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POLICY TRANSMITTAL NO. 11-25	DATE: AUGUST 3, 2011
FAMILY SUPPORT SERVICES DIVISION	DEPARTMENT OF HUMAN SERVICES OFFICE OF INTERGOVERNMENTAL RELATIONS AND POLICY

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TO: ALL OFFICES

SUBJECT: MANUAL MATERIAL

OAC 340:50-5-3; 50-5-28; and 50-7-30 through 50-7-31.

EXPLANATION: OAC 340:50-5-3 Instructions to staff are revised to clarify: (1) children 18 years of age or older who are living with an adult other than their parent or stepparent can be a separate household; and (2) what under parental control means.

OAC 340:50-5-28 Instructions to staff is revised to clarify that shelters for battered women do not have to provide the majority of the meals for a resident to receive food benefits.

OAC 340:50-7-30 Instructions to staff is revised to: clarify how to determine if an individual is self-employed.

OAC 340:50-7-31 Instructions to staff is revised to clarify reported changes in medical expenses of \$25 or less does not require verification when reported after certification.

Original signed on 8-2-11

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Mary Stalnaker, Director  
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WF # 11-N (NAP)

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**INSTRUCTIONS FOR FILING MANUAL MATERIAL**

OAC is the acronym for Oklahoma Administrative Code. If OAC appears before a number on an Appendix or before a Section in text, it means the Appendix or text contains rules or administrative law. Lengthy internal policies and procedures have the same Chapter number as the OAC Chapter to which they pertain following an "OKDHS" number, such as personnel policy at OKDHS:2-1 and personnel rules at OAC 340:2-1. The "340" is the Title number that designates OKDHS as the rulemaking agency; the "2" specifies the Chapter number; and the "1" specifies the Subchapter number.

The chronological order for filing manual material is: (1) OAC 340 by designated Chapter and Subchapter number; (2) if applicable, OKDHS numbered text for the designated Chapter and Subchapter; and (3) all OAC Appendices with the designated Chapter number. For example, the order for filing personnel policy is OAC 340:2-1, OKDHS:2-1, and OAC 340:2 Appendices behind all Chapter 2 manual material. Any questions or assistance with filing manual material will be addressed by contacting Policy Management Unit staff at 405-521-4326.

**REMOVE**

- 340:50-5-3
- 340:50-5-28
- 340:50-7-30
- 340:50-7-31

**INSERT**

- 340:50-5-3, pages 1-2, revised 8-1-11
- 340:50-5-28, pages 1-2, revised 8-1-11
- 340:50-7-31, pages 1-6, revised 8-1-11
- 340:50-7-31, pages 1-11, revised 8-1-11

**340:50-5-3. Persons who cannot be separate food benefit households**

Revised 6-1-11

Separate food benefit household status may not be granted to persons living together, as described in (1) through (4), even if they customarily purchase food and prepare meals for home consumption separate and apart from the others, except as otherwise specified in this section. Separate status may not be granted to:

- (1) a spouse, ceremonial or common law, of a household member;
- (2) children, 21 years of age and under, living with their natural or adoptive parent(s) or stepparent(s);
- (3) children, 18 years of age and under who live with and are under the parental control of an adult who is someone other than their natural or adoptive parent(s) or stepparent(s). ■ 1
  - (A) Per Chapter 4 of Title 10 of the Oklahoma Statutes, a minor may be considered emancipated if the district court confers upon the minor the rights of majority.
  - (B) The worker considers the child to be under parental control for purposes of this provision when he or she is financially or otherwise dependent on a member of the household. ■ 2
  - (C) This provision does not apply to foster children or children placed in the home by the Developmental Disabilities Services Division (DDSD); or
- (4) persons who live together and customarily purchase and prepare meals together except as described in OAC 340:50-5-1(5).

