

House Bill 4775

Sponsor: Rep. Walter J. DeLange

Committee: Social Services & Youth

Complete to 6-5-91

## **A SUMMARY OF HOUSE BILL 4775 AS INTRODUCED 5-1-91**

The bill would amend the Social Welfare Act to establish within the Department of Social Services an estate recovery program to recover Medicaid payments made after the bill took effect to someone who was in a long-term care facility or who was 65 years of age or older. The bill also would require the department to place a lien on the real property of a recipient prior to his or her death to secure the amounts paid, providing certain conditions were met. In both situations, the department could postpone or waive recovery if it determined that the action would create an undue hardship for the recipient's family. Further details follow.

Liens. A lien against real property would be imposed if two conditions were met: (1) the recipient was in long-term care, and the department determined after notice and the opportunity for a hearing that the recipient could not reasonably be expected to return home; and (2) the real property was not home for the recipient's spouse, for a minor (that is, under 21 years old), blind, or disabled child of the recipient, or for a sibling who had an equity interest in the home and had resided there for at least one year immediately preceding the recipient's institutionalization. A lien imposed under the bill would be dissolved if the recipient returned home. Proceedings to foreclose a lien would be instituted only at a time when the recipient was not survived by a spouse or by a minor, blind, or disabled child, and the real property was not home to a sibling who had been living there for at least one year prior to the recipient's institutionalization, or to a son or daughter who had been living there for at least two years prior to the recipient's institutionalization. In the case of a son or daughter living in the home, he or she would have to establish to the department's satisfaction that he or she had provided care to the recipient that enabled the recipient to live at home rather than in an institution.

Estate recovery. The amount of medical assistance paid to someone in long-term care or who was over 65 years old would constitute a claim upon his or her estate or against the estate of a surviving spouse. The bill would specify that the claim would be a priority claim under the probate code. Recovery of the amount paid would be made only at a time when the recipient had no surviving spouse and no surviving child who was under 21 years old, blind, or disabled.

MCL 400.107a et al.