

DMA ADMINISTRATIVE LETTER NO: 01- 09, AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

DATE: May 12, 2009

SUBJECT: American Recovery and Reinvestment Act of 2009

DISTRIBUTION: County Directors of Social Services
All Medicaid Eligibility Staff

I. BACKGROUND

The **American Recovery and Reinvestment Act of 2009** (ARRA '09-Public Law 111-5) was enacted by Congress and signed into law by President Barack Obama on February 17, 2009. The Act is intended to provide a stimulus to the U.S. economy in the wake of the economic downturn. The Act includes federal tax cuts, expansion of unemployment benefits and other social welfare provisions. The purpose of this letter is to outline the procedures for handling the changes associated with the American Recovery and Reinvestment Act of 2009.

A. \$250 Economic Recovery Payments

Some recipients of Social Security (SSA), Supplemental Security Income (SSI), Railroad Retirement Benefits, and Veterans Disability Compensation or Pension Benefits will receive a \$250 Economic Recovery Payment (ERP). The one-time payment should be received by the end of May 2009.

B. Federal Additional Compensation (FAC)-\$25.00 Expansion of Unemployment Benefits

The ARRA of 2009 provides an additional \$25.00 a week to the unemployment compensation currently being paid to individuals. According to the North Carolina Department of Labor, the payments will be retroactive to those claimants who were eligible for payments after the week ending February 28, 2009. Should someone's benefits run out after that week, they will still receive an adjustment check for those weeks they were eligible for the \$25. The increased UIB amount will be retroactive to week ending February 28.

II. POLICY

The following policy applies to both Family and Children's Medicaid (F & C) and Aged, Blind and Disabled Medicaid (ABD).

- A. The one-time \$250 Economic Recovery Payment (ERP) to certain Social Security, RR, VA or SSI recipients created by the enactment of the ARRA '09 will not be counted as income. The payment will also be excluded as a countable resource for nine (9) months following receipt of the payment.**
- B. The Federal Additional Compensation (FAC) in unemployment benefits created by the enactment of the ARRA '09 in the amount of \$25.00 weekly will be disregarded for both income and resources.**

The FAC will be listed in OLV at the end of the payment history segment. The FAC will also be verified in SCC4CICS. Select PF9 (FAC DATA) from the initial ESC inquiry screen.

If you have any questions regarding this information, please contact your Medicaid Program Representative. For any issues that are not able to be handled through that venue, Angela Floyd, Assistant Director for Recipient Services, will be your point of contact and can be reached at (919) 855-4000.

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Director

(This material was researched and prepared by Susan K. Castle, Policy Consultant, Medicaid Eligibility Unit.)