**INSTRUCTIONS TO STAFF 340:50-5-3****Issued 08-1-11**

- 1. Children 18 years of age or older can be a separate household in this instance.**
- 2. (a) When the adult provides financial support for the child, the worker must also consider the relationship between the adult and child before determining that the adult exercises parental control over the child. For example, a 16 year old girl lives with her 19 year old boyfriend. There are no other adults in the**

home. Due to the nature of their relationship as a couple, there is no parental control. The 16 year old is acting as an adult and can be considered head of her own household.

(b) Otherwise dependent means the adult provides guidance and exercises responsibility for the child as a parent does. For example, a 17 year old boy lives with his aunt and she provides guidance and exercises responsibility for him. He cannot be considered a separate food benefit household even if she does not provide financial support.

**340:50-5-28. Shelter for battered women and children**

Revised 6-1-11

Residents of shelters for battered women and children may file an application and are certified using program requirements applicable to any other household. To be eligible for special eligibility rules in this Section, the shelter for battered women and children must provide a majority of the residents' meals. ■ 1 Residents of shelters providing meals voluntarily apply on their own behalf. They may name a shelter member or other person to act as an authorized representative for application and certification purposes; however, the residents are expected to control the use of their own allotment.

(1) Verification for shelter status. Human services center (HSC) staff are responsible for verifying that the shelter for battered women and children meets the definition specified in OAC 340:50-5-7(b).

(A) Verification of non-profit status is accomplished by seeing correspondence from Internal Revenue Service (IRS) stipulating that the organization is tax-exempt as a charitable or educational entity under Section 501(c)(3) of the IRS code.

(B) If IRS documentation is not available, the worker sends a copy of the shelter's by-laws to the Family Support Services Division Supplemental Nutrition Assistance Program (SNAP) Section.

(C) SNAP Section staff notify the worker of the determination of non-profit status.

(D) HSC staff are responsible for keeping a list of shelters for battered women and children in their county whose status has been verified and must also keep documentation of that verification.

(2) Separate households. Shelter residents who are included in another active household may participate as a separate household if the active household which includes them is the household containing the person who subjected them to abuse. They may receive an additional allotment as a separate household only once a month. The worker takes prompt action to remove shelter residents from the active household's composition and allotment.

(3) Income and expenses. The worker certifies residents applying as a separate household solely on the basis of their own income and the expenses for which they

are responsible. Income and the expenses of their former household are disregarded. Room payments to the shelter are considered as shelter expense.

**INSTRUCTIONS TO STAFF 340:50-5-28****Issued 8-1-11**

- 1. Residents of shelters for battered women and children may receive benefits regardless of whether the shelter provides the majority of the meals as long as the shelter meets the requirements described in this Section.**

**340:50-7-30. Self-employed households**

Revised 6-1-11

Households whose income is derived either wholly or in part from a self-employment enterprise are treated in accordance with the procedures listed in paragraphs (1) through (10). ■ 1

(1) **Capital gains.** The proceeds from the sale of capital goods or equipment is income for program purposes and is calculated in the same manner as a capital gain for federal income tax purposes. Even though a percentage of the proceeds from the sale of capital goods or equipment is taxed for federal income tax purposes, the worker counts the full amount of capital gain as income.

(2) **Profit sharing.** Households who operate S corporations, general or limited partnerships, or limited liability companies may receive profit sharing that is reported on the household's personal income tax return. When a household member:

(A) actively participates in the operations, the income from profit sharing is considered part of the household's self-employed earned income; or

(B) does not actively participate in the operations, the income from profit sharing is considered part of the household's unearned income.

(3) **Self-employed farm income.** To be considered a self-employed farmer, the farmer must receive or anticipate receiving annual gross proceeds of \$1,000 or more from the farming enterprise.

(A) Farming is defined as cultivating or operating a farm for profit either as owner or tenant.

(B) A farm includes stock, dairy, poultry, fish, fruit, and truck farms, and plantations, ranches, ranges, and orchards.

(i) A fish farm is an area where fish are grown or raised and where they are artificially fed, protected, and cared for, and does not include an area where they are only caught or harvested.

(ii) A plant nursery is a farm for purposes of this definition.

