
PROTECT THE HOMES OF SENIORS AND DISABLED PEOPLE ON MASSHEALTH

Amendment #807 Representative Barber

INTENT OF THE AMENDMENT:

This amendment limits MassHealth estate recovery to only the federally required amounts and authorizes the agency to seek a waiver of estate recovery for a work incentive program for people with disabilities.

Medicaid Estate Recovery, an estate tax on the poor

Medicaid is the only public benefit program that requires correctly paid benefits to be recouped from a deceased MassHealth enrollee's probate estate, this is called estate recovery.

Estate recovery for nursing home costs is federally mandated, but Massachusetts by statute requires estate recovery for the costs of all medical services after a MassHealth enrollee turns age 55, which is not mandated.

As the legislature contemplates over \$200 million in tax relief for an estimated 2500 individuals with estates over \$1 million, it should also reform the Commonwealth's estate tax on the poor.

Problem

Most MassHealth members have income well under 100% of the poverty level (\$13,596 in 2022) and those 65 and over have countable assets of \$2000 or less (\$3000/couple). One of the only assets of value the senior may own and still qualify for MassHealth is the family home, and 90% of the amount recovered in estate recovery is from sale of the family home.

Few people are aware that after the age of 55, MassHealth may be a loan repayable on death. Estate recovery has contributed to perpetuating poverty, especially in communities of color and people with disabilities, by preventing a family from passing on a home that can be instrumental in addressing intergenerational poverty and wealth inequality. Its burdens fall on those without information or resources and generates fear and financial distress for a minimal return.

What the Amendment does

Low-income seniors and disabled individuals will not benefit from most of the income tax relief proposed except the senior circuit breaker. However, they will benefit greatly from knowing that they too can pass on the family home to their loved ones after they are gone without fear of a MassHealth estate recovery claim.

- Establishes that MassHealth can recover only for medical assistance which is federally mandated.
- Exempts CommonHealth, a MassHealth work incentive program for disabled adults, from MassHealth estate recovery.

This legislation is supported by MassNAELA, Mass Law Reform Institute and Disability Policy Consortium
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