

**DHB ADMINISTRATIVE LETTER NO: 03-21,
AMENDED 2: MEDICAID/NCHC
PROCEDURES FOR COVID-19 –
UNEMPLOYMENT INCOME, STIMULUS
FUNDS/TRANSFER OF ASSETS**

DATE: December 21, 2022

SUBJECT: **Amended 2: Medicaid/NCHC Procedures Due to COVID-19 Public Health Emergency –**

- Unemployment Income
- COVID-19 Stimulus Funds/Transfer of Assets

DISTRIBUTION: County Departments of Social Services
Medicaid Supervisors
Medicaid Eligibility Staff

I. BACKGROUND

On March 13, 2020, the President issued a proclamation declaring a national emergency concerning the Coronavirus Disease outbreak (COVID-19).

The purpose of this letter is to provide instructions for the following situations:

- Mixed Earner Unemployment Compensation (MEUC)
- Federal Pandemic Unemployment Compensation
- COVID-19 stimulus funds and transfer of assets

This administrative letter is being amended due to new guidance provided by the Centers for Medicare and Medicaid Services (CMS) regarding countable resources.

Due to additional clarification provided by CMS after the first amendment of DHB Administrative Letter 03-21, this letter is being amended a second time to include the new clarification.

II. PROCEDURES

A. Mixed Earner Unemployment Compensation

There are several types of pandemic related UIB benefits. See [Dear County Director Letter \(DCDL\) Pandemic Unemployment Compensation](#), dated July 14, 2020.

The only types of pandemic related UIB that are **non**-countable for Medicaid are Federal Pandemic Unemployment Compensation (FPUC) and Lost Wages Assistance (LWA). Regardless of the amount of these two types of UIB, they are non-countable.

Beginning December 27, 2020, a new type of UIB has been added. Per guidance received from Centers for Medicare and Medicaid Services (CMS), the new UIB type, Mixed Earner Unemployment Compensation (MEUC), is a **countable** source of income for all Medicaid and NC Health Choice eligibility determinations.

NC FAST and the Department of Employment Services (DES) previously established the coding system below, to identify the different unemployment compensation types.

Guidance recently provided by CMS clarifies that UIB of **any** type should be excluded from income **and** resources (when applicable) for all Medicaid programs that are budgeted using SSI Methodology during the COVID-19 Public Health Emergency. (Some UIB types may be disregarded beyond the end of the COVID-19 Public Health Emergency – DHB will provide updated guidance at that time.)

<u>Income Code & Type</u>	<u>Countable for MAGI Budgeted Programs:</u>	<u>Countable for SSI Methodology Budgeted Programs</u>
0-State Unemployment Insurance Benefits (UI)	Yes	No
1-Extended (EB)	Yes	No
3-Pandemic Unemployment Assistance (PUA)	Yes	No
4-Pandemic Emergency Unemployment Compensation (PEUC)	Yes	No
5-Lost Wages Assistance (LWA)	No	No
6-Mixed Earner Unemployment Compensation (MEUC)	Yes	No
9-Federal Pandemic Unemployment Compensation (FPUC)	No	No
Increased Benefit Amount (IBA)	Yes	No
<i>No # code – ‘Regular UIB’</i>		

B. COVID-19 Stimulus Funds and Transfer of Assets

CMS has provided further guidance in regard to evaluating for transfer of assets for applicants/beneficiaries in applicable Medicaid programs. (See [MA-2240](#), Transfer of Assets, to determine who should be evaluated for transfers.)

1. CMS previously issued guidance that “stimulus” funds (also called recovery rebates or economic impact payments) received by a Medicaid applicant/beneficiary are considered non-countable income.
2. Updated guidance has been issued by CMS regarding when “stimulus” funds are to be considered when determining Medicaid eligibility.
 - a. For all Medicaid programs that determine eligibility using SSI methodologies, including all aged, blind, and disabled (ABD) Medicaid programs (other than medically needy), these funds are **permanently** excluded from resource calculations.
 - b. For non-MAGI Medicaid programs that use non-SSI methodologies to determine eligibility (i.e., medically needy for ABD and Family and Children), these funds are excluded for 12-months after receipt of the funds. Any amount remaining after 12-months is countable as a resource for the applicable program.
 - c. Accept self-attestation of receipt and remaining stimulus funds unless questionable.
 - d. Refer to [DHB Administrative Letter 06-20, Medicaid/NCHC Procedures for COVID-19 – Self-Attestation and Reports](#), for guidance regarding allowable self-attestation and verification requirements during the COVID-19 Public Health Emergency.
 - e. Refer to [MA-2230 Financial Resources](#) and [MA-3320 Resources](#) for verification procedures regarding excess resource rebuttal and reduction.
3. CMS has clarified that in addition to being non-countable income and resources, these funds should **not** be included in transfer of assets evaluations.
4. This new guidance applies to all current and future applications and/or change of circumstances in which the receipt of these funds and exclusion period are within the look back period.

III. IMPLEMENTATION

These policies and procedures are effective immediately for applications and recertifications. This also includes applications or recertifications currently in process. Counties will be notified of any changes or revisions to the above guidance.

If you have any questions regarding this information, please contact your Medicaid Operational Support Team representative.

DocuSigned by:

A handwritten signature in black ink that reads "Dave Richard". The signature is written in a cursive style.

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Dave Richard

Deputy Secretary, NC Medicaid