(C) A loss of income for a self-employed farmer cannot be used to offset income from other household income. When a self-employed farmer reports a loss

instead of a profit on the business, the worker does not deduct the loss from other household income.

(4) **Monthly self-employment income.** Self-employment income received on a monthly basis but which represents a household's annual support is normally averaged over a 12-month period. If the averaged amount does not accurately reflect the household's actual monthly circumstances because the household has experienced a substantial increase or decrease in business, the worker calculates the self-employment income based on anticipated earnings.

(5) **Seasonal self-employment income.** Self-employment income intended to meet the household's needs for only part of the year is averaged over the period of time it is intended to cover. For example, the income of self-employed vendors who work only in the summer and supplement their income from other sources during the balance of the year is averaged over the summer months rather than a 12-month period.

(6) **Annualized self-employment income.** Self-employment income which represents a household's annual support must be annualized over a 12-month period, even if the income is received in a shorter period of time. For example, self-employment income received by crop farmers must be averaged over a 12-month period if the income represents the farmer's annual support.

(A) If the averaged annualized amount does not accurately reflect the household's actual circumstances because the household has experienced substantial increase or decrease in business, the worker calculates the self-employment income on anticipated earnings.

(B) The worker does not calculate self-employment income on the basis of prior earnings such as income tax returns when an increase or decrease of business has occurred.

(i) If the household's self-employment enterprise has been in existence for less than a year, the income from that self-employment enterprise must be averaged over the period of time the business has been in operation and the monthly amount projected for the coming year.

(ii) If the business has been in operation for a short time and there is insufficient data to make a reasonable projection, self-employment income is recomputed at each new certification until a full year's information is available. ■ 2

(7) **Anticipated income.** When a household who would normally have the self-employment income annualized experiences a substantial increase or decrease in business, the worker calculates the self-employment income based on anticipated earnings.

(A) For those households whose self-employment income is calculated on an anticipated basis, the worker adds any capital gains the household anticipates it will receive in the next 12 months, starting with the date the application is filed, and divides this amount by 12. This amount is used in successive certification periods during the next 12 months except that a new average monthly amount must be calculated over this 12-month period if the anticipated amount of capital gain changes.

(B) The worker adds the anticipated monthly amount of capital gains to the anticipated monthly self-employment income, and subtracts the cost of producing the self-employment income.

(8) **Determining net monthly self-employment income.** When the household has business expenses associated with its self-employment income, the business expenses must be deducted before determining whether the household meets the maximum gross income standards shown on Oklahoma Department of Human Services (OKDHS) Appendix C-3, Maximum Food Benefit Allotments and Standards for Income and Deductions. When the household does not have business expenses, the gross self-employment income is used.

(A) When the household has filed an income tax return on its self-employment income for the most recent year, the worker uses the net self-employment income shown on the income tax return and divides the net self-employment income by the number of months to be averaged. ■ 3

(B) When the household did not file an income tax return on its self-employment income for the most recent year, the worker uses (i) through (iii) to determine the net monthly self-employment income.

(i) The worker computes gross self-employment income, including capital gains, using the client's self-employment business records.

(ii) If the client declares incurred business expenses, the worker subtracts 50% of the gross self-employment income as business expenses. If the household did not incur business expenses, a business expense deduction is not given.

(iii) The worker then divides the net self-employment income by the number of months to be averaged.

(C) The worker adds monthly net self-employment income to all other earned income received by the household. When the household reports a loss instead of a profit on the business, the worker does not deduct the loss from other household income.

(i) The worker adds the total monthly earned income less the earned income deduction according to OKDHS Appendix C-3 to all other monthly income received by the household.

(ii) The worker subtracts the standard deduction, dependent care, and shelter costs as for any other household per OAC 340:50-7-31 to determine the monthly net income of the household.

(9) **Household with income from boarders.** A household that operates a commercial boarding house may be considered a food benefit household and self-employed as shown in paragraph (8) of this subsection. A household with boarders or roomers that is not a commercial boarding house may receive food benefits as shown in subparagraphs (A) through (C) of this paragraph.

