STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

March 17, 1986

To: All County Welfare Directors
County Administrative Officers

Letter No. 86-13

MEDI-CAL ELIGIBILITY DATA SYSTEM (MEDS) INPUT FOR ESTATE RECOVERY

The attached procedure, "Article 16F -- Probate/Estate Recovery", explains the State's recently expanded operation to increase recoveries from the estates of deceased aged Medi-Cal beneficiaries. We expect this system to identify an additional 1,000 estate cases per year for a projected annual increase in collections of over one million dollars. This procedure will be issued in a Medi-Cal Eligibility Manual Letter update in the near future.

Please instruct your staff to implement this procedure as soon as possible.

If you have any questions on estate recoveries please contact Carol Fignani at (916) 322-0648 (ATSS) 492-0648. Questions on MEDS should be directed to your state MEDS liaison.

Sincerely,

ORIGINAL SIGNED BY

Doris Z. Soderberg, Chief
Eligibility Branch

Attachment

cc: Medi-Cal Program Consultants
Medi-Cal Liaisons

Expiration Date: May 30, 1986

16F -- PROBATE/ESTATE RECOVERY

This section provides procedures to be followed when discontinuing eligibility of a beneficiary due to death.

BACKGROUND

In accordance with Welfare and Institutions (W&I