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Medical Assistance Estate Recovery and Lien Programs

County Liaison: Greg Lulic • Special Recovery Unit

MA Estate Recovery



What is Minnesota's estate recovery program?

- The Medical Assistance (MA) estate recovery is a program that the federal government requires Minnesota to administer to receive Medicaid funds.
- In certain circumstances, the program requires Minnesota to recover against assets a person owns at death to repay the amount that MA paid for that person or the person's spouse.
- County collection workers, on behalf of the state, file claims against the estates of MA enrollees after they die.



MA Estate Recovery

Who is affected by estate recovery?

Two populations of MA enrollees:

- 1. People who received certain MA services when they were 55 years old or older**
 - This includes people ages 55-64 determined eligible for MA under the modified adjusted gross income (MAGI) methodology.

MA Estate Recovery



2. **People who resided in a “medical institution” for six months or longer and received MA services during that time**
 - Recovery can be made for the amount MA paid for these medical institution services regardless of the person’s age when they received the services.
 - The enrollee’s treating physician, advanced practice registered nurse (APRN) or physician assistant (PA) must have certified in writing that he or she expected the MA enrollee to stay in the medical institution permanently.
 - A “medical institution” means skilled nursing facility, intermediate care facility (ICF), ICF for persons developmental disabilities, nursing facility, or inpatient hospital. Living arrangement codes are 41-46 and 48.



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Who is affected by estate recovery?

- **Alternative Care (AC) enrollees**
 - AC is a long-term care program for people 65 years old or older.
 - Recovery is limited to the amount AC paid for an enrollee's health care on or after July 1, 2003.
- **People who were enrolled in General Assistance Medical Care (GAMC)**
 - GAMC was a public health care program in Minnesota.
 - GAMC no longer exists.
 - GAMC that was received at any age is recoverable.



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What happens after someone affected by estate recovery dies?

- A county collection worker will file a claim against the estate of the deceased MA, AC, or GAMC enrollee if the law allows it at the time of the enrollee's death.
- Sometimes the law does not allow county workers to collect on a claim against the enrollee's estate after the enrollee dies. There are some exceptions that delay recovery.



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What are some exceptions to estate recovery?

- **Recovery is delayed if the enrollee is survived by:**
 - A surviving spouse
 - A child under 21 years old
 - A child of any age who is blind
 - A child of any age who is permanently disabled



MA Estate Recovery

What are some exceptions to estate recovery?

If an enrollee resided in a medical institution, recovery against the enrollee's former homestead is delayed if:

- **the enrollee's child or grandchild**
 - lived in the home for the two years immediately before the enrollee became institutionalized,
 - provided care to the enrollee in the home that allowed the enrollee to continue living at home rather than live in an institution, and
 - has continued to live there since the enrollee's institutionalization.
- **the enrollee's sibling**
 - lived in the home for one year immediately before the enrollee became institutionalized
 - has continued to live there since.



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What kinds of estate assets can a county claim against after an enrollee dies?

- All property included in the enrollee's probate estate
 - Probate is the legal process of settling a person's estate under court supervision after he or she dies.
 - Any interests the enrollee had in real property at death
 - Joint tenancy interests
 - Life estate interests
 - Tenant in Common



MA Estate Recovery

What kinds of estate assets can a county claim against after an enrollee dies?

- Securities, joint accounts, multiple-party accounts, pay-on-death accounts, brokerage accounts, or proceeds of those accounts.
- Assets conveyed to a survivor, heir, or assign of the person through survivorship, living trust, or other arrangements.
- **Important:** If an enrollee affected by estate recovery is survived by a spouse, the county delays recovery until the spouse dies. The county will then file a claim against the spouse's estate assets to recover the MA costs.



Estate Recovery includes trust recovery:

Counties may recover from certain trusts, including many trusts that are not counted for purposes of eligibility, except:

- Special needs trusts (DHS collects)
- Pooled trusts (DHS collects)
- Supplemental needs trusts (goes to beneficiaries)
- Annuities where DHS is the preferred remained beneficiary
- Trusts created by the deceased member's life insurance
- ABLE Accounts

***Please contact County Liaison for Guidance.



How can the state help our program?

- SRU will file liens against real property to prevent it from being sold until you have collected. NPC Form is located in the Estate Recovery Manual.
- SRU will release liens on real property after you have completed your estate recovery.
- SRU will respond to county inquiries about estate recovery laws, policies, and procedures and will help you think out legal/statutory issues.



Estate Recovery Manual

- On-line estate recovery procedures manual.
- Will be updated regularly to reflect up-to-date changes to state and federal laws.
- Procedures are reviewed by the state-county advisory board prior to publication.

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Thank you!

Questions? Call Greg Lulic: (651) 431-3152

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Medical Assistance Estate Recovery

Greg Lulic – County Liaison



Medical Assistance Estate Recovery

- Histories – different types of Histories
 - Pre-06/01/94
 - MMIS 2073 and 2073A
 - Standard Report



Medical Assistance Estate Recovery

- Claim History with Managed Care Organization MCO

Medical Assistance Estate Recovery



- Death Match Report History vs. Notice to Commissioner

Medical Assistance Estate Recovery



- MAEPD and AC Premium Paid Reports
 - What are they?

Medical Assistance Estate Recovery



- Transfer on Death Deeds (TODD)

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- Liens on out of state property

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- What documents show ownership interest?

Medical Assistance Estate Recovery



- Recovering MA claim with multiple claims CFR's



Medical Assistance Estate Recovery

- Prepaid Funeral Policy
 - How they work



Medical Assistance Estate Recovery

- Life Estate / Joint Tenancy Interest
 - Who recovers?

Medical Assistance Estate Recovery



- Written Statement of Claim with Surviving Spouse

Medical Assistance Estate Recovery



- Recovery when there is a disabled child.

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- Nursing home bills / last illness?

Medical Assistance Estate Recovery



- Recovery on bank accounts when there is a beneficiary
 - Can we?

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- Notice of Potential Claim on Alternative Care?

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- Certificate of Clearance for Medical Assistance Claims
 - How to complete.

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- Pin report vs. DHS Claim History

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- Annuity Recovery

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Thank You!

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