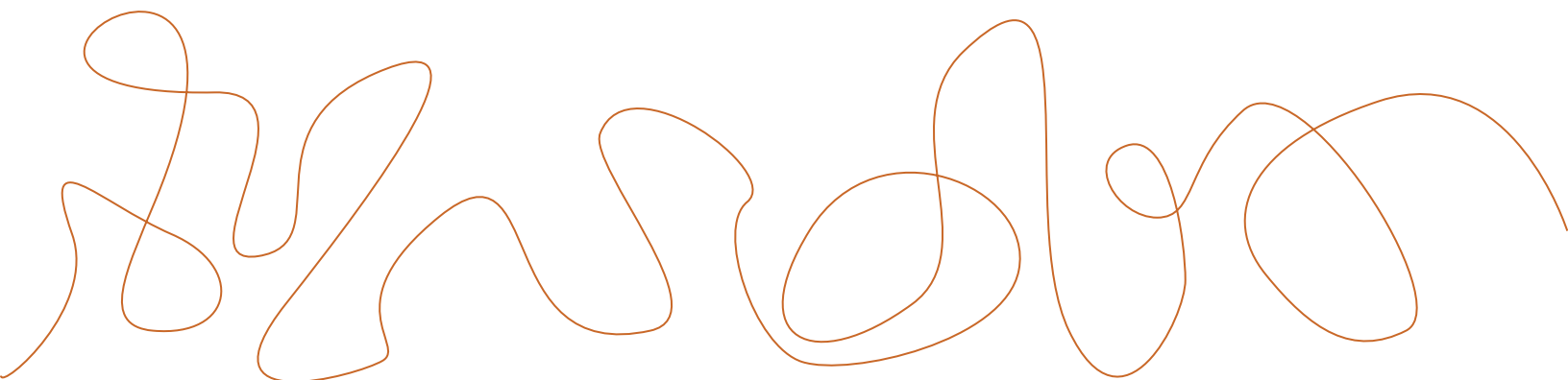
2. Fax:

(833) 256-1665 or (202) 690-7442; or

3. Email:

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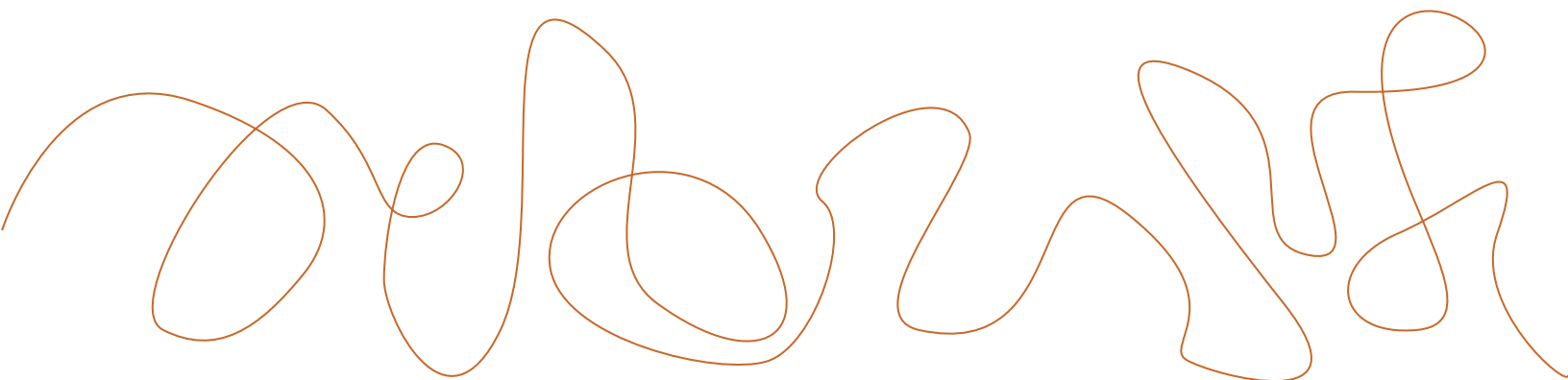
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FoodShare Medical Expense Tracking Worksheet Instructions

FoodShare members who are age 60 or older, are blind, or have a disability can subtract certain medical expenses from the income used to decide their FoodShare benefits. You do not have to use this tracking worksheet, but it can be helpful. You can send it to the local agency as a summary of the medical expenses you'd like to report.



Filling out this tracking worksheet does not count as proof of your medical expenses. It is only meant to help you and the local agency keep track of all the medical expenses you would like to report.

When you share information with the local agency about medical expenses, please be ready to answer the following types of questions for each expense:

- Is this a medical expense for someone in my home that is age 60 or older, is blind, or has a disability?
- Has this expense already been paid?
 - If yes, what date was it paid? What payment method was used (cash, check, credit card)?
 - Has all or only part of this medical expense been paid?
- Is this a **repeating expense** or a **one-time expense**?
- Was this expense an over-the-counter item that a health care professional recommended?
- Is there a **payment plan** set up to pay for this expense?

Instructions: Fill out the table on the back of this page to keep track of medical expenses you plan to share with the local agency. You don't have to fill in every box; just add as much information as you can. The first row is filled in as an example. You can add more notes below the table if needed.

Name	Describe the medical expense	Amount and how often	Proof sent?
<p>Write the first and last name of the person in the household who is age 60 or older, blind, or has a disability and has incurred this expense.</p>	<p>Write the name or description of the medical expense. For example, "hearing aids" or "taxi to doctor's appointment."</p>	<p>Write the cost of the expense. Note whether costs were covered by insurance or anyone else.</p> <p>How often do you pay this expense? If it is a one-time expense, write "one-time." If it is repeating, write how often. For example, "monthly" or "yearly."</p>	<p>Use this column as a checklist to keep track of any proof you have sent in.</p>
Jane Doe	Vitamin D supplement	\$15 per month	Sent after visit follow-up showing my doctor's recommendation and a purchase receipt.



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