

GWEN MOORE
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COMMITTEE ON
WAYS AND MEANS
SELECT REVENUE MEASURES
WORKER AND FAMILY SUPPORT
OVERSIGHT



Congress of the United States
House of Representatives

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June 9, 2020

The Honorable J. Russell George
Inspector General
U.S. Treasury Inspector General for Tax Administration
1401 H Street, N.W., Suite 469
Washington, DC 20005

Dear Inspector General George:

I write you in response to the troubling reports emerging about nursing homes and assisted living facilities across the nation requiring or pressuring residents into signing over their Economic Impact Payment (EIP) checks.¹ According to the FTC report, these nursing homes have been claiming that they get to intercept the payment because the person is on Medicaid. I believe that is absolutely false and I urge you to investigate immediately, including examining the IRS effort (in conjunction with the Centers for Medicare and Medicare Services (CMS) or other federal agencies) to stop these interceptions and issuing recommendations to the Internal Revenue Service (IRS) regarding actions the IRS can take to prevent nursing homes and assisted living facilities from intercepting or otherwise coercing their patients to turn over their EIP payments to the facilities for any reason. I also urge you to alert residents at these facilities of possible fraudulent attempts to appropriate payments to which they are eligible.

The EIP constitute a key part of the federal government's attempt to help all individuals affected by the unprecedented economic downturn our nation is now experiencing. For low-income seniors or seniors on fixed incomes, these payments are important supplement that can help them through this tough economic time. In addition, Congress took explicit steps in the Coronavirus Aid, Relief, and Economic Security (CARES Act) to help ensure that these payments are received by qualifying individuals and would not be intercepted. For instance, section 2201(d) of the CARES Act prohibits the Department of Treasury from reducing or offsetting these payments to satisfy most past due debts owed to governmental agencies. Furthermore, by structuring the EIP as tax credits, Congress acted to ensure that the distribution of these payments would not cause adverse impacts with respect to other Federal benefits for which the recipients may be eligible. Under section 26 USC 6409, these payments may not affect a

¹ See Greisman, L. (2020, May 15). "Did a nursing home or assisted living facility take your stimulus check?" May 15, 2020, available at <https://www.consumer.ftc.gov/blog/2020/05/did-nursing-home-or-assisted-living-facility-take-your-stimulus-check>.

recipient's determination of eligibility for benefits or assistance or the amount of any such benefits or assistance provided under any Federal program or under any State or local program financed in whole or in part with Federal funds. These examples support the clear and manifested intent of Congress that these payments are distributed to provide emergency relief to the eligible individuals, themselves.

I am appalled that some may be acting to intentionally intercept or coerce their vulnerable residents to turn over these critical payments, including using the false argument that Medicaid somehow allows them to do so. That is why it is imperative that the IRS act to make clear that such actions are not acceptable and should stop immediately and that you require any nursing home receiving federal funds that have engaged in such actions to promptly return affected individuals' EIP payments. I urge the U.S. Treasury Inspector General for Tax Administration to exercise its oversight over fraudulent activity related to these payments to protect patients and residents of these facilities who are properly entitled to their EIP.

I would appreciate a timely response to the following questions:

1. Are you tracking reports of nursing homes, assisted living, or other facilities caring for residents who are on Medicaid or Medicare intercepting these payments, including using Medicaid as a reason for taking these payments?
2. Is it your understanding that the law and IRS rules regarding these payments prohibit such types of interceptions by these facilities?
3. What actions has the IRS taken to prevent such interceptions, if any, or to help individuals get their money back if it has been intercepted or ceased?
4. Has the IRS provided guidance to CMS, or consulted with CMS about these reports and about the best ways to stop these illegal EIP interceptions?
5. What actions can you take, or recommend that the IRS/Department of Treasury take, to ensure that residents in assisted living facilities and nursing homes and their families have accurate information regarding requests from their facility to intercept their EIP?
6. What actions will you take or recommend that the IRS take against assisted living or nursing home facilities that have intercepted these payments and that have failed to promptly return the payments to affected individuals?

Thank you and I look forward to your response.

Sincerely,

A handwritten signature in black ink that reads "Gwen Moore". The signature is written in a cursive, flowing style.

Gwen Moore
Member of Congress