



**STATE OF DELAWARE**

**DELAWARE HEALTH AND SOCIAL SERVICES  
DIVISION OF MEDICAID & MEDICAL ASSISTANCE**

***PLANNING & Policy Unit***  
**M E M O R A N D U M**

REPLY TO  
ATTN. OF: Administrative Notice DMMA-A-08-2020

TO: All DMMA/DSS Staff

DATE: April 15, 2020

SUBJECT: COVID-19 Emergency Declaration-  
Federal Pandemic Unemployment Compensation and Tax Rebates;  
Eligibility for Medicaid

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**BACKGROUND**

The purpose of this notice is to provide guidance regarding the Federal tax rebates and increased Federal unemployment benefits individuals may receive during the the COVID-19 Emergency Declaration and the effect of these payments on Medicaid Eligibility.

On March 13, 2020, the President of the United States issued a proclamation that the COVID-19 outbreak in the United States constitutes a national emergency. Additionally, on March 27, 2020, The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law.

The CARES Act provides for a temporary emergency increase in unemployment compensation (UC) benefits, referred to as the Federal Pandemic Unemployment Compensation (FPUC) program. This program provides an eligible individual with \$600 per week in addition to the weekly benefit amount he or she receives from certain other UC programs. Additionally, the CARES Act instructs states to disregard the \$600 per week unemployment benefit increase when calculating income “for any purpose” in Medicaid and CHIP (Section 2104(h)). The exclusion applies to all Medicaid eligibility categories, and other kinds of income determinations in Medicaid, such as, cost sharing and post-eligibility treatment of income for Medicaid and CHIP).

The CARES Act also provides relief funding for qualifying individuals and children. The payments are not taxable income and are therefore not countable in MAGI-based eligibility determinations. Separately, 26 U.S.C. § 6409 prohibits the counting of federal tax rebates or advance payments with respect to refundable tax credits as income, and, for 12 months following receipt, resources, in the eligibility determination of any federal needs-based

program (such as Medicaid). Thus, the Recovery Rebates may not be counted as income, and, for 12 months, as resources, in non-MAGI financial eligibility determinations.

## **DISCUSSION**

Under current policy, DSSM 16500.1 Counted Income, unemployment compensation is counted as income. Staff should continue to count the unemployment compensation individuals receive from all UC programs EXCEPT the FPUC program as counted income toward all eligibility determinations.

For example, if an individual receives \$70/week of UC from the State and \$600/week from the FPUC program, staff should continue to count the \$70/week as income, but not the \$600/week received from the FPUC program.

DSSM 16500.2 Excluded Income, non-taxable income should be excluded from eligibility determinations. Therefore, the tax rebates received by individuals should be excluded from the income used in determining eligibility.

DSSM 20200.2(h) – Medicaid LTC, Excluded Income, excludes cash or other assistance received under a Federal statute because the President has declared a major disaster. Both the FPUC program benefits and the tax rebates are included here as excluded income. Furthermore, both the FPUC program benefits and the tax rebates should be excluded from the income used in the post-eligibility processes used to determine patient pay under DSSM 20620 – Patient Pay Amount Deductions and DSSM 20720 – Patient Pay Calculation.

Finally, the tax rebates must also be excluded from resources for the twelve calendar months following the month of receipt in non-MAGI financial eligibility determinations.

## **ACTION REQUIRED**

### **During the COVID – 19 Disaster, until further notice, staff must**

- Continue to follow policy in the Delaware Social Services Manual (DSSM) 16500.1 – Counted Income, for unemployment compensation individuals receive from all UC programs EXCEPT the FPUC.
  - Disregard the \$600 per week FPUC program benefit when calculating income for any purpose in Medicaid and CHIP, including post-eligibility treatment of income.
- Continue to follow policy in DSSM 16500.2 – Excluded Income and not count the tax rebates toward income calculations.

- Continue to follow policy in DSSM 20200.2 – Medicaid LTC, Excluded Income and exclude the FPUC and tax rebates from income calculations.
- Exclude the \$600 per week of FPUC program benefit and the full tax rebate received by individuals from the income used in the post-eligibility processes used to determine patient pay under DSSM 20620 – Patient Pay Amount Deductions and DSSM 20720 – Patient Pay Calculation.
- Exclude the tax rebates from resources for the twelve calendar months following the month of receipt in non-MAGI financial eligibility determinations under DSSM 20310 – Resource Exclusions.

DIRECT INQUIRIES TO:

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4/15/2020

DATE

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