(A) The worker excludes a person paying a reasonable amount for room and board from the household and counts payments from the boarder as self-employment income when determining the household's eligibility and benefit level.

(i) The income from a boarder includes all direct payments to the household for room and meals, including contributions to the household for part of the household shelter expense.

(ii) The worker does not count expenses paid directly by a boarder to someone outside the household as income to the household.

(B) The worker excludes 50% of the boarder payment as the cost of doing business.

(C) The worker includes the net income from self-employment with other earned income minus the earned income deduction.

(i) The worker computes the shelter cost incurred by the household, even if the boarder contributes part of the shelter expense, to determine if the

household qualifies for a shelter deduction.

(ii) The shelter and utility cost must not include any expense billed to and directly paid by the boarder to a third party.

(10) **Income from rental property.** The worker considers income received from rental property as self-employment income.

(A) The worker treats rental income as earned income if a member of the household actively manages the property an average of at least 20 hours per week.

(B) When a household member does not actively manage the property at least 20 hours each week, the worker considers the income as unearned. The person is eligible for business expenses described at (8) of this Section.

## **INSTRUCTIONS TO STAFF 340:50-7-30**

Revised 8-1-11

1. A person is considered self-employed when:

(1) he or she declares him or herself to be self-employed;

(2) there is an employer/employee relationship and the employer does not withhold income taxes or Federal Insurance Contributions Act (FICA), even if required by law to do so; or

(3) the employer withholds taxes and the person provides proof he or she files taxes as self-employed.

2. To average the income and expenses for a self-employment enterprise that has not been in business for a full year, the worker divides the total income by the number of months in business. For example, a self-employment business has been in operation from February 18 to the application month of November. The income is averaged for 9 months, February through October. It is correct to count the first month of business through the last complete month when computing an annualized figure for a new business.

3. Self-employment income tax return forms include but are not limited to:

(1) Form 1040 with Schedule C for sole proprietors and some limited

**liability companies;**

**(2) Form 1065 with Schedule 8865 K-1 for partnerships;**

**(3) Form 1120-S with Schedule K-1 for S corporations; or**

**(4) Form 1040 with Schedule F for farmers.**

**340:50-7-31. Deductions**

Revised 6-1-11

(a) Deductible expenses from income include only certain costs of dependent care, shelter, the earned income allowance, a standard deduction, certain medical costs for elderly or disabled household members, and legally binding child support payments as described in OAC 340:50-7.

(1) The portion of the household's allowable shelter, utility, and dependent care expenses, paid by or billed to a disqualified household member, per OAC 340:50-7-29(c)(2), is divided evenly among the household members, including the disqualified member. All except the disqualified member's share is considered a deductible shelter expense for the remaining household members.

(2) Business expenses for the self-employed are handled per OAC 340:50-7-30.

(b) Deductions from income are allowed for the expenses listed in paragraphs (1) through (6) of this subsection.

(1) **Standard deduction.** The appropriate standard deduction as shown in Oklahoma Department of Human Services (OKDHS) Appendix C-3, Maximum Food Benefits Allotments and Standards for Income and Deductions, is deducted from the household's income.

(2) **Earned income deduction.** The appropriate amount of earned income deduction from OKDHS Appendix C-3 is deducted from the gross earned income to cover the cost of state and local income taxes, pensions, union dues, and work related expenses. The earned income deduction is not allowed on any portion of income that is attributable to public assistance. No other deduction is allowed from the gross earned income.

(3) **Medical expense deduction.** Medical expenses exceeding \$35 per month incurred by elderly or disabled household members, per OAC 340:50-5-4, are deductible. The \$35 is subtracted from medical expenses once per household even though the household has more than one elderly or disabled member. ■ 1 When the household does not know the amount of on-going medical expenses anticipated monthly during the certification period, the anticipated expense amount is determined by averaging at least the past two month's expenses. ■ 2

(A) Households report and verify medical expenses at certification and recertification. Households are not required to report changes in medical expenses during the certification period. ■ 3

(i) When a household voluntarily reports a change in medical expenses that will reduce the food benefit allotment, no verification is needed. However, the change does require notice of adverse action.

