

ANALYSIS OF HOUSE BILL 1116

Requiring the department of social and health services to disclose long-term care of adults.

SPONSORS: Representatives.

BACKGROUND: The state is required to recover (to have paid back) certain long-term care benefit payments plus hospital services and prescription drug services from recipients' estates after the death. Recovery is deferred while there is a surviving child who is 20 years old or younger or who is blind or disabled. Recovery is also deferred until the death of the surviving spouse. Certain hardship provisions to protect dependent heirs may apply.

Washington state will recover payments from the estates of recipients age 55 or older for the following long-term care services: nursing home services, Medicaid personal care services, adult day health and private duty nursing or COPEs. The state will also recover costs of hospital care and prescription drugs for people who receive any long-term care services. Recovery is also made from the estates of people who receive any state-funded services, such as chore services, adult family homes, or adult residential care. These are collected regardless of the age of the recipient of service.

Collection only applies to property the Medicaid recipient owned or had an interest in at the time of death. It does not apply to property solely owned by a spouse or child. An estate includes all real property and buildings and all other property savings assets a person owns or has a legal interest in at the time of death.

The Department of Social and Health Services (DSHS) may file a lien to make a claim against any property which is included in the deceased recipient's estate. Before filing a lien against real property, DSHS gives notice and opportunity for a hearing to the estate's personal representative and the decedent's surviving spouse, or any other established owner of the property.

At the time of application for assistance, the client must complete and sign an application form. The application form contains a paragraph that states the client understands that the DSHS may recover the cost of long-term care services from the estate. A flyer produced by the Columbia Legal Services with information regarding state recovery is also given to the client at the time of application. Aging and Adult Services Administration pamphlets that are distributed to client and provider also contain information regarding this issue.

The DSHS is not required by law to notify the client of the terms and conditions of the estate recovery process, the specific costs of each long-term care service option, or to periodically keep the recipient informed of long-term care services or the debt being charged to the estate.

SUMMARY: This bill requires that the DSHS fully disclose in advance of any use of state-funded long-term care services, the terms and conditions of the amount of money that a person would owe from their estate at the time of their death, if they choose to use state-funded long-term care services. All state-funded long-term care clients must be notified by the DSHS of how their estate would be billed, how much money each service would cost their estate, how the estate would be charged, and how any co-payments would be charged to them. If funding is available, the DSHS must also notify the client or their family, quarterly of the types of services used, the charges being made against their estate for the use of long-term care services, how much the account is being credited for any co-payments made, and the total debt being charged against the estate.

PREPARED BY: Antonio Sanchez, Research Analyst
House Health Care Committee, P.O. Box **40600**
Olympia, WA. 98504-0600, (360) 786-7383