Summary of Changes:

This EM replaces a prior version issued on May 07, 2020 and includes the following substantial revisions:

A. Purpose – Expands the purpose of the EM to provide guidance on additional types of Coronavirus Disease 2019 (COVID-19) related assistance beyond Coronavirus Aid, Relief, and Economic Security (CARES) Act economic impact payments.

B. Background – Provides background information on additional types of COVID-19 assistance covered in the EM.

C. through J. – New subsections that provide policy on LIS income and resource treatment of each type of assistance payment, as well as procedural instructions for developing and documenting that particular payment.

K. References – Expands the list of relevant POMS references.

A. Purpose

This emergency message (EM) provides guidance on when and how to document Coronavirus Disease 2019 (COVID-19) related
assistance for purposes of determining eligibility for Medicare Part D Low Income Subsidy (LIS).

LIS rules for how to treat COVID-19 assistance are the same as the Supplemental Security Income (SSI) program.

Remember to follow the instructions on existing review and documentation when processing LIS initial and redetermination applications. For best practices on processing LIS applications, refer to AM-19048 “Reminder for Medicare Part D Low Income Subsidy (LIS) Applications”.

B. Background

On March 27, 2020, the President signed into law the “Coronavirus Aid, Relief, and Economic Security Act,” (CARES) Act, or Public Law 116-136. The CARES Act provides several types of assistance related to Coronavirus Disease 2019 (COVID-19).

Important: See Section C, which contains the policy and instructions needed, to determine how these assistance payments effect LIS eligibility.

COVID-19 assistance payments related to the CARES Act include:

**Economic Impact Payments (EIPs) (also known as Recovery Rebates)** – Emergency stimulus payments of up to $1,200 per taxpayer and $500 for each qualifying child in the household. Some taxpayers may receive less (for example, if their adjusted gross income exceeds certain limits). “Taxpayers” for this purpose also includes Social Security and/or SSI beneficiaries who did not actually pay 2018 or 2019 income taxes (or both).

**Higher Education Emergency Relief Fund (HEERF) Payments** – Emergency financial aid grants to students for expenses related to the disruption of school operations due to COVID-19.

**Federal Pandemic Unemployment Compensation (FPUC) Benefits** – Emergency unemployment benefits
of $600 per week for qualifying individuals who are out of work because of the COVID-19 pandemic.

**Wage and Leave Payments under the Paycheck Protection Program (PPP)** – Small businesses affected by the pandemic are eligible to apply for forgivable PPP loans. These loans may enable employers to sustain payroll expenses for employees who might otherwise face reduced hours, temporary layoff, or job loss. Employees may benefit from their employer’s PPP participation by receiving normal wage payments, paid time off or other leave, and continued health related benefits.

**Coronavirus Relief Fund for Tribal Governments**
An emergency payment provided to tribal governments navigating the impact of the COVID-19 outbreak. The tribes are responsible for disbursing the funds to tribal members; and using the funds to assist their tribal community with obtaining the critical resources needed to combat the virus.

Other types of COVID-19 assistance that individuals may receive, unrelated to the CARES Act, include:

**Hazard Duty Pay / Premium Pay / Bonuses** – Some employers are offering pay increases or bonuses to their employees for work performed during COVID-19.

**Paid Leave under the Families First Coronavirus Response Act (FFCRA)** – Effective April 1, 2020 through December 31, 2020, workers forced to be off work for certain COVID-19-related reasons may receive emergency paid sick leave or emergency paid family and medical leave.

C. Economic Impact Payments (EIPs) (also known as Recovery Rebates)

1. **Policy**

For LIS determinations, EIPs received under the
CARES Act do not count as income. Treat EIPs as advanced tax credits, and exclude retained EIP amounts from resources for up to 12 months following the month of receipt.

2. Instructions

- Accept the individual’s allegation regarding an EIP received.

If an individual is unable to provide an allegation about the amount of funds retained from the recovery rebate payment, develop the excluded amount using the instructions for commingled funds in SI 01130.700, “Identifying Excluded Funds That Have Been Commingled With Nonexcluded Funds”.

- When the receipt of an EIP is retained and affects eligibility, develop and exclude it from resources for up to 12 months following the month of receipt. Document the allegation in the Medicare Application Claims Processing System (MAPS) on the Report of Contact (DWRC) screen following existing instructions in HI 03035.006D and MS 03206.003. Use the Issue Verification (VRAI) screen in MAPS to input the amount, types of evidence requested and reviewed, dates and types of contacts made, and the determination using existing instructions in and HI 03035.006E and MS 03206.006.

Example:

If the individual receives a recovery rebate payment in May 2020 and retains any part of the funds after May 2020, we will exclude the retained amount from resources from June 2020 through May 2021. In this example, if an individual continues to retain any part of the recovery rebate payment after May 2021, the funds will be included as a countable resource starting in June 2021.
D. Higher Education Emergency Relief Fund (HEERF) Payments

1. **Policy**

   For LIS determinations, HEERF payments received under the CARES Act do not count as income. Retained HEERF amounts are permanently excluded from resources.