(ii) When a household voluntarily reports a change in medical expenses that will increase the food benefit allotment, the change must be verified before the change is made.

(iii) If OKDHS finds out about a change from a source other than the household, the change is acted on when verified upon receipt. The household is not contacted for additional information. When the change requires household contact for additional information or verification, a change is not made.

(B) If a household reports an anticipated medical expense at the time of certification, but is unable to provide the verification at that time, the household is told the expense will be allowed when the verification is provided during the certification period. Upon verification, a household may elect a one-time medical deduction or average the expense over the remaining months of the certification period. ■ 4 Allowable costs are:

(i) medical and dental care, including psychotherapy and rehabilitation services provided by a licensed practitioner or other qualified health professional authorized by state law; ■ 5

(ii) hospitalization or outpatient treatment, nursing care, and nursing home care, including payments by the household for a person who was a household member immediately prior to entering a hospital or nursing home provided by a facility recognized by the state; ■ 6

(iii) prescription drugs and other over-the-counter medication, including insulin, when approved by a licensed practitioner or other qualified health professional authorized by state law. Costs of medical supplies, sick-room equipment, including rentals, or other prescribed equipment are also included; ■ 7

(iv) health, dental, and hospitalization policy premiums; ■ 8

- (v) Medicare premiums, and any cost-sharing or spend-down expenses incurred by Medicare or SoonerCare (Medicaid) recipients;
  - (vi) dentures, hearing aids, and prosthetics; ■ 9
  - (vii) eye glasses prescribed by a licensed practitioner, and securing and maintaining a seeing eye or hearing dog, including the cost of dog food and veterinarian bills; ■ 10
  - (viii) reasonable cost of transportation and lodging to obtain medical treatment or services; and ■ 11
  - (ix) maintaining an attendant, homemaker, home health aide, child care services, or housekeeper due to age, infirmity, or illness. If this expense also qualifies as a dependent care expense as described in paragraph (4) of this subsection, it is considered as a medical expense rather than a dependent care expense. Additionally, if the household furnishes a majority of the caretaker's meals, an amount equal to one allotment is added to the medical expense for meals provided. The allotment used is the amount in effect at certification.
- (C) Costs not allowable as medical expense deductions include:
- (i) costs associated with special diets;
  - (ii) premiums for health and accident insurance policies such as those payable in lump sum settlements for death or dismemberment;
  - (iii) premiums for income maintenance policies such as those that continue mortgage or loan payments while the beneficiary is disabled; or
  - (iv) items that can be purchased with food benefits such as dietary supplements.

(4) **Dependent care.** Dependent care is payment for the actual cost for the care of a child or other dependent when necessary for a household member to seek, accept, or continue employment or to attend training or education preparatory to employment.

- (A) This deduction is applicable regardless of whether the household member is subject to the Supplemental Nutrition Assistance Program Employment and Training requirements.

(B) If this expense also qualifies as a medical expense, it is considered as a medical expense rather than a dependent care expense.

(C) There is no maximum dependent care deduction. The total reported by the client is an allowable expense as long as it meets the criteria in this Section.

(D) Dependent care is only verified when the expenses claimed actually result in a deduction and other information available to the worker is inconsistent with the household's claim that it incurs a dependent care expense

(5) **Legally-binding child support.** A deduction is allowed for verified legally-binding child support payments paid by a household member to or for a non-household member, including payments made to a third party on behalf of the non-household member. ■ 12

