



STATE OF MICHIGAN  
DEPARTMENT OF COMMUNITY HEALTH  
LANSING

RICK SNYDER  
GOVERNOR

OLGA DAZZO  
DIRECTOR

September 2011

Dear Nursing Facility, Program of All-Inclusive Care for the Elderly (PACE), Medicaid Home and Community Based Services Waiver for the Elderly and Disabled (MI Choice), Home Health Agency, Home Help Program, Hospital, Pharmacy, and Hospice providers:

**SUBJECT:** Michigan Medicaid Estate Recovery Brochure and Michigan Medicaid Estate Recovery Requests

The Federal government requires Medicaid programs to seek recovery from the estates of certain deceased beneficiaries who received services paid by Medicaid. Under the Michigan Estate Recovery Program, the Michigan Department of Community Health (MDCH) will seek repayment of services paid by Medicaid. Estate recovery applies to beneficiaries age 55 or older who received nursing facility; home and community-based services [i.e., home health agency; home help; Medicaid Home and Community Based Services Waiver for the Elderly and Disabled (MI Choice), Program of All-Inclusive Care for the Elderly (PACE)]; hospice; and hospital services and prescription drugs provided while the beneficiary was receiving nursing facility or home and community-based services on or after September 30, 2007. If a beneficiary has received these services MDCH will seek recovery for all services after July 1, 2010.

The enclosed brochure, *Your Guide to Estate Recovery in Michigan*, is being provided as a resource to assist current Medicaid beneficiaries to understand the Estate Recovery program. The brochure offers an overview of the program, including the application process for an undue hardship waiver, and may be given to beneficiaries when receiving services. Additional copies of this brochure are available at [www.michigan.gov/estatererecovery](http://www.michigan.gov/estatererecovery).

Also, for nursing facilities and hospice providers, this letter serves as an advance notice of the initial process for obtaining personal representative information on deceased beneficiaries. If a beneficiary received nursing facility care or hospice care and Medicaid does not have personal representative information on the beneficiary, MDCH will be sending a request to the facility or hospice seeking this information. This request is formatted so that the facility administrator and hospice can fill out the information and fax it back to Health Management Systems (HMS), the vendor responsible for the Estate Recovery Program.

MDCH intends to send out the requests in batches over the next few months. The Medicaid Agency appreciates your assistance in completing the requests. Please complete the requests and fax back to the number listed on the request in a timely fashion.

For nursing facilities, The *Know Your Rights – Your Medicaid Care and Coverage In A Nursing Facility and Nursing Facility Eligibility* brochures, distributed at the time of application for Medicaid nursing facility services, will be updated soon to include detailed information about the Estate Recovery program. Updated brochures will be available for download at [www.michigan.gov/mdch](http://www.michigan.gov/mdch) >> MDCH Brochures Available for Download, or copies can be ordered by e-mailing [MSA-Forms@michigan.gov](mailto:MSA-Forms@michigan.gov).

For more detailed information about Estate Recovery, please contact:

HMS, Inc.  
Estate Recovery Unit  
1-877-791-0435

Or, visit [www.michigan.gov/estatererecovery](http://www.michigan.gov/estatererecovery), or e-mail questions to [miestatererecovery@hms.com](mailto:miestatererecovery@hms.com)

Sincerely,

Stephen Fitton, Director  
Medical Services Administration

Enclosure

**WHERE CAN I GET MORE INFORMATION?**

For more detailed information about Estate Recovery, please contact:

HMS, Inc.  
Estate Recovery Unit  
1-877-791-0435

Or visit the website at:  
[www.michigan.gov/estatererecovery](http://www.michigan.gov/estatererecovery)

Or email questions to:  
[miestatererecovery@hms.com](mailto:miestatererecovery@hms.com)

**YOUR GUIDE TO  
ESTATE  
RECOVERY  
IN MICHIGAN**



**Please note that this brochure is only a summary of Michigan Estate Recovery and does not contain all relevant information.**

For questions and/or problems, or help to translate, call the Beneficiary Help Line at 1-800-642-3195 or TTY 1-866-501-5656.  
Spanish: Si necesita ayuda para traducir o entender este texto, por favor llame al telefono, 1-800-642-3195 or TTY 1-866-501-5656  
Arabic: TTY 1-866-501-5656  
إذا كان لديكم أي سؤال، يرجى الإتصال بخط المساعدة على الرقم المجاني ١-٨٠٠-٦٤٢-٣١٩٥

*Michigan Department  
of Community Health*



**Rick Snyder, Governor  
Olga Dazzo, Director**

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# WHAT IS ESTATE RECOVERY?

The Medicaid program pays for health care services for people who meet the income and asset rules. Medicaid is funded by both state and federal government. The federal government requires Medicaid to recover money that it paid for services from the estates of Medicaid beneficiaries who have died. This is called Estate Recovery.

Medicaid will only recover the amount Medicaid paid for a beneficiary. Medicaid will not recover more than was paid.

## WHAT IS AN ESTATE?

An estate includes all property and assets that pass through probate court. Examples are homes, cars, insurance money, and bank accounts.

## WHO IS SUBJECT TO ESTATE RECOVERY?

### Estate Recovery only applies to:

- Medicaid beneficiaries age 55 or older who received long-term care services after the effective date of the statute.

## ARE THERE EXCEPTIONS TO ESTATE RECOVERY?

**Yes, the state may decide not to recover money if it creates an “Undue Hardship” or if any of the following people lawfully live in the beneficiary’s home:**

- Beneficiary’s spouse;
- Beneficiary’s child who is under the age of 21, blind, or permanently disabled;
- Beneficiary’s sibling who has an equity interest in the home and was living in the home for at least 1 year immediately before the beneficiary’s death;
- A survivor who:
  - ◆ was living in the beneficiary’s home for at least 2 years immediately before the beneficiary went into a medical facility; *and*
  - ◆ provided care so the beneficiary could stay at home during that period.

*The state will not seek recovery of certain Medicare cost-sharing benefits.*

## WHAT IS AN UNDUE HARDSHIP?

### An undue hardship exists when:

- The estate is the sole source of income for the survivors, such as a family farm or business; *or*

- The estate is a home of modest value; *or*
- A survivor would become or remain eligible for Medicaid if recovery occurred.

## HOW DOES ESTATE RECOVERY WORK?

When a Medicaid beneficiary age 55 or older dies, the state sends an estate recovery notice to the estate representative or heirs. The estate recovery notice tells them:

- the state plans to file a claim;
- how much the state will claim;
- how to apply for an Undue Hardship Waiver.

## HOW DO I APPLY FOR AN UNDUE HARDSHIP WAIVER?

You need to fill out and send in an Undue Hardship Application. You can get an application:

- by calling 1-877-791-0435;
- by sending an email to [miestaterecovery@hms.com](mailto:miestaterecovery@hms.com).

You need to send the completed application to the address on the application no later than 60 days from the date on the letter that accompanies the application. You must also send copies of any documents the application tells you to send. The state will tell you if you qualify for a waiver.