

# Medicaid Expansion Signups Hindered by Fear of Estate Recovery

A fear that the government will seize their house after they die is causing some people to not sign up for expanded Medicaid under the Affordable Care Act (ACA). A long-standing provision in Medicaid law allows states to recoup Medicaid costs by putting a claim on the home or other assets of older deceased Medicaid recipients.

In 1993, Congress passed a law requiring that states try to recover from the estates of deceased Medicaid recipients whatever benefits they paid for the recipient's long-term care. But the law allows states to go further and recover all Medicaid benefits from individuals over age 55, including costs for any medical care, not just long-term care benefits.

The ACA gives states the option of expanding Medicaid eligibility to individuals and families with incomes up to 133 percent of the poverty line, and so far 26 states have taken this option. Now that more people are becoming eligible for Medicaid under the ACA, there are potentially more people who may have their houses (or other valuable assets) sold after they die to pay off Medicaid debt. People subject to this estate recovery would have to live in one of the 26 states, and their state would have to be recovering the costs of all Medicaid benefits, not just long-term care. Still, there are protections: the state cannot take a house if there is a surviving spouse, a child under age 21 or a child of any age who is blind or disabled.

According to the *Washington Post*, the realization that their house might be subject to estate recovery is giving some with low incomes second thoughts about signing up for Medicaid,

even though not doing so will likely mean going without any insurance at all. ACA plans bought in the regular marketplace are not subject to estate recovery, but individuals who qualify for expanded Medicaid coverage are not able to get a subsidy to buy coverage in the marketplace. If someone doesn't want to be subject to estate recovery, there are two options: buy a plan from the marketplace without a subsidy, or buy no insurance at all.

In order to encourage people to sign up for Medicaid, both Oregon and Washington have changed their rules to allow estate recovery only for long-term care debt. In addition, advocates are asking the federal government for clarification on whether Medicaid estate recovery will apply to people who purchase expanded Medicaid coverage. A spokesman for the Centers for Medicare and Medicaid Services told the *Post*, "We recognize [the] importance of this issue and will provide states with additional guidance in this area soon."

For the *Washington Post* article, [click here](#).

For more on Medicaid's estate recovery rules, [click here](#)

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