

# Medicaid Estate Recovery

The state of Utah is required by federal and state law to recover funds from a Medicaid member's estate for expenses paid by Medicaid after the member turns age 55. Recovery occurs when there is no surviving spouse and no child who is blind, disabled, or under age 21. Recovery takes place only after the death of both the member and the surviving spouse.

## Utah code

Utah code Title 26, Chapter 19 authorizes the state to recover from the estate or trust of a deceased Medicaid member. Funds recouped through estate recovery are part of the funding for the Medicaid program.

## What medical costs will be recovered?

Medicaid costs paid after the member is age 55 or older include, but are not limited to:

- Pharmacy charges
- Doctor and hospital charges
- Ambulance charges
- Medical equipment
- Nursing home services
- Home and community based waiver services
- Other Medicaid state plan services
- Monthly payments paid to your managed care plans

## Are payments to Medicaid managed care plans included?

Medicaid costs include monthly payments made to one or more managed care plans on behalf of a Medicaid member. These monthly payments are recovered from your estate regardless of whether you used any benefits in the month or not.

## How does estate recovery affect American Indian/Alaska Native Medicaid members?

Certain income, resources, and property for American Indians and Alaska Natives **may not** be considered as part of the member's estate for estate recovery. Examples may include:

- **Property**
  - Held in trust
  - Subject to federal restrictions
  - Located on a reservation
  - Under the supervision of the Secretary of the Interior
  - Located on boundaries of a prior federal reservation
- **Ownership interest in:**
  - Rents or leases
  - Royalties
  - Usage rights related to natural resources

- **Ownership interests or usage rights that have unique religious, spiritual, traditional or cultural significance**

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## **Does Medicaid estate recovery apply to Medicare cost sharing programs?**

**No**, estate recovery does not apply to Medicare cost sharing programs (QMB, SLMB or QI-1) that help low income members pay their Medicare premiums and copayments if they did not qualify for the Medicaid payment of any other services. Those enrolled in Medicare cost sharing programs will see “QMB, SLMB or QI-1” when looking up their Medicaid eligibility online or on their Medicaid approval letter.

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## **If my home is exempt when determining my Medicaid eligibility, will it also be exempt from estate recovery?**

**No**, while your home may be exempt for purposes of determining Medicaid eligibility, it will not be exempt from estate recovery.

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## **What about burial costs and other claims against the estate?**

Reasonable burial costs are paid first from the estate of the member. The state’s claim for reimbursement has the same priority as reasonable and necessary medical expenses from the last illness under the Utah Uniform Probate Code. These costs are paid before other creditors and before any heirs.

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## **How does the state of Utah proceed with estate recovery?**

The Bureau of Medical Collections at the Office of Recovery Services (ORS) is responsible for the estate recovery process on behalf of Medicaid.

- ORS may record a lien against the real property of a member for purposes of estate recovery (see below on TEFRA Liens for more information).
- ORS contacts a representative of the heirs after the death of the member.
- ORS may file a claim with the probate court for the amount of the medical assistance provided.

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## **What is a TEFRA Lien?**

- A TEFRA Lien may be placed on real property of an unmarried Medicaid member living in a nursing home.
- A TEFRA Lien can be placed on the real property of a member who is not expected to return home from the nursing home.
- To place a TEFRA Lien, ORS must provide a preliminary and final notice to the member.

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**For more information about estate recovery, please visit:**

<https://medicaid.utah.gov/Estate-Recovery>

**You may also call a Health Program Representative at 1-866-608-9422.**

**Department of Health and Human Services  
Department of Workforce Services**

Equal Opportunity Employer/Program Auxiliary aids and services are available upon request to individuals with disabilities by calling (801) 526-9240.

Individual with speech and/or hearing impairments may call Relay Utah by dialing 711.

Spanish Relay Utah: 1-888-346-3162