

HOUSE BILL REPORT

HB 2492

As Reported By House Committee On:
Health Care

Title: An act relating to medical assistance federal requirements.

Brief Description: Modifying federal requirements regarding medical assistance.

Sponsors: Representatives Dellwo and Dyer; by request of Department of Social and Health Services.

Brief History:

Reported by House Committee on:
Health Care, February 1, 1994, DP.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass. Signed by 13 members: Representatives Dellwo, Chair; Dyer, Ranking Minority Member; Ballasiotes, Assistant Ranking Minority Member; Backlund; Conway; Cooke; Flemming; R. Johnson; Lemmon; Lisk; Mastin; Morris and Thibaudeau.

Staff: Antonio Sanchez (786-7383).

Background: Under current law the Department of Social and Health Services (DSHS) has the ability to recover the nursing home costs that were paid by the state under medicaid for persons 65 years old or older who die while in the nursing home or during related hospitalization. The department does not recover these funds if there is a surviving spouse.

The federal government made substantial changes to the medicaid nursing home eligibility rules relating to transfers of assets, trusts and estate recovery. As a result of the new federal mandates, all states are required to adopt the following changes in order to receive matching federal funds through medicaid:

- 1) The age of the medicaid recipient subject to estate recovery must be lowered from age 65 to 55.

- 2) There will be no exemptions for a surviving spouse, except that the recovery cannot be made until after the death of the survivor.
- 3) Rules must be adopted to waive estate recovery when undue hardship would result, according to guidelines established by federal regulations.
- 4) Recovery must be expanded to include Medicaid Community Options Program Entry System (COPES).

Summary of Bill: The Department of Social and Health Services (DSHS) is required to recover the amount of money spent by medicaid on a person 55 or older who dies while in a nursing facility or during related hospitalization. Specific costs subject to collection include nursing facility services, home and community-based services, and related hospital and prescription drug services.

DSHS is required to establish procedures to waive recovery where recovery would cause undue hardship for the surviving spouse and is authorized to conduct the recovery from the estate, based on specified department collection actions.

The changes in the estate recovery rules only apply to medicaid benefits paid on or after October 1, 1993. Collection actions can begin on July 1, 1994.

Fiscal Note: Available

Effective Date: The bill takes effect on July 1, 1994.

Testimony For: This will allow us to comply with federal mandates.

Testimony Against: None.

Witnesses: Ralph Smith and John Kuntz, Department of Social and Health Services (pro).