(6) **Shelter costs.** A household is allowed a shelter deduction when the monthly shelter cost exceeds 50% of the household's income after all other deductions are allowed. The shelter deduction cannot exceed the maximum amount as shown in OKDHS Appendix C-3, unless the household has an elderly or disabled member. Households with an elderly or disabled member receive an excess shelter deduction for the monthly cost exceeding 50% of the household's income after the deductions listed in paragraphs (1) through (6) of this subsection are allowed. All homeless households who incur or expect to incur a shelter cost during the month are entitled to use the estimated homeless shelter deduction to determine food benefit eligibility and benefit level. This estimate covers shelter costs as described in this paragraph. If a homeless household is living in a vehicle for which they are making payments, the monthly payment is allowed as a shelter cost. If the household's actual verified shelter cost exceeds the estimated amount, the larger amount is used. Shelter costs only include:

(A) continuing charges for the shelter occupied by the household, including rent, mortgage, or other continuing charges leading to the ownership of the shelter, such as loan repayments for the purchase of a mobile home, including interest on such payments. The charge for renting or buying the land on which a mobile home is located is also a shelter cost; ■ 13

(B) property taxes, state and local assessments, and insurance on the structure except for the separate costs for insuring furniture or personal belongings. ■ 14

(i) The cost of vehicle registration or tag for a mobile or motor home is not a shelter expense.

- (ii) A mobile home is taxed as part of the property tax when the land is owned or being purchased, and is a shelter expense.
- (iii) Unregistered mobile homes on rented land are taxed as personal property. The personal property tax for the mobile home is a shelter expense. No other personal property tax is a shelter expense;
- (C) charges for heating, cooling, or cooking fuel; electricity; water, sewage, garbage, and trash collection fees; and the basic service fee and tax for one telephone. A household incurring an allowable utility expense receives the total amount of the utility standard specified in OKDHS Appendix C-3 for one of the mandatory utility standards in (i) through (iii) of this subparagraph. ■ 15
- (i) The standard utility allowance (SUA) is a single standard based on annual averages that include costs for heating or cooling; and cooking fuel, electricity, basic telephone service, water, sewage, and garbage. ■ 16
- (I) The SUA is used as long as the household is billed for heating or cooling during the year. Households billed less often than monthly for heating costs such as butane or propane may continue to use the utility standard between billing months. If the household reports they no longer incur a heating or cooling expense, but still have a utility expense, the standard must be changed to the basic utility allowance (BUA) or telephone standard. ■ 17
- (II) A household with utility expenses that are reimbursed or paid by an excluded payment such as a vendor payment, Housing and Urban Development (HUD), or Farmers Home Administration (FmHA) payment may use the SUA when heating or cooling costs exceed the excluded payment amount.
- (ii) The BUA includes utility charges the household incurs other than for heating and/or cooling. ■ 18
- (iii) The telephone standard is used when the household is not entitled to use the SUA or BUA, but has a telephone cost; and ■ 19
- (D) the shelter costs for the home even when not actually occupied by the household, because of employment or training away from home, illness, or abandonment of the home due to disaster or casualty loss. ■ 20
- (i) For the cost of a vacated home to be included in shelter costs the:

(I) household must intend to return to the home;

(II) current occupants of the home, if any, must not be claiming the shelter costs during the absence of the household; and

(III) home must not be rented or leased during the absence of the household.

(ii) If a deductible expense must be verified and obtaining the verification may delay the household's certification, the worker advises the household that the household's eligibility and benefit level may be determined without providing a deduction for the claimed but unverified expense.

(iii) The appropriate utility standard is used if the household is entitled to claim it.

(c) The worker calculates a household's expenses based on the expenses the household expects to be billed for during the certification period. The worker anticipates expenses based on the most recent month's bills unless the household is reasonably certain a change will occur.

(d) Households may elect to have an expense that:

(1) is billed monthly and fluctuates, averaged;

(2) is billed less often than monthly, averaged forward over the interval between scheduled billings; or

(3) if there is no scheduled billing interval, averaged forward over the period the expense is intended to cover.

(e) A deduction is allowed in the month the expense is billed or otherwise becomes due, regardless of when the household intends to pay the expense.

