

To Persons Applying for Long-Term Care Services Paid by Medicaid

This is an informational notice only. The case manager or eligibility specialist will ask you to sign this form to show the state has met its obligation to inform you about Medicaid estate recovery. You do not have to sign this form. If you choose not to sign it, your application for Medicaid services will not be denied for that reason. However, the state may still file a claim against your estate after you die, unless certain exemptions or hardships exist at that time.

Medicaid Estate Recovery Program

Medicaid is a government program that pays for health care services. Some of these services are for people as they grow older. Medicaid pays for services that help people stay in their own home. It also pays for people to move to a facility, such as a nursing home, if that is what they need.

To help pay for these long-term care services, every state must have a Medicaid Estate Recovery Program (MERP). If you receive long-term care services paid for by Medicaid, the state of Texas has the right to ask for some money back from your estate after you die. In some cases, the state may not ask for anything back. The state will never ask for more money back than it paid for your services.

What is an estate?

An estate is property, such as money, a house or other things of value that a person leaves to family members or others (heirs) when he or she dies. MERP does not apply to all property that a person may own. Here are some examples of property that the state will not collect on:

- Life insurance policies that name a person to receive the payment.
- Bank accounts that are paid on death to another person.

Does MERP affect you?

This program will affect only long-term care services you receive after the age of 55 and only if you first apply for these services after March 1, 2005. If you applied for and received these services before March 1, 2005, MERP does not affect you. If you were on an interest list for services before that date but did not complete an application for services until after March 1, MERP does affect you.

The following services and programs are affected by MERP:

- Nursing Facility Care (nursing homes)
- Intermediate Care Facility for Persons with Mental Retardation (ICF/MR)
- The following Medicaid Waiver Programs:
 - Home and Community-based Services (HCS)
 - Community Living Assistance and Support Services (CLASS)
 - Texas Home Living Program (TXHmL)
 - Consolidated Waiver Program (CWP)
 - Deaf-Blind with Multiple Disabilities (DBMD) Waiver

- Community Based Alternatives (CBA)
- STAR+PLUS Waiver (SPW)
- Integrated Care Management Waiver (ICMW)
- Community Attendant Services (CAS)

Primary Home Care (PHC) is not affected by MERP.

If you are not sure whether MERP applies to the services that you will be receiving, you should ask your Department of Aging and Disability Services (DADS) case manager. If you are a Medicaid managed care enrollee, you should ask your service coordinator with the health plan from which you receive your services.

Are there any times when the state will not ask for money back?

Yes, the state will not ask for money back after you die if:

- Your spouse is still alive.
- You have a child under 21 years of age.
- You have a child of any age who is blind or permanently and totally disabled.
- Your unmarried adult child lives full-time in your home for at least one year before you die.
- The value of your estate is \$10,000 or less.
- The amount of your Medicaid costs was \$3,000 or less.
- The cost of selling your property is more than the property is worth.

Does the state make any exceptions for hardship?

Yes, the state may not file a MERP claim to ask for money back when this would cause an undue hardship for the heirs. The state may grant a hardship waiver when:

- The estate property is a family business, farm or ranch for at least 12 months before you die and is the main source of income for your heirs.
- Your heirs would need financial assistance from the government if the state files a MERP claim.
- Your heirs will be able to stop getting financial assistance from the government if the state does not file a MERP claim.
- You are receiving services as the result of being a crime victim.
- There are other circumstances that may create a hardship.

One type of hardship applies just to your home. If one or more of your heirs has a family income under a certain amount, MERP may grant a hardship waiver for up to \$100,000 of your home value. In 2008, this income limit for one person is \$31,200. For a family of four, it is \$63,600. These figures are adjusted each year.

To get a waiver based on an undue hardship, your heirs must ask for it and provide proof of the hardship.

Will the state ever reduce the amount owed?

Yes, if you or someone else spends money to maintain your home while you are in a nursing facility, these costs can be deducted from the MERP claim. If you or someone else spends money to pay for care that helps you live at home longer before entering a nursing home, those costs can be deducted as well. Your heirs must have receipts to show what was spent on your home or services when they ask the state to deduct these amounts from the MERP claim.

If your estate has debts such as funeral costs, legal costs, or a home mortgage, those costs are paid first before MERP is paid.

How does this program work?

You are receiving this notice because you are applying for long-term care services covered by MERP. When you die, the state will send a notice to your estate representative or heirs to remind them that the state can file a MERP claim. That notice will ask them for information so the state can decide whether it should file a claim, or whether your estate meets one of the exceptions described above. This notice will also explain the process the state will use to file a claim.

How can I get more information on Medicaid estate recovery?

For more detailed information on this program, call the agency's toll-free number at 1-800-641-9356. This line is answered from 8:00 a.m. through 5:00 p.m., Monday through Friday. Voicemail is available 24 hours a day.

You may also e-mail your questions to merp@dads.state.tx.us.

You may also visit the DADS website at: www.dads.state.tx.us/services/estate_recovery/.

I have received and understand the information about MERP.

Name

Date