

**Bulletin Number:** MSA 18-53

**Distribution:** All Providers

**Issued:** March 1, 2019

**Subject:** Medicaid Estate Recovery Program; Excess Patient Pay Amounts

**Effective:** As Indicated

**Programs Affected:** Medicaid, Healthy Michigan Plan, Children's Special Health Care Services, Children's Waiver, MI Health Link, Program of All-Inclusive Care for the Elderly

Pursuant to 42 USC § 1396p, the federal government requires state Medicaid programs to seek recovery from the estates of certain deceased beneficiaries who received benefits from a state Medicaid program. This is referred to as the Estate Recovery Program. Under some circumstances, the state may choose not to seek or may defer recovery from the estate.

Estate recovery applies only to Medicaid beneficiaries who:

- are 55 years of age or older; and
- received long-term care services any time on or after September 30, 2007.

The Estate Recovery Program can only recover from assets flowing through the probate process.

### **Excess Patient Funds Subject to Estate Recovery**

When a provider has a balance in a patient trust account after the death of a beneficiary, any balance in the account should be refunded to the family to open a probate estate with those funds. Once an estate is opened in probate court, the Michigan Department of Health and Human Services (MDHHS) will file a claim.

### **Excess Patient Pay Amounts**

If the provider has an excess patient pay amount and has been billing Medicaid, the provider must return any overpayments made by MDHHS. This must be done using a replacement claim or void/cancel claim. The provider may then use the remaining funds for beneficiary private pay. This is a separate process unrelated to the Estate Recovery Program.

### **Manual Maintenance**

Retain this bulletin until the information is incorporated into the Medicaid Provider Manual.

## Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov). When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

## Approved

A handwritten signature in black ink, appearing to read "Kathy Stiffler". The signature is written in a cursive, flowing style.

Kathy Stiffler, Acting Director  
Medical Services Administration