

FEB 1 1986  
HUMAN RESOURCES

HOUSE FILE 2211  
BY COHOON

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the bases for exemptions to estate recovery  
2 under the medical assistance program.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2211

1 Section 1. Section 249A.5, subsection 2, paragraph a, Code  
2 2005, is amended to read as follows:

3 a. The department shall waive the collection of the debt  
4 created under this subsection from the estate of a recipient  
5 of medical assistance to the extent that collection of the  
6 debt would result in either of the following circumstances  
7 described in subparagraph (1) or (2) and shall waive  
8 collection of the debt created under this subsection from the  
9 portion of the estate of a recipient of medical assistance  
10 which constituted the recipient's homestead, as defined in  
11 section 561.1, to the extent that collection of the debt would  
12 result in the circumstances described in subparagraph (3):

13 (1) Reduction in the amount received from the recipient's  
14 estate by a surviving spouse, or by a surviving child who was  
15 under age twenty-one, blind, or permanently and totally  
16 disabled at the time of the individual's death.

17 (2) ~~Otherwise-work-an~~ An undue hardship as determined on  
18 the basis of criteria established pursuant to 42 U.S.C. §  
19 1396p(b)(3).

20 (3) An undue hardship as determined on the basis of the  
21 following:

22 (a) An heir, who is a descendant of the deceased medical  
23 assistance recipient, asserts that recovery against the  
24 portion of the recipient's estate which constituted the  
25 recipient's homestead, as defined in section 561.1, would be  
26 an undue hardship.

27 (b) The department verifies either of the following:

28 (i) The county assessor's appraisal value of the homestead  
29 is one hundred thousand dollars or less.

30 (ii) The heir has a gross family income below three  
31 hundred percent of the federal poverty level.

32 Sec. 2. MEDICAL ASSISTANCE STATE PLAN AMENDMENT. The  
33 department of human services shall submit a medical assistance  
34 state plan amendment to amend the state's undue hardship  
35 exemptions criteria to include the exemption described in

1 section 249A.5, subsection 2, paragraph "a", subparagraph (3).  
2 Sec. 3. EFFECTIVE DATE. The section of this Act amending  
3 section 249A.5, subsection 2, paragraph "a", shall take effect  
4 only upon the date of approval of the medical assistance state  
5 plan amendment submitted pursuant to section 2 of this Act.  
6 If the medical assistance state plan amendment is approved,  
7 the department of human services shall notify the Code editor  
8 of the date of approval.

9 EXPLANATION

10 This bill provides an exemption to medical assistance  
11 program estate recovery. The bill provides that an exemption  
12 may be granted if a descendant of a deceased medical  
13 assistance recipient asserts recovery against a deceased  
14 medical assistance recipient's homestead would be an undue  
15 hardship and the department of human services verifies that  
16 either the county assessor's appraisal value of the homestead  
17 is \$100,000 or less or the heir has a gross family income  
18 below 300 percent of the federal poverty level. The bill  
19 directs the department of human services to submit a medical  
20 assistance state plan amendment to amend the state's undue  
21 hardship exemptions criteria to include the new exemption,  
22 provides that the new exemption is effective only upon the  
23 date of approval of the state plan amendment, and provides  
24 that if approval is received the department of human services  
25 is to notify the Code editor of the date of approval.

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