

**HF629 - 1E - "Modify MA Claims Against Estates Prov"**

Chief Author: **Jason Rarick**  
 Committee: **Health and Human Services Finance**  
 Date Completed: **03/02/2017**  
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

<b>State Cost (Savings)</b>	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

<b>Full Time Equivalent Positions (FTE)</b>	Biennium			Biennium		
		FY2017	FY2018	FY2019	FY2020	FY2021
<b>Total</b>	-	-	-	-	-	-

**Executive Budget Officer's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Ahna Minge      Date: 3/2/2017 11:21:51 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

Section 1 amends Minnesota Statutes 256B.15 subdivision 1 or the Medical Assistance (MA) estate recovery statute to clarify that estate claims can no longer include the amount of MA payments made prior to January 1, 2010 for Medicare cost sharing.

Section 2 eliminates estate recoveries for the cost of MA payments for non-long term care services. The bill as amended limits MA estate recoveries to the amounts paid for long term care and related hospital and pharmacy services for people over the age of 55 and for the cost of MA services rendered to people of any age who are residing in an institution. This limitation is effective upon enactment and applies retroactively to estate claims pending on or after July 1, 2016 and to the estates of people who died on or after July 1, 2016.

Section 3 makes changes to conform to the changes in section 2.

**Assumptions**

Under federal law, state Medicaid programs are required to recover the cost of long term care and related hospital and pharmacy services for people over the age of 55 or for MA services rendered to people of any age when they are residing in institutions. State law also requires DHS and counties to file estate claims to recover the cost of all other MA services received before January 1, 2014 and provided to recipients 55 years old or older. This language would clarify that MA estate recoveries may include only the cost of those services described in the federal law.

In 2016, Minnesota enacted legislation limiting MA estate recovery of non-long term care services for people over the age of 55 to the cost of services rendered prior to January 1, 2014. DHS submitted a state plan amendment to the Centers for Medicare and Medicaid Services (CMS) seeking approval for this legislative change in September of 2016. However, CMS would not approve the state plan amendment with the January 1, 2014 date. CMS ultimately approved the state plan amendment with the date removed.

This clarifying change does not change DHS' implementation of the estate recovery changes which are reflected in the state plan approved by CMS. The changes outlined in this bill are consistent with current MA estate recovery policies, and the anticipated state revenue loss of \$117,000 was incorporated into the February 2017 forecast. There is no additional fiscal impact to the state from this legislation.

**Expenditure and/or Revenue Formula**

N/A

### Long-Term Fiscal Considerations

None

### Local Fiscal Impact

Both county human services offices and the state conduct estate collection activities in Minnesota, and under state law county human services offices are entitled to one half of the nonfederal share of MA estate collections that are attributable to county effort. This bill reflects current policy with respect to the MA costs recoverable in estates and will not further impact estate recovery revenue to counties.

### References/Sources

February, 2017 Consolidated Fund Statement, Minnesota Management and Budget

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**Date:** 3/2/2017 8:42:39 AM

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