

August 28, 2019

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 19-89

This All County Letter provides County Welfare Departments (CWDs) with policy guidance and clarification regarding the verification and deduction of medical expenses, specifically transportation, for determining CalFresh eligibility. In addition, this letter informs CWDs of the statewide standard mileage rate to be used when verifying transportation expenses.



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

August 28, 2019

ALL COUNTY LETTER NO. 19-89

TO: ALL COUNTY WELFARE DIRECTORS
ALL CALFRESH PROGRAM SPECIALISTS
ALL CONSORTIA REPRESENTATIVES
ALL QUALITY CONTROL COORDINATORS

SUBJECT: CALFRESH MEDICAL DEDUCTION FOR MEDICAL TRAVEL

REFERENCE: [MANUAL OF POLICIES AND PROCEDURES \(MPP\) SECTION 63-102\(E\), MPP SECTION 63-300.5\(G\), MPP SECTION 63-502.33; TITLE 7 CODE OF FEDERAL REGULATIONS \(CFR\) § 271.2, CFR § 273.9\(D\)\(3\); ALL COUNTY LETTER \(ACL\) NO. 17-35, ACL NO. 18-141; FOOD AND NUTRITION SERVICE \(FNS\) A GUIDE TO THE TREATMENT OF MEDICAL EXPENSES FOR ELDERLY OR DISABLED HOUSEHOLD MEMBERS; ALL COUNTY INFORMATION NOTICE I-45-11; INTERNAL REVENUE SERVICE \(IRS\) NOTICE NO. 2019-92.](#)

This All County Letter (ACL) provides County Welfare Departments (CWDs) with policy guidance and clarification regarding the verification and deduction of medical expenses, specifically transportation, for determining CalFresh eligibility. In addition, this letter informs CWDs of the statewide standard mileage rate to be used when verifying transportation expenses.

Excess Medical and Standard Medical Deduction

Per [7 CFR section 273.9\(d\)\(3\)](#), the excess medical deduction is the portion of medical expenses in excess of \$35 per month, excluding special dietary needs, incurred by a CalFresh household member who is elderly and/or disabled. The household may claim the excess medical deduction when they incur and verify actual costs for non-reimbursed qualifying medical expenses above \$35 per month.

As stated in [ACL No. 17-35](#) issued April 25, 2017, the Standard Medical Deduction (SMD) Demonstration Project was approved by the Food and Nutrition Service (FNS) beginning October 1, 2017 through September 30, 2021. The SMD Demonstration Project allows CalFresh household members who are elderly and/or disabled to claim the SMD of \$120 per month when they incur and verify actual costs for non-reimbursed qualifying medical expenses between \$35.01 and \$155 a month. Eligible households with monthly medical expenses greater than \$155 may opt to verify and claim all actual verified expenses for the medical deduction.

Expenses that households will be reimbursed for are not considered qualifying medical expenses and cannot be used to claim the excess medical deduction or the SMD.

Medical Expenses

Qualifying medical expenses must be verified for households to claim the excess medical deduction or the SMD. Per [ACIN I-45-11](#) issued October 28, 2011, the CWD must not require a specific type of expense verification and the CWD must assist households in obtaining verification if needed. If a household is unable to provide verification of medical expenses, the CWD must determine CalFresh eligibility without the deduction.

Households may claim and verify medical expenses at any time during the certification period. Households may use the optional [CalFresh Supplemental Form for Excess Medical Deductions \(CF 31\)](#) to report medical expenses.

Per [ACIN I-45-11](#), CWDs should not re-verify medical expenses, including medical travel, if they are unchanged or a change is \$25 or less. In addition, per [ACL No. 17-35](#), qualified households remain eligible for the SMD at subsequent recertification if they report that their medical expenses continue to exceed \$35.00 per month. Re-verification is not required unless the reported expense is questionable.

Allowable Medical Travel Expenses

Examples of allowable medical expenses are listed in [ACL No. 17-35](#), including the reasonable cost of transportation to obtain medical treatment or services. Such expenses may include the cost of transportation to health care appointments and pharmacies. Per FNS document [A Guide to the Treatment of Medical Expenses for Elderly or Disabled Household Members](#), expenses for medical travel include costs of "trips to a pharmacy or other location to fill prescriptions, fittings for dentures, hearing aids, or glasses, as well as trips to the doctor, dentist, etc." There is no requirement that medical travel trips be within the county of residence.

Households must verify expenses if they claim the out-of-pocket, non-reimbursed cost for medical travel of elderly and/or disabled members by third parties such as public

transportation, taxis, or ridesharing companies such as Uber or Lyft. Both the [CF 31](#) and the [Request for Verification \(CW 2200\)](#) list examples of documents that can be used to verify medical expenses, including travel.

Verification of Medical Travel by Private Vehicle

When a qualified client undergoes medical travel by private vehicle, rather than paying for a ride directly from a third party, they may claim the expense based on the mileage of the trip. To verify medical travel by private vehicle, the CWD must accept a verbal or written client statement that travel was required for medical reasons, unless questionable. To be considered questionable, information reported must be inconsistent with statements made by the household or inconsistent with other information received by the CWD, per [MPP section 63-300.5\(g\)](#). The CWD eligibility staff must then calculate the mileage of the trip using an appropriate mapping application, such as Google Maps® or MapQuest®. The CWD eligibility staff will use the information provided by the household, including the starting and ending location of the travel required for medical reasons to determine the total mileage amount, including round trip mileage if applicable. A copy of the map or directions documenting the mileage amount must be kept in the household's case record as verification of the travel expense. Gas receipts are not required.

Standard Statewide Mileage Rate for Medical Travel

When determining the expense amount for mileage incurred when traveling for medical reasons and using a private vehicle, the expense must be calculated based on the number of miles for the trip. The CWD must then multiply the number of miles for the trip by the statewide mileage rate. All CWDs must use [the standard business rate developed by the Internal Revenue Service \(IRS\)](#). Beginning January 1, 2019, the IRS standard business rate is 58 cents per mile. The CWD should review the IRS standard business rate each year to ensure that the correct mileage rate is used.

If you have any questions regarding this ACL, please contact the CalFresh Policy Bureau at (916) 651-8047.

Sincerely,

Original Documents Signed By:

Natasha Nicolai
Acting Deputy Director
Family Engagement and Empowerment Division