

Administrative Notice DMMA -01-2006

TO: Division of Medicaid & Medical Assistance

DATE: January 10, 2006

SUBJECT: Estate Recovery

BACKGROUND

Under the estate recovery provisions in the Omnibus Budget Reconciliation Act (OBRA) of 1993 and §1917(b) of the Social Security Act, states must recover certain Medicaid benefits correctly on behalf of an individual. Beneficiaries are notified of the Medicaid estate recovery program during their initial application for Medicaid eligibility and annual redetermination process. Federal law provides protections to ensure adequate notice to clients, prevention of undue hardship, and cost effectiveness under a state's recovery program.

DISCUSSION

For individuals age 55 or older, States are required to seek recovery of payments from the individual's estate for nursing facility services, home and community based services, and related hospital and prescription drug services. States have the option of recovering payments for all other Medicaid services provided to these individuals. States are also required to establish procedures, under standards specified by the HHS Secretary for waiving estate recovery when recovery would cause an undue hardship.

Effective January 10, 2006, for institutionalized individuals age 55 or over, the time period for the exclusion of placement of a lien on real property due to intent to return home is being reduced from two years to sixty days. In addition, the amount of time DMMA will protect the \$75.00 home maintenance disregard has been reduced from six months to two months. The home maintenance disregard is not available for spousal cases.

The Preadmission Screening unit will no longer complete the medical assessment to determine if client is likely to return home. Instead, the Medicaid social worker, upon learning the client intends to return home, requests the applicant or representative have form 407 completed by the applicant's physician.

ACTION REQUIRED

- Determine if client owns real property with an intent to return home
- Request Physician complete form 407
- Submit lien forms to estate recovery unit after 60 days of institutionalization
- Notify estate recovery unit if individual should return to their own home

Attachment form 407

Direct Inquiries to

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Signed - January 10, 2006
HARRY HILL, DIRECTOR
DIVISION OF MEDICAID & MEDICAL ASSISTANCE