

What is Estate Recovery? KEESM 1725

It is a program which allows KHPA to recover medical care costs from the estate of recipients who, prior to their death:

- Were 55 year of age or older; or
- Resided in a nursing facility placement

A claim will not be established for the following reasons:

- If there are surviving children under the age of 21, or who are blind or disabled according to Social Security criteria
- If there is a surviving spouse, however upon the death of the spouse a claim would be filed against that spouse's estate.
- Persons receiving coverage under the Medicare Savings Programs (QMB/LMB) or Medicare Part D subsidy.

In 2006, KHPA entered into a contract with Health Management Systems, Inc to support the Estate Recovery process. The Estate Recovery until will continue to provide some direct services related to the recovery process and will have oversight over the contractor. You can continue to contact KHPA ERU regarding pre-payment and spousal elective share consultation.

Services HMS will provide include:

- Post-death recoveries involving probate, conservatorships, guardianships, family agreements in lieu of probate, nursing home funds, POD bank accounts, funeral plan excess and (d)(4) trusts (disability payback & charitable pooled trusts)
- Pre-death recoveries involving Medicaid liens
- Waiver requests involving recovery areas
- Negotiated settlements involving recovery areas
- Inquiries on claims amounts (for handling TOD deeds, resident trust funds, funeral plan excess and POD accounts)
- Inquiries on procedures used by HMS in recoveries

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Definition of Estate-KEESM 1725.1

A person's estate includes the home, savings, life insurance proceeds, life estates, trust funds, jointly owned property, and any excess funeral funds existing in prepaid funeral agreements after final expenses are paid. Assets conveyed upon death through special deeds and titles, such as a transfer on death deed or tenancy in common.

- Medical assistance provided prior to 7/1/04, **estate is defined as property owned solely by the deceased medical assistance recipient**
- After 7/1/04, the **definition of estate expanded to include all property the deceased medical assistance recipient had interest in.**

Medical Liens-KEESM 1725.2

ERU can impose a lien on real property if the consumer is not expected to return. The lien can only be imposed if a recipient has received funded care in a Medicaid facility for 6 months. The agency shall obtain a statement from a physician attesting to the expectation of the individual to return home. **The ES-3152, Medical Assistance Lien Physical Verification form**, shall be used to obtain the information.

The worker is responsible for getting a copy of the deed to the home, obtaining the ES-3152 and keeping this form in the file. Notify ERU/HMS that the recipient will not be returning home and that the appropriate documents are in the file.

Claims-KEESM 1725.5

The claim will be in the amount of any medical expenses paid by the agency since the inception of the Estate Recovery Program (7/1/92). Claims on medical liens will be based on the amount of assistance paid on behalf of the recipient beginning 6 months from the date the recipient became eligible for compensated inpatient care until the filing of the lien plus any amount paid thereafter by the agency on behalf of the recipient.

ERU/HMS will check the information provided by both the worker and potential claim information from the MMIS system. If there is any claim and any estate, ERU/HMS will determine what collection action is appropriate. ERU/HMS reviews the claim and the value of the estate to determine if it is cost effective to take recovery action. Letters are sent to the family, bank, and nursing facility if applicable.

- Letters to banks request the balance of the recipients accounts be forwarded to ERU/HMS and that any additional information the bank has on the resources of the recipient be provided to ERU/HMS

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- Letters to the family express our condolences as well as list the claim amount the state has on the estate and the resources we know about
- Nursing facilities have all been notified in the past that recipients' remaining personal needs accounts are to be forwarded to ERU/HMS upon death of the recipient.

The EES worker has little involvement with the claim after verifying to ERU/HMS that the information is correct, ERU/HMS handles the case from that point on. Any phone calls that come in to the worker after the referral has been made to ERU/HMS should be directed to ERU/HMS.

Effect on Burial Assistance

When ERU/HMS is notified of a consumer's death, please note if burial assistance has been requested. IF the asset considered in the burial budget has already been collected by ERU/HMS, they will forward the asset to the funeral home. While both funeral expenses and medical assistance are first class claims, reasonable funeral expense will have priority over medical claims.

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Knock Knock

Who's There?

Doughnut

Doughnut who ?

Doughnut pull the dog's tail or he will bite you.

HEEHEE!!! HA HA HA!!!



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