

# Worksheet for Capital Expenses

You may submit claims for medical expenses you pay for special equipment installed in a home, or for home improvements, if: (1) the main purpose of the equipment or home improvement is to alleviate a medical condition for you, your spouse, or your dependent; and (2) the expense would not have been incurred “but for” the medical condition. The cost of the improvement is reduced by the increase in the value of the property, and the difference can be considered a medical expense. If the value of the property is not increased by the improvement, the entire cost may be included as a medical expense.

The cost of improvements made to accommodate a home for your disabled condition, or that of your spouse or your dependents who live with you, that do not increase the value of the home can be reimbursed in full as medical expenses, such as: Constructing entrance or exit ramps; Widening doorways and exits; Widening or modifying hallways and interior doorways; Installing railings, support bars, or other modification to bathrooms; Lowering or modifying kitchen cabinets and equipment; modifying staircases; moving or modifying electrical outlets and fixtures; and grading the ground to provide access to the home. Only reasonable costs to accommodate the home to a disabled condition can be considered medical care. Additional costs for personal motives, such as for aesthetic reasons, are not medical expenses

### Example:

Your doctor recommends that you install an elevator in your home so you will not have to climb stairs. The installation of the elevator costs \$9,500. A professional appraisal shows that this improvement increased the value of your home by \$4,000. As a result, your eligible medical expense is \$5,500 determined as follows:

|   |           |
|---|-----------|
| The amount you paid for the home improvement:                               | \$9,500   |
| The value of your home immediately after the improvement:                   | \$139,000 |
| The value of your home immediately before the improvement:                  | \$135,000 |
| The increase in the value of your home as a result of the home improvement: | \$4,000   |
| The eligible medical expenses due to the home improvement:                  | \$5,500   |

Please use the following worksheet to determine the amount of capital expense to include in your claims for medical expenses. Note: The claim must be accompanied by this form, a copy of the appraisal, and a Letter of Medical Necessity (**LOMN**). The **LOMN** must include the diagnosis or symptoms for which you, your spouse, or dependent are being treated, along with specific information on how the home improvement is intended to alleviate symptoms or improve function.

|   |  |
|---|--|
| 1. Enter the amount you paid for the home improvement   |  |
| 2. Enter the value of your home immediately after the improvement*  |  |
| 3. Enter the value of your home immediately before the improvement.*  |  |
| 4. Subtract line 3 from line 2. This is the increase in the value of your home due to home improvement. <ul style="list-style-type: none"> <li>▪ If line 4 is more than, or equal to, line 1, you have no medical expenses due to the home improvement. Stop here.</li> <li>▪ If line 4 is less than, or equal to, line 1, go to line 5.</li> </ul> |  |
| 5. Subtract line 4 from line 1. These are your eligible medical expenses due to the home improvement.   |  |

\* A professional appraisal must be used to determine the before and after value of your home.