



Mike DeWine, Governor
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Medicaid Eligibility Procedure Letter (MEPL) No. 151

Effective Date: March 27, 2020

Issue Date: June 2, 2020

OAC Rules: 5160:1-2-02; 5160:1-3-03.1; 5160:1-3-03.3;
5160:1-3-05.14; 5160:1-4-01

To: All Medicaid Eligibility Manual Holders

From: Maureen M. Corcoran, Director

Subject: COVID-19 Public Health Emergency: Treatment of Recovery Rebates and Federal Pandemic Unemployment Compensation

Reason for Change: On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law (Pub. L. No. 116-136). This Act provides tax rebates for individuals and children and temporarily expands unemployment compensation benefits.

Policy: Section 2104 of the CARES Act provides that eligible individuals who are collecting certain Unemployment Insurance (UI) benefits, including regular unemployment compensation, will receive an additional \$600 in Federal Pandemic Unemployment Compensation per week. While regular unemployment compensation benefits are considered countable income under both Modified Adjusted Gross Income (MAGI) and non-MAGI financial methodologies, section 2104(h) specifies that the monthly equivalent of any Federal Pandemic Unemployment Compensation paid to an individual shall be disregarded when determining income for any purpose under Medicaid.

Section 2201 of the CARES Act allows a refundable tax credit for 2020 to eligible individuals and directs the Internal Revenue Service to provide payments in 2020 as an advance refund of the credit to eligible individuals, who may receive up to the amount of \$1,200 per person (\$2,400 in the case of eligible individuals filing a joint return) plus \$500 per qualifying child. These “recovery rebates” 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 in the eligibility determination of any federal needs-based program such as Medicaid. The statute further prohibits the counting of federal tax rebates as resources for a period of 12 months from receipt.

Action Required: Disregard the \$600 weekly Federal Pandemic Unemployment Compensation benefit when determining underlying income eligibility and the scope of assistance (e.g., premiums and post-eligibility treatment of income [patient liability]) for all medical assistance programs.

Exempt recovery rebates when determining underlying income eligibility and the scope of assistance (e.g., premiums and post-eligibility treatment of income [patient liability]) for all medical assistance programs. Exclude recovery rebates from countable resources for twelve months beginning the month following the month of receipt.

The information is also available on the Ohio Department of Medicaid website and may be accessed at:
RESOURCES > Publications > ODM Guidance > Medicaid Policy > Medicaid Eligibility Procedure Letter (MEPL)

<http://medicaid.ohio.gov/RESOURCES/Publications/ODMGuidance.aspx#161542-medicaid-policy>