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GENERAL INFORMATION SYSTEM
DIVISION: Office of Health Insurance Programs

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TO: Local District Commissioners, Medicaid Directors

FROM: Lisa Sbrana, Director
Division of Eligibility and Marketplace Integration

SUBJECT: Impact of the American Rescue Plan Act of 2021 on Medicaid Financial Eligibility

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Support Unit
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The purpose of this General Information System (GIS) message is to provide information on the impact of certain federal COVID-19 related payments on Medicaid eligibility determinations.

The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021. This Act included reauthorizing Section 2104 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 in response to the continued COVID-19 public health emergency. Federal Pandemic Unemployment benefits of \$300 per week have been extended to eligible individuals who are collecting state Unemployment Insurance Benefits (UIB). Although income received through UIB is typically countable income under Modified Adjusted Gross Income (MAGI) and non-MAGI budgeting methodology, the Centers for Medicare and Medicaid Services has advised that Federal Pandemic Unemployment benefits are disregarded as income when determining eligibility for Medicaid, and when determining the amount of income to be contributed toward the cost of care under post-eligibility rules. Other UIB payments received, such as traditional State UIBs, Mixed Earner Unemployment benefits and Pandemic Unemployment Assistance (PUA) earnings, under CARES Act section 2102, are still counted as income.

For individuals who are subject to a resource test, the \$300 weekly Pandemic Unemployment compensation payments are excluded as a resource for the duration of the federal Public Health Emergency (PHE) declaration if retained. At the end of the federal PHE, any portion of this payment remaining is a countable resource.

Additionally, section 9061 of the ARPA authorized an additional relief payment in the form of a refundable tax credit for 2021 to income eligible individuals. The "recovery rebate" or "stimulus payment" is up to \$1,400 for single adults, \$2,800 for married couples filing jointly and \$1,400 for each child under age 17. This stimulus payment is not taxable income and therefore not countable in MAGI-based eligibility determinations. For non-MAGI determinations, rebates are not countable as income and are an exempt resource for 12 months. After the 12-month period, any portion of the stimulus payment remaining is a countable resource. For purposes of determining the amount of income to be contributed toward the cost of care under post-eligibility rules, stimulus payments are not countable income and are excluded as a resource for 12 months if retained.

Please direct any questions regarding this GIS message to your local district support liaison.