

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF HUMAN SERVICES  
APPEALS OFFICE  
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Docket # 14-1704  
Hearing Date 10/15/14

Date: November 3, 2014

**ADMINISTRATIVE HEARING DECISION**

The Administrative Hearing that you requested has been decided against you. During the course of the proceeding, the following issue(s) and Agency policy reference(s) were the matters before the hearing:

**THE DHS POLICY MANUAL: FOOD STAMPS**  
**SECTION: 1038.25 GROSS AND NET INCOME AND ELIGIBILITY STANDARDS**

The facts of your case, the Agency policy, and the complete administrative decision made in this matter follow. Your rights to judicial review of this decision are found on the last page of this decision.

Copies of this decision have been sent to the following: You (the appellant) and Agency representatives: Aline Guertin, Holly Young and the Corrective Action Unit.

Present at the hearing were: You, the Spanish interpreter and Agency representative: Aline Guertin.

**ISSUE:** Were the appellant's Snap benefits reduced per Agency Policy in June of 2014?

DHS POLICIES: Please see the attached **Appendix** for pertinent excerpts from the Department of Human Services Policy Manual.

Please see attached NOTICE OF APPELLATE RIGHTS at the end of this decision.

**DISCUSSION OF THE EVIDENCE:**

**The Agency representative testified:**

- The Agency received a SNAP re-certification form with rental income and Social Security income for the appellant.
- The appellant did present proof of housing expenses.
- Medical expenses were also entered.

- Medical expenses were also entered.
- She received the standard deduction.
- The Agency used the appellant's unearned income of \$1533.00 which is Social Security and rental income.
- She received credit for home expenses.
- She is receiving the correct amount for a family of two.

**The Appellant testified:**

- She does not understand why her Snap benefit amount changed.
- She feels bad because she still has a lot of bills and she needs Food Stamps.
- She wants to know why her Snap benefits changed.
- With all the other expenses she has, she does not think she is receiving enough benefits.
- She has medical expenses and mortgage payments.

**FINDINGS OF FACT:**

- The appellant is active on the Snap program.
- She does receive Social Security and Rental Income.
- The countable gross monthly income was \$1533.00.
- She receives SSDI benefits and rental income.
- The appellant's benefits were reduced to \$16.00.
- The appellant was sent written notice of this in May, 2014.
- The appellant filed an Appeal received by the Agency on September 3, 2014.
- The hearing was held on October 15, 2014.
- The record was held open for two weeks to allow the appellant to send in medical expenses.
- Medical expenses were received and made part of the record.

The issue to be decided is whether the appellant received the proper amount of Snap benefits in May 2014.

A review of Agency Food Stamp Policy reveals that gross and net income standards for the household size are used to determine eligibility for an applicant household. Households that do not contain an elderly or disabled member must meet both the gross income eligibility standards and the net income eligibility standards for the Supplemental Nutrition Assistance Program. The definition of elderly for Food Stamp purposes is 60 years old.

In this case there is someone in the household who is disabled. The Agency used the appellant's unearned income, and then applied deductions to determine net income.

When the appellant did her re-certification May 2014 she provided proof of income and proof of expenses.

The Agency testified that they calculated her benefits by using her unearned income of \$1533.00 and then gave her the standard deduction, the excess shelter deduction and looked at her medical expenses leaving her countable income of \$1280.00 for a family of two which makes her SNAP benefits \$16.00 a month.

The appellant did state that the Agency used her correct unearned income; however does not believe they give her the proper deductions.

The federal poverty guidelines are used by the SNAP program to determine benefit amounts per family size.

The appellant testified that she thought that the amount she receives is too little because it causes her to run out of food money. She stated she is ill and has medical expenses. The record of hearing was left open for two weeks to allow the appellant to send in medical expenses. She sent in a record of her expenses which averaged out to \$13.13 a month.

Further review of Agency Policy reveals that an excess medical deduction is that portion of total medical expenses in excess of \$35 per month, excluding special diets, incurred by all household members who are elderly or disabled (Including disabled veterans or surviving disabled spouses/children of veterans.) The thirty five dollar (\$35) disregard applies to the entire household and not individual members.

The appellant did not have expenses in excess of \$35.00 per month.

After careful review of Agency Policy and the evidence and testimony given, this Appeals Officer finds that the appellant's Snap benefits were calculated per Agency Policy for a household of two; therefore her request for relief is denied.

Geralyn B. Stanford  
Appeals Office

**APPENDIX**

## **1008.15            TYPES OF COUNTABLE INCOME**

REV:10/1987

Except for the exclusions listed in 1008.10, all payments received by household members are income for food stamp purposes.