(1) For example, rent due each month is included in the household's shelter costs, even if the household has not yet paid the expense.

(2) Amounts carried forward from past billing periods are not deductible even if included in the most recent billing and actually paid by the household.

(3) A particular expense may be deducted only once.

(f) The portion of an expense paid by an excluded reimbursement or vendor payment is not deductible. The amount left after deducting the excluded payment is deductible and includes HUD and FmHA rent and utility payments. Expenses are only deductible if the service is provided by someone outside the household and the household makes a monetary payment for the service. ■ 21

## **INSTRUCTIONS TO STAFF 340:50-7-31**

### **Revised 8-1-11**

- 1. The worker enters the total verified monthly allowable medical expenses in the Family Assistance/Client Services (FACS) Expense tab "Elderly/Disabled Medical Expense." The computer subtracts the \$35.**
- 2. Ongoing monthly medical expenses may be anticipated by averaging at least the past two full calendar months' expenses. Expenses incurred each month may include prescription medication, monthly doctors' visits, monthly blood tests, and insurance premiums.**
  - (1) The household may choose to average regularly recurring expenses, such as medication purchased every other month or insurance premiums paid quarterly. For example: The client pays a premium for hospital insurance once every six months. The total premium of \$192 may be divided by six, making the monthly average expense \$32.**
  - (2) The household also has the option to have the expense deducted during the month incurred or when the bill is due.**
- 3. After certification, when the household reports changes in medical expenses of \$25 or less, the worker makes the change without requiring verification unless the information provided is incomplete, inaccurate, inconsistent, or outdated.**
- 4. (a) One-time medical expenses are those the household does not expect to recur. Some examples include hospital costs, purchase of prescription glasses, or dental work expenses. The worker explains to the client the options in (1) through (3) of this Instruction. The client may choose the option most beneficial to his or her household. The options are:**
  - (1) allow the entire expense the month incurred or when the bill becomes due;**

(2) average the expense over the remaining months of the current certification period; or

(3) allow the expense over the scheduled length of a payment plan.

(b) One-time expenses are allowed at the time they are reported to the worker, only if the bill is current and has not become past due. When a portion of the medical cost is paid by vendor payment or reimbursed by insurance, the deduction is not determined until the vendor payment or reimbursement is verified.

(c) The worker must verify the amount of any deductible medical expenses. Verification of other factors, such as allowing an expense or the eligibility of the person incurring the cost, is required only if questionable.

5. These charges may also include, but are not limited to, office calls, hospital visits, house calls, special treatments, and chiropractic services.
6. Such costs may include, but are not limited to, room and board charges, drugs and medical supplies, therapy, surgery, and tests.
7. Over-the-counter medication must be a recommended part of the prescribed treatment plan, such as aspirin for arthritics. Medical supplies include, but are not limited to:
  - (1) needles and syringes used for insulin injection or other prescription medication;
  - (2) bandages and gauze for a surgical patient; and
  - (3) the cost of crutches, wheelchairs, hospital beds, colostomy bags, and portable oxygen.
8. Some health insurance policies cover household members who are not entitled to a medical deduction as well as those who are. When the portion of the premium paid for elderly or disabled members cannot be determined, the premium must be prorated among all members included on the policy. The prorated amount for one member must be multiplied by the number of elderly or disabled members. The resulting amount is considered a medical cost.