2. **Instructions**

   - Accept the individual’s allegation regarding HEERF assistance received.
   - When an individual alleges receiving and retaining HEERF payments that affect LIS eligibility, develop and exclude HEERF assistance from resources.
   - Document the allegation in the Medicare Application Claims Processing System (MAPS) on the Report of Contact (DWRC) screen following instructions in HI 03035.006D and MS 03206.003. Use the Issue Verification (VRAI) screen in MAPS to input the amount, types of evidence requested and reviewed, dates and types of contacts made, and the determination using existing instructions in and HI 03035.006E and MS 03206.006.

E. Federal Pandemic Unemployment Compensation (FPUC) Benefits

1. **Policy**

   For LIS determinations, FPUC benefits received under the CARES Act count as unearned income. Any FPUC benefit amounts retained into the month following the month of receipt count as a resource.
2. Instructions

When FPUC benefits affect LIS eligibility, follow existing instructions in HI 03035.006D and MS 03206.003 to document unemployment insurance benefits in MAPS on the DWRC screen. Use the Issue Verification (VRAI) screen in MAPS to input the amount, types of evidence requested and reviewed, dates and types of contacts made, and the determination using existing instructions in and HI 03035.006E and MS 03206.006.

F. Wage and Leave Payments under the Paycheck Protection Program (PPP)

1. Policy

For LIS determinations, wage payments, paid time off or other leave, and continued health related benefits received by employees under the PPP follow normal SSI income policy and are generally considered wages or a continuation of wages.

2. Instructions

When a PPP payment affects LIS eligibility, follow existing instructions in HI 03035.006D and MS 03206.003 to document wage information in the Medicare Application Claims Processing System (MAPS) on the Report of Contact (DWRC) screen. Use the Issue Verification (VRAI) screen in MAPS to input the amount, types of evidence requested and reviewed, dates and types of contacts made, and the determination using existing instructions in and HI 03035.006E and MS 03206.006.

G. Coronavirus Relief Fund for Tribal Governments

1. Policy
For LIS determinations, funds disbursed by tribal governments to tribal members are treated as **unearned income**, and as a **resource** in the month following the month of receipt, unless an exclusion applies under current SSI policy.

**NOTE:** An exclusion may apply when a tribe creates a needs-based program following the requirements within [SI 00830.175](#).

### 2. Instructions

When COVID-19 related Tribal relief funds affect LIS eligibility, document the receipt of unearned income in the Medicare Application Claims Processing System (MAPS) on the Report of Contact (DWRC) screen following existing instructions in [HI 03035.006D](#) and [MS 03206.003](#). Use the Issue Verification (VRAI) screen in MAPS to input the amount, types of evidence requested and reviewed, dates and types of contacts made, and the determination using existing instructions in and [HI 03035.006E](#) and [MS 03206.006](#).

### H. Hazard Duty Pay / Premium Pay / Bonuses

#### 1. Policy

For LIS determinations, COVID-19 related hazard pay and other premium wage payments are subject to normal SSI income counting rules and treated as **wages**.

#### 2. Instructions

When COVID-19 related hazard/premium/bonus pay affects LIS eligibility, follow existing instructions in [HI 03035.006D](#) and [MS 03206.003](#) to document wage information in MAPS on the DWRC screen. Use the Issue Verification (VRAI) screen in MAPS to input the amount, types of evidence requested and reviewed, dates and
types of contacts made, and the determination using existing instructions in and HI 03035.006E and MS 03206.006.

I. Paid Leave under the Families First Coronavirus Response Act (FFCRA)

1. Policy

Emergency sick leave or family leave paid under the FFCRA by the employer or by a third party (i.e. insurance company) based solely on employer's contributions are considered wages.

2. Instructions

When FFCRA payments affect LIS eligibility, follow existing instructions in HI 03035.006D and MS 03206.003 to document emergency paid sick leave or emergency paid family leave received under the FFCRA in MAPS on the DWRC screen. Use the Issue Verification (VRAI) screen in MAPS to input the amount, types of evidence requested and reviewed, dates and types of contacts made, and the determination using existing instructions in and HI 03035.006E and MS 03206.006.

J. Additional Information

For more information about the LIS income verification process see, HI 03035.010.

For more information about the LIS resource verification process see, HI 03035.020.

See EM-20014 SEN REV for guidance on how common types of COVID-19 related assistance will be treated for purposes of determining Supplemental Security Income (SSI) eligibility.

Direct all program-related and technical questions to your RO support staff or PC OA staff. RO
support staff or PC OA staff may refer questions or problems to their Central Office contacts.

K. References:

- AM-19048 Reminder for Medicare Part D Low Income Subsidy (LIS) Applications
- EM-20014 SEN REV Effect of COVID-19-Related Financial Assistance on SSI Income and Resources
- HI 03035.010 Income Verification Process
- HI 03035.020 Verification Process for Liquid Resources
- MS 03206.003 MAPS Report of Contact (DWRC)
- MS 03206.006 MAPS - Development Worksheet- Issue Verification (VRAI)
- SI 01130.700 Identifying Excluded Funds That Have Been Commingled With Nonexcluded Funds
- SI 00830.175 Assistance Based on Need (ABON)