Income is categorized as either earned or unearned.

## **1008.05            INCOME**

REV:07/2009

The Food Stamp Act requires that participation be "limited to those households whose income and other financial resources, held singly or in joint ownership, are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet." The standards are established by law and apply to all households applying for Program benefits.

Household income means all income from whatever source excluding only the items specified in 1008.10. The income considered is that received over the period of certification. As this is generally a future period, the income considered is usually that anticipated by the household. Section 1010 discusses how to determine Supplemental Nutrition Assistance Program (SNAP, previously called the Food Stamp Program) income.

Households that contain an elderly or disabled member must meet the net income eligibility standards for the Supplemental Nutrition Assistance Program.

Households that do not contain an elderly or disabled member must meet both the gross income eligibility standards and the net income eligibility standards for the Supplemental Nutrition Assistance Program.

Households that are categorically eligible because they are recipients of RIW cash assistance and/or SSI do not have to meet either the gross or net income eligibility standards. The gross and net income eligibility standards are based on the Federal income poverty levels established as provided in Section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902 (2)).

SNAP-only categorically eligible households that are recipients of a TANF-funded Service (the RI Department of Human Services TANF Information Publication) must meet the income standards in Section 1038.25.

The gross income eligibility standards for the Supplemental Nutrition Assistance Program for the contiguous 48 states, the District of Columbia, the Virgin Islands and Guam is 185 percent of the Federal income poverty levels for the 48 states and the District of Columbia.

The income eligibility limits are revised each October 1 to reflect the annual adjustment to the Federal income poverty guidelines for the 48 states and the District of Columbia.

The annual income poverty guidelines are divided by 12 to determine the monthly gross income standards, rounding the results upward as necessary. For households greater than eight (8) persons, the increment in the Federal income poverty guidelines is multiplied by appropriate federal poverty level percentage, divided by 12, and the results rounded upward, if necessary.

The annual income poverty guidelines are divided by 12 to determine the monthly net income eligibility standards, rounding the results upward, as necessary. For households greater than eight persons, the increment in the Federal income poverty guidelines is divided by 12, and the results rounded upward, if necessary. The income eligibility standards are listed in Section 1038.25.

## **1008.20 Deductions from Income**

REV:05/2005

The Food Stamp Program allows five (5) deductions from a household's gross income. These deductions are:

- \* the earned income deduction;
- \* the standard deduction;
- \* the excess medical expense deduction;
- \* the dependent care deduction; and
- \* the excess shelter deduction.

### **1008.20.05 Standard Deduction**

REV:01/1988

Effective October 1, 1987, and each October 1 thereafter, the standard deduction is adjusted to reflect changes in the CPI-U for items other than food for the twelve (12) months ending the previous June 30.

These adjustments are based on the previous unrounded numbers, and the result rounded down to the nearest lower dollar increment.

The current standard deduction is located in Section 1038.05 for each household regardless of its income.

### **1008.20.15 Excess Medical Deduction**

REV:10/2012

An excess medical deduction is that portion of total medical expenses in excess of \$35 per month, excluding special diets, incurred by all household members who are elderly or disabled (Including disabled veterans or surviving disabled spouses/children of veterans.) The thirty five dollar (\$35) disregard applies to the entire household and not individual members.

A spouse or other person receiving benefits as a dependent of the SSI or disability and blindness recipient is not eligible to receive this deduction, but persons receiving emergency SSI benefits based on presumptive eligibility are eligible for this deduction. Allowable medical costs are:

- \* Medical and dental care, including psychotherapy and rehabilitation services, provided by a licensed practitioner authorized by state law or other qualified health professional.
- \* Hospitalization, outpatient treatment, nursing care, and nursing home care, including payments by the household for

to entering a hospital or nursing home provided by a facility recognized by the state.

