



Lessons from California: Medicaid Estate Recovery

THE ISSUE:

Federal Medicaid law *requires* states to recover against the estates of Medicaid (Medi-Cal in California) beneficiaries for certain services, and gives states the *option* of collecting against the estates of beneficiaries for additional services. California (CA) is among a limited number of states that has taken the option to recover more than what is [federally required](#). For example, CA seeks repayment for all covered services provided to individuals age 55 and older, including capitation paid on behalf of beneficiaries enrolled in managed care plans.

Medi-Cal estate recovery rules have been a [barrier to enrollment](#). Despite some limitations and exceptions to recovery, many individuals are hesitant to enroll in Medi-Cal because they own a home that they want to leave to their adult children when they pass away without fear of the State taking it.

STRATEGY AND ACTIONS:

Advocates and stakeholders have urged CA to change its Medi-Cal estate recovery policy and only recover what is federally required. [Oregon](#) and [Washington](#) are two states that have recently stopped recovering more than what is federally required for those age 55 and older because of the negative impact recovery rules were having on enrollment, especially among those newly eligible for Medicaid.

This year CA is attempting to address this issue through [Senate Bill 1124](#), legislation co-sponsored by two advocacy organizations. The bill: 1) limits Medi-Cal estate recovery for those age 55 and older to what is federally required; 2) prohibits the State from collecting against the estate of a surviving spouse of a Medi-Cal beneficiary (even after the spouse passes away), and 3) requires CA's Department of Health Care Services to provide Medi-Cal beneficiaries, or their family members, with the total amount of Medi-Cal expenses paid on behalf of the beneficiary that is subject to recovery, upon request and free of charge. The State Legislature passed the bill with a [unanimous](#) vote, and now the legislation is headed to the Governor's desk. Yet the Administration currently opposes the bill because of concerns over loss of revenue to the State. For [several reasons](#) advocates and consumers are urging it be signed into law.

ADDITIONAL RESOURCES

- [NHeLP's Health Advocate: Medicaid Estate Recovery](#)
- [California HealthCare Foundation's Issue Brief: Estate Recovery Under Medi-Cal](#)
- [CANHR's Consumer Booklet: Medi-Cal Recovery](#)