



COMPLIANCE CONSULTING  
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# Memorandum

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Recent reports indicate that some facilities misinterpreted the status of resident economic impact payments (EIPs), sometimes referred to as Coronavirus stimulus payments. EIPs were provided to many Americans, including those who reside in nursing homes, as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. For Medicaid classification purposes, EIPs are considered an advanced tax credit, not income. By law, the only reason an EIP may be offset is for past-due child support owed to a state agency or custodial parent. Consequently, facilities may not consider the EIPs to be "income" or "resources" for the purpose of federal benefit programs such as Medicaid. Facilities are also not entitled to the EIP payments with regard to Social Security and Supplemental Security Income beneficiaries.

Due to reports that facilities were unlawfully taking residents' EIPs, on June 8, 2020, Congressmen Richard Neal and Frank Pallone Jr., wrote a letter to CMS Administrator Seema Verma requesting that CMS issue guidance regarding these concerns. (The letter is available here: [https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/06%2008%2020\\_COVID\\_SNF%20EIP%20letter%20to%20CMS.pdf](https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/06%2008%2020_COVID_SNF%20EIP%20letter%20to%20CMS.pdf).) Regardless of whether or not CMS issues guidance, it is clear that EIP funds provided through the CARES Act may not be taken by facilities simply because the resident is on Medicaid. All facilities should review their policies, processes, and protocols to ensure that resident EIPs have not been unlawfully obtained by the facility. In the event a facility did obtain these funds, a complete and immediate refund should be issued to the resident.

We are always available to discuss your concerns:  
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