

How Do Economic Impact Payments Affect Office of Long-Term Living (OLTL) Participants?

The Internal Revenue Service (IRS) is in the process of distributing economic impact payments (or recovery rebates) as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. OLTL has received questions about how these payments will affect the Medical Assistance (MA) eligibility of OLTL participants in Community HealthChoices, the Living Independence for the Elderly (LIFE) program, OBRA waiver, and Act 150 program. These questions are answered below.

Q1: How will participants receiving OLTL services in nursing homes, residents receiving SSI, or retirees in a nursing home, receive the economic impact payment?

A: The IRS has released guidance about the economic impact payments on their website at <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>. The website answers questions such as “Who is eligible for the economic impact payment?” and “How will the IRS know where to send my payment?” Please continue to check the IRS website for updates on the status of economic impact payments. Key information about economic impact payments will be posted at <https://www.irs.gov/coronavirus>.

Q2: How will receipt of the economic impact payment affect participant resources? Will participants be over the resource limit?

A: The portion of the economic impact payments that are spent within 12 months of receipt are considered an excluded resource for MA eligibility. Any portion of the payment that is not spent within 12 months of receipt is a countable resource.

Q3: How does the state/County Assistance Offices (CAO) plan to handle?

A: DHS has provided instruction to the CAOs on how the economic impact payments affect MA eligibility.

Q4: Do these payments need to be reported as income for the month they're received? Will they count as income in the month they're received?

A: The payment must be reported to the CAO, but it will be considered excluded income for MA eligibility.

Q5: Does the economic impact payment need to be included in the resident liability (patient pay) for the month?

A: No. The payment will not be counted to determine the patient pay.