

## What You Need to Know About Estate Recovery

Federal and state law requires that the Division of Medicaid have an Estate Recovery plan in place. This Estate Recovery law means that the Division of Medicaid becomes a creditor against the estate of a deceased Medicaid recipient under certain conditions.

In order for Estate Recovery to apply to you, you must be eligible for Medicaid and be:

- age 55 or older, and,
- in a nursing facility or enrolled in a Home & Community Based Services Waiver Program at the time of death.

The Estate Recovery law does not apply to you if, at the time of death, you have:

- a living husband or wife, or
- a living dependent (such as a child) under the age of 21, or
- a living dependent (such as a child) of any age who is either blind or disabled, or
- an undue hardship condition that causes Estate Recovery not to apply.

**If the Estate Recovery law affects you as a Medicaid recipient** it means that the Division of Medicaid can put a claim against your estate after your death. The amount of the claim can be up to the amount Medicaid paid for nursing facility services, waiver services and related hospital and drug services in your behalf.

Your estate is made up of real and personal property that you own at the time of death. The value of your estate is based on the value of the property that you own, whether you own it in full or have a shared ownership. It includes the value of your home or other real estate. It also includes the value of personal property such as cash, stocks, bonds, automobiles, mobile homes.

**If the Estate Recovery law applies to you**, the Division of Medicaid will send your family a letter that tells them how much Medicaid paid toward your care. Your family will be granted a chance for a fair hearing if needed.

Undue hardship cases are reviewed on a case by case basis and may include the following:

- The property is the sole income-producing asset of the survivors (with limited income).
- The estate is of modest value, meaning less than \$5,000.
- An adult relative lived in the home for at least a year before you went in the nursing home or on a waiver program and provided care to you and now the relative is dependent on the property for a home.

In addition to the above, Medicaid will allow up to \$6,000 from your estate to be used for burial expenses if there were no funds set aside for this at the time of your death.