

**SENATE BILL REPORT**

**HB 2492**

**AS PASSED SENATE, MARCH 1, 1994**

**Brief Description:** Modifying federal requirements regarding medical assistance.

**SPONSORS:** Representatives Dellwo and Dyer; by request of Department of Social and Health Services

**HOUSE COMMITTEE ON HEALTH CARE**

**SENATE COMMITTEE ON HEALTH & HUMAN SERVICES**

**Majority Report:** Do pass.

Signed by Senators Talmadge, Chairman; Wojahn, Vice Chairman; Deccio, Franklin, Fraser, Hargrove, McDonald, Moyer, Niemi, Prentice and Winsley.

**Staff:** Rhoda Jones (786-7198)

**Hearing Dates:** February 16, 1994; February 17, 1994

**BACKGROUND:**

Under current law the Department of Social and Health Services (DSHS) recovers nursing home costs paid by the state for Medicaid recipients 65 years or older who die while in a nursing home or during related hospitalization. The department does not recover these funds if there is a surviving spouse.

In 1993 the federal government made substantial changes to the Medicaid nursing home eligibility rules relating to transfer of assets, trusts and estate recovery. The new regulations lowered the age of Medicaid recipients subject to estate recovery from 65 to 55. The exemption for a surviving spouse was removed, and the scope of services which are included for recovery was expanded.

The federal law requires all states adopt these changes in order to receive matching federal funds through Medicaid. States were given until their next legislative session to comply.

**SUMMARY:**

Minimum requirements set by the federal government for the recovery of Medicaid payments made for nursing home recipients who die in nursing homes or under related care are enacted.

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 it would cause undue hardship for the surviving spouse. The agency 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.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**Effective Date:** July 1, 1994

**TESTIMONY FOR:** None

**TESTIMONY AGAINST:** None

**TESTIFIED:** No one