- \* Prescription drugs when prescribed by a licensed practitioner authorized under state law, and other over-the-counter medication (including insulin), when approved by a licensed practitioner or other qualified health professional (exception: medicinal marijuana is not an allowable medical cost for purposes of determining SNAP eligibility and/or benefit level); in addition, costs of medical supplies, sick room equipment (including rental) or other prescribed equipment are deductible.
- \* Health and hospitalization insurance policy premiums. The costs of health and accident policies, such as those payable in lump sum settlements for death or dismemberment, or income maintenance policies, such as those which continue mortgage or loan payments while the beneficiary is disabled, are not deductible.
- \* Medicare premiums, and any cost-sharing or spend-down expenses incurred by Medical Assistance recipients.
- \* Repayments made on a loan when the loan is used to pay a one-time only medical expense. Loan expenses, such as interest, are not allowable as part of the medical expense. If a second mortgage is obtained for medical expenses, repayment is treated as a shelter expense and not as a medical expense.
- \* Dentures, hearing aids, and prosthetics.
- \* Securing and maintaining a seeing eye or hearing dog, including the cost of dog food and veterinarian bills.
- \* Eye glasses prescribed by a physician skilled in eye disease, or by an optometrist.
- \* Reasonable cost of transportation and lodging to obtain medical treatment or services.
- \* Maintaining an attendant homemaker, home health aide, or child care services necessary due to age, infirmity, or illness. In addition, an amount equal to the one-person coupon allotment is deducted if the household furnishes the majority of the attendant's meals. The allotment is that which is in effect at the time of initial certification. The allotment amount is updated at the next scheduled recertification. If a household incurs attendant care costs that could qualify under both the medical deduction and dependent care deduction, the cost is treated as a medical

## **1008.20.25 Shelter Expense Deduction**

REV:04/2005

1008.20.25 Shelter Expense Deduction

REV:04/2005 Monthly shelter costs in excess of fifty percent (50%) of the household's income after all the above deductions have been allowed. The shelter deduction must not exceed the maximum provided in Section 1038.15 unless the household contains a member who is elderly or disabled as defined in Section 1010.30.05 (includes a disabled veteran or a surviving disabled spouse/child(ren) of a veteran). Such households receive an excess shelter deduction for the monthly cost that exceeds fifty percent (50%) of the household's monthly income after all other applicable deductions. The maximum shelter cost deduction is subject to change annually.

\* A standard shelter expense estimate for all homeless households where all members are homeless and are not receiving free shelter throughout the calendar month.

All homeless households which incur or reasonably expect to incur shelter costs in a month shall be eligible for the estimate unless higher costs are verified, at which point the household may use actual shelter costs rather than the estimate. Homeless households which incur no shelter costs shall not be eligible for the standard estimate. The homeless household shelter estimate is located in Section 1038.17.

\* Continuing charges for the shelter occupied by the household, including rent, mortgage, or other continuing charges leading to the ownership of shelter, such as loan repayments for the purchase of a mobile home, including interest on such payments. Payments on second mortgages and home equity loans are allowable shelter costs. Payments on personal loans that are not secured by a lien on the property are not allowable costs even if the bank is listed as a beneficiary on the homeowner's insurance policy. If a household owns a home and lot and later purchases a connecting piece of property, the mortgage payments on the new property can only be allowed as shelter costs if the new property was financed by a second mortgage or other loan secured by the home and lot.

\* Property taxes, state and local assessments, and insurance on the structure itself, but not separate costs for insuring furniture or personal belongings.

\* Charges for heating, cooling, and cooking fuel; electricity; water and sewer; garbage and trash collection fees; the basic service fee for one telephone, including tax on the basic fee; and fees charged by the utility provider for initial installation of the utility. One-time deposits are not included as shelter costs. Note that the Standard Utility Allowance must be utilized instead of actual charges if the household incurs charges for heating and/or cooling expenses; see Section 1008.20.25.05.

\* The above shelter costs for the home if not actually occupied by the household because of employment away from home, illness, or abandonment of the home due to natural disaster or casualty loss. For the costs of a vacated home to be included in shelter costs, the household must intend to return to the home; the current occupants of the home, if any, must not be claiming the shelter costs during the absence of the household; and the home must not be leased or rented in the household's absence. Households claiming utility costs for unoccupied homes must verify the actual expenses; the standard utility allowance must be used if the household incurs heating and/or cooling expenses.

\* Charges for the repair of the home which was substantially damaged or destroyed due to a natural disaster such as a fire or flood. Shelter costs do not include charges for repair of the home that have been or will be reimbursed by private or public relief agencies, insurance companies, or from any other source. The cost of repairs as a result of wear and tear, incidental repairs, and improvements are not allowed for homeowners, renters who work-off their rent, or other renters.

\* For condominium owners, the entire condominium fee is allowable as a shelter cost.

\* Adjustment of Shelter Deduction Effective October 1, 1988, and each October 1 thereafter, the maximum limit for the excess shelter expense deduction is adjusted to reflect changes in the shelter, fuel and utilities components of the housing costs in CPI-U for the twelve (12) months ending the preceding June 30.

These adjustments are based on the previous unrounded numbers, and the result rounded down to the nearest lower dollar increment.