9. **Other corrective devices are corrective braces worn on the limbs and braces worn on the teeth for orthodontic purposes. The cost of hearing aid batteries are considered a medical expense.**
10. **Contact lenses prescribed by an ophthalmologist or optometrist, are considered a medical expense.**
11. (a) **Transportation costs are based upon the type of transportation used by the elderly or disabled member. If his or her own vehicle is used, the state's current mileage reimbursement rate is allowed. If the household member uses public transportation, the actual cost of the transportation is allowed. If the member pays a non-household member for transportation, the amount charged by the person is allowed. Verification must be obtained and adequately documented in the case record.**
- (b) **Lodging costs are allowed if the elderly or disabled member is required to spend the night away from home to receive medical services. Verification that medical treatment did occur, and receipts verifying the lodging expense must be obtained. The cost of lodging does not include meals or other incidentals.**
12. (a) **For purposes of this policy, child support is any court-ordered money designated to be paid for the support of a child. This may include, but is not limited to:**
- (1) **child support;**
  - (2) **child support arrearages;**
  - (3) **medical insurance or other health care premiums;**
  - (4) **child care obligations; or**
  - (5) **other obligations specified in individual court or administrative orders.**
- (b) **Verification of the court-ordered amount is obtained along with verification of the actual support payments made each month.**
- (c) **Child support also means money owed to a state for services provided for a child, including, but not limited to, Temporary Assistance for Needy Families, SoonerCare (Medicaid) benefits, and foster care.**

- 13. When shelter expenses are paid in advance, the monthly shelter cost is allowed as if the payments were made monthly. Down payments are not allowed as deductions as they are not continuing charges. Expenses are allowed if they are owed to someone outside the household and the household makes a monetary payment. For example, if someone outside the household pays shelter expenses to the vendor, they are not allowable. Exception: If the payment is considered a loan, the expense is allowed as a shelter deduction and the payment is excluded as income.**
- 14. These types of shelter expenses, which may be billed less often than monthly, may be averaged over the interval between scheduled billings. For example, property taxes billed and paid yearly may be averaged over a 12 month period.**
- 15. The appropriate utility allowance is prorated only when there is an ineligible or disqualified household member, or an ineligible student who is billed for or paying the utility costs.**
- 16. To use the standard utility allowance (SUA) to calculate shelter costs, the utility charges for heating or cooling costs must be separate from the household rent or mortgage costs and actually incurred by the household.**
- (1) Cooling costs are limited to operation of room air conditioners and central air conditioning systems.**
  - (2) Heating costs may be represented by a furnace, wood stove if wood is purchased, fireplace, or electrical or kerosene space heater, if the space heater is used as the primary source of heat.**
- 17.(a) The worker must assess the household's eligibility for the SUA at each application, reapplication, and when the household moves.**
- (b) Shared utility costs examples among more than one household are given in (1) through (4) of this Instruction.**
- (1) When more than one household shares the same living quarters and shares one or more of the utility costs that are billed separately from rent or mortgage payments, (A) or (B) of this Instruction applies.**
    - (A) If one household's name is on the utility bill and it alone pays the bill, allow the full appropriate utility standard for that household.**

- (B) If multiple households, whether receiving food benefits or not, are living in the same residence and sharing one or more of the utility costs billed separately from rent or mortgage payments, entitles each household to the full appropriate standard amount, regardless of whose name is on the bill.**
- (2) When two or more families share a meter but have separate living quarters and the utility bill is addressed to only one family, accept the unaddressed household's statement of liability for the expense unless it is questionable.**
- (3) Households residing in low income housing or other rental units with utilities included in the rent, but are liable for excess utilities are entitled to the basic utility allowance (BUA).**
- (4) If a rental household is billed monthly by the landlord for actual usage of heating or cooling expense as determined through individual metering or a utility company bill, the SUA is used. If the household is billed by the landlord for actual usage of utilities other than heating or cooling, the BUA is used.**
- 18. Households who do not incur heating or cooling costs, but are billed separately for utilities such as cooking fuel, electricity not associated with cooling, water, sewage, garbage collection, and telephone are entitled to the BUA.**
- 19. If the household's only telephone is a cellular phone, the telephone standard is given.**
- 20. Households maintaining two residences are allowed deductions for both residences if they meet this criteria.**
- 21. For example, the portion of rent or utility covered by excluded vendor payments or medical costs reimbursed by insurance is not calculated as part of the household's shelter cost or medical expenses. When only a portion of the medical cost is paid for by vendor payment or reimbursed by insurance, the amount not covered by the vendor payment or reimbursement is deductible at the time the amount of the vendor payment or reimbursement is verified.**