

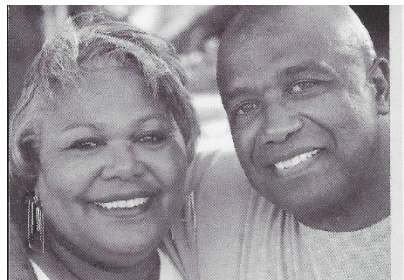


ESTATE RECOVERY PROGRAM

Your estate and the state assistance cost recovery program

DHS Oregon Department of Human Services

Oregon Health Authority



Estate recovery

When you pass away, the state may require your estate to repay certain assistance benefits you received. This is called "estate recovery." The state may not seek reimbursement for more than it paid in benefits.

The program is very complicated. This is a general summary, and does not replace statutes and rules. Direct any questions to the Estate Administration Unit or a lawyer. Please note that estate recovery laws and rules may change without notice.

Federal and state law

Federal and state laws require the Department of Human Services (DHS) and the Oregon Health Authority (OHA) to have an estate recovery program. The Estate Administration Unit (EAU) administers the program for both agencies.

Approximately 60 percent of the money recovered pays for services and benefits for Oregonians. The state returns the remaining amount to the federal government for the share of the benefits it paid.

General assistance program and Oregon Supplemental Income Program

EAU will recover from your estate any benefits the Oregon Supplemental Income Program or general assistance program provided.

Surviving spouse and children

EAU will not make a claim until your spouse¹ dies. EAU may submit the claim to your spouse's estate at that time. Also, EAU will not seek payment from your estate if you are survived by a minor child under 21 years of age or a child of any age who is visually impaired or permanently and totally disabled. The disability must meet Social Security Administration criteria for visual impairment or for permanent and total disability. The individual must be your natural or legally adopted child.

Waiving estate recovery

Any individual receiving assets from your estate may ask EAU to waive estate recovery. However, the individual must meet the requirements for a hardship waiver. Instructions on how to request a hardship waiver are included in the information EAU will send with its claim. A request for a hardship waiver must be made within specific deadlines. Individuals that are going to ask for a hardship waiver should promptly contact EAU.

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After you pass away

Friends or family should notify your caseworker as soon as possible. If you don't have a caseworker they should contact EAU. Oregon law requires an estate recovery claim be paid before most of your other debts. An individual who uses your estate assets to pay lower priority debts could be liable for some of, or the entire, estate recovery claim. The individual handling your affairs after you pass away should contact EAU before paying any of your debts.

Real property

If you own an interest in real property at your passing, the estate may have to sell it to get money to pay creditors' claims, including EAU's. Individuals who inherit the property are usually allowed to pay the claim instead of selling the real property. In some circumstances EAU may accept payments. EAU usually charges 9 percent interest on any unpaid balance.

Property that automatically passes to another on your passing away

There are many kinds of ownership interests in property that automatically pass to another person when you pass away. Some common examples are property owned with rights of survivorship, life estates or transfer on death deeds. Property of this type is not usually part of your estate. However, it may still be subject to an EAU estate recovery claim. EAU will contact the individual who will receive the ownership interest when you pass away. This is a particularly complex area of law. If you have questions, please speak to EAU staff or an elder law attorney.

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Bank accounts and accounts with facilities

You may have money in a financial institution, such as a bank account, or funds may be held by your facility. Your family or heirs should contact EAU before spending any of your money after you pass away. Banks and facilities are asked to send your remaining funds to EAU, except when your spouse is still alive.

Personal property and effects

These items may have great personal value to family and friends. Unless the items have significant monetary value, EAU will generally not enforce its claim against these items.

Life insurance

Normally, EAU will not make a claim against your life insurance if you gave written instructions to the insurance company about who gets the proceeds. If the proceeds are paid to your estate, they will be subject to an estate recovery claim.

Funeral expenses

You are encouraged to prepay your funeral expenses. You should discuss this with your caseworker. Generally, EAU will allow much less for funeral expenses after death than is allowed for prepaid funeral expenses. EAU may, under limited circumstances, be able to refund some money for funeral expenses. EAU cannot refund more than it collected.

¹For information about how domestic partnerships or same-sex marriages may affect estate recovery, call the Estate Administration Unit or a lawyer.

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Giving away assets

Some programs do not allow you to give away assets. You should always check with your caseworker before giving away an asset. Otherwise, you may lose eligibility for benefits. Also, EAU may ask a court to require the person who received the assets to give them back to your estate or pay the full value to your estate so an estate recovery claim can be paid.

Failing to disclose assets

Some programs require you to disclose all your assets to your caseworker. You are also required to report changes in your financial condition. Failing to report this information may result in an overpayment. That is when you receive benefits you are not legally entitled to get. EAU can recover an overpayment from your estate. An overpayment is payable regardless of whether you have a living spouse, a child under 21 years old or a child with a disability or visual impairment.

Medicare Part D prescription drug coverage

The federal government charges the state a monthly fee for Medicare Part D prescription drug coverage when you receive both medical assistance and Medicare. This does not apply to individuals only receiving benefits under the Qualified Medicare Beneficiary (QMB) program. EAU will recover all payments made to the federal government before Jan. 1, 2014. EAU will recover payments made to the federal government on or after Jan. 1, 2014, only if you were 55 or older when the payments were made. EAU will recover all payments if you were permanently institutionalized for 6 months prior to your death.

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Please share this brochure with your family or the individual who will handle your estate.

NOTE: Information contained in this brochure is based on federal and state laws and rules as of its publication date. These laws and rules may change without notice. This brochure is intended to inform and not to advise. Discuss any questions about estate recovery with EAU staff at 1-800-826-5675 or 503-378-2884. EAU staff cannot provide legal advice. If you have legal questions or need legal advice, speak to a lawyer. Your local legal aid office may be able to help.

DHS Estate Administration Unit

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You can get this document in other languages, large print, braille or a format you prefer. Contact Estate Administration Unit at: 503-378-2884 or 1-800-826-5675 or email: admin@state.or.us.

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