

DMA ADMINISTRATIVE LETTER NO. 12-03, Estate Recovery

DATE: OCTOBER 22, 2002

SUBJECT: Estate Recovery

DISTRIBUTION: County Directors of Social Services
And Medicaid Eligibility Staff

I. BACKGROUND

The Omnibus Budget Reconciliation Act of 1993 (OBRA '93) mandated that states recover certain Medicaid payments from the estates of deceased Medicaid recipients. In July 1994, the NC General Assembly passed N.C.G.S. § 108A-70.5 to implement an estate recovery program effective October 1, 1994.

The estates of Medicaid recipients are subject to estate recovery if the recipient is receiving medical care services as an inpatient in a nursing facility, intermediate care facility for the mentally retarded, or other medical institution, and cannot reasonably be expected to be discharged to return home; or if the recipient is 55 years of age or older and is receiving medical care services, including related hospital care and prescription drugs, for nursing facility services or home- and community-based services.

Administration of estate recovery and the collection process is handled primarily by DMA, Third Party Recovery Section (TPR); however, the estate recovery coordinator at the county DSS office is involved. This letter changes and simplifies the process that is currently being followed by the DSS offices.

II. PROCESS

What should a caseworker do when he/she is informed that a Medicaid recipient has died?

When DSS becomes aware of the death of a recipient who meets the criteria of estate recovery, they should enter code 52 and the date of death into EIS immediately upon discovery.

How should a caseworker respond if a family member, personal representative, etc. asks what they need to do now that the recipient has died and the recipient meets the criteria for estate recovery?

The following response should be made: "You will receive a notice and claim within two months itemizing what Medicaid has expended for the recipient. If the recipient has assets in his/her estate, the estate will be expected to repay Medicaid. If you have any questions, there will be a phone number and address on the invoice where you can call or write to have your concerns or questions addressed."

Should the caseworker try to respond to estate recovery questions?

No, the caseworker should not respond to estate recovery questions. If the representative insists that he needs or wants an answer now, give him/her the phone number at TPR, either the CARE-LINE number (800 662-7030 ext. 6294) and/or the direct line (919 733-6294) and advise him/her to ask for an estate recovery administrator.

What does the DSS estate recovery coordinator do when he/she receives the estate recovery invoices?

The estate recovery coordinator or a caseworker should review each DSS case file and complete the [DMA-5056](#), Estate Recovery Information Form, (new form attached to this administrative letter). The form should be completed for every invoice received. All requested documentation should be attached to the invoice along with the completed DMA-5056.

Then what does the DSS estate recovery coordinator do with the invoice and DMA-5056?

Every estate recovery invoice should be sent to the TPR unit with the completed DMA-5056 form and all the required documentation attached.

What does the DSS estate recovery coordinator do with the three invoices received?

One invoice should be mailed to the signer of the DMA-5051, DMA-5052 or DMA-5053 (see below), one should be mailed to the TPR unit and one should be kept in the DSS case file.

Only one copy of the invoice should be forwarded to TPR with the required documentation.

What does the DSS estate recovery coordinator do when he/she discovers that the recipient was eligible for Medicaid prior to October 1, 1994, and has had no breaks in eligibility since September 30, 1994?

The estate recovery coordinator or the caseworker should write Prior to 10/1/94 on the invoice; enter information in the following fields on the [DMA-5056](#), attach the EIS screen print for eligibility and the DMA-5056 form to the invoice and send it to TPR, 2508 Mail Service Center, Raleigh, NC 27699-2508. The required fields are: Name of Recipient, Medicaid ID #, Date of Death, County, Worker, Date and Telephone Number of Worker and circle YES.

Does the DSS estate recovery coordinator send a copy of the invoice to the administrator/executor of the estate?

No, the estate recovery coordinator must send a copy of the invoice to the signer of the DMA-5051, DMA-5052 or DMA-5053 form. If there is more than one of these forms in the record, the worker should send a copy to the signer of the most recent form. These forms need not be sent certified mail but they must be accompanied by the DMA-5054.

What if the applicant was the now-deceased Medicaid recipient?

The DMA-5054 and invoice should be sent to a personal representative or family member of the deceased recipient. The notice and invoice need not be sent via certified mail.

What should the DSS estate recovery coordinator enter on the DMA-5056 form if the applicant is the now-deceased Medicaid recipient?

In the field for the signer of the DMA-5051, DMA-5052 or DMA-5053 form enter the name and address of the person to whom the DMA-5054 was or will be sent.

What is the time frame for completing the DMA-5056 and mailing to TPR?

The estate recovery invoices are mailed to DSS weekly. The estate recovery coordinator should complete the case review, complete the [DMA-5056](#) form and mail the invoice to TPR within 30 days of the invoice date.

III. IMPLEMENTATION

This letter is effective immediately. Prior administrative letters (23-96 and Addendums 23-96 I, II and III) are not obsolete. Only those sections in the previous estate recovery administrative letters concerning the DSS process in handling estate recovery is changed by this letter.

The [DMA-5056](http://www.dhhs.state.nc.us/dma/forms.html) form can be found on the DMA website at <http://www.dhhs.state.nc.us/dma/forms.html>.

If you have any questions, contact the Third Party Recovery Section at 919 733- 6294.

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Director

[This material was prepared by Marilyn Vail, Third Party Recovery Section.]