## **1010.20 DETERMINING DEDUCTIONS**

costs as described in 1008.20.15, 1008.20.20, and 1008.20.25. Education expenses, the cost of doing business for the self-employed, and legally obligated child support paid to a person not in the household are not deductions but are instead income exclusions, and are handled in accordance with Section 1014.20.15 (student households), Section 1016.15.20 (self-employed households), and Section 1008.20.22 (child support payments).

Categorically eligible SSI recipients entitled to the excess medical deduction and the uncapped shelter expense must receive such deductions, if they incur such expenses, for the period for which they are authorized to receive SSI benefits or the date of the food stamp application whichever is later as discussed in the categorical eligibility provisions (Section 1016.40). Such individuals who are entitled to restored benefits in accordance with those provisions must have their benefits restored using these special deductions if they have such expenses.

## **1010.25 METHOD FOR FIGURING NET MONTHLY INCOME**

REV:10/2012

The following seven (7) steps lead to the determination of a household's SNAP monthly income. In this determination, the rounding technique described in Section 1010.25.10, must be applied.

### **1. Total Gross Income**

Add the total gross monthly earned income of all household members and the total monthly unearned income of all household members, minus income exclusions, to determine the household's total gross income. Net losses from the self-employment of a farmer are offset in accordance with Section 1016.15.35.

### **2. Net Monthly Income**

Calculate the earned income deduction as described in Section 1038.07 and subtract that amount from the total gross income; add that to the total monthly unearned income, minus income exclusions.

### **3. Standard Deduction**

Subtract the standard deduction found in Section 1038.05.

### **4. Excess Medical Deduction**

If the household is entitled to an excess medical deduction as provided in 1010.20.15., determine if total medical expenses exceed thirty-five dollars (\$35). If so, deduct the standard medical deduction of one hundred and forty one dollars (\$141). If the household has medical expenses that exceed one hundred and seventy six dollars (\$176) and it elects to verify actual expenses, subtract that portion of medical expenses in excess of thirty five dollars (\$35).

### **5. Dependent Care Deduction**

Subtract monthly dependent care expenses, if any.

### **6. Determining Any Excess Shelter Expense**

Add allowable shelter expenses to determine total shelter costs. Subtract from total shelter costs fifty percent (50%) of the adjusted income (the household's monthly income after all the above deductions have been subtracted). The remaining amount, if any, is the excess

excess shelter expense, go to the next step.

#### 7. Applying Any Excess Shelter Expense

Subtract the excess shelter expense up to the maximum amount allowed (unless the household is entitled to the full amount of its excess shelter expenses) from the household's monthly income after all other deductions. The maximum amount allowed for the shelter deduction, for those households subject to a shelter maximum, is found in Section 1038.15. For households not subject to a shelter maximum, subtract the full amount of shelter expenses exceeding fifty percent (50%) of net income. The result is the household's monthly net adjusted income.

### 1010.25.10 Rounding Technique for Calculating Income

REV:07/1987

In calculating net monthly income, each income information entry is rounded to a whole dollar amount by rounding down for each income entry that ends in 1 through 49 cents and rounding up for each income entry that ends in 50 through 99 cents. Any cents in gross weekly earnings are rounded to the nearest dollar after converting the weekly figure to the monthly figure. However, shelter expenses and medical costs are not rounded until totalled. Therefore:

1. Round to the nearest dollar:

- \* Weekly income amounts after converting to monthly amounts;

Example: \$100.75 = \$436.58 = \$437.00

- \* Monthly income before calculations.

Example: RSDI - \$225.63 = \$226.00

2. Do not round individual shelter and medical costs until totalled.

Example		Example	
Mortgage	\$118.50	Prescription	\$12.98
Utilities	87.90	Eyeglasses	50.50
Taxes	9.80	Over-the-counter	
		Medication	13.80
Insurance	12.40	Medicare premium	17.00
	\$228.60		\$94.25
Rounded =	\$229.00	Rounded =	\$94.00

### **NOTICE OF APPELLATE RIGHTS**

This Final Order constitutes a final order of the Department of Human Services pursuant to RI General Laws §42-35-12. Pursuant to RI General Laws §42-35-15, a final order may be appealed to the Superior Court sitting in and for the County of Providence within thirty (30) days of the mailing date of this decision. Such appeal, if taken, must be completed by filing a petition for review in Superior Court. The filing of the complaint does not itself stay enforcement of this order. The agency may grant, or the reviewing court may order, a stay upon the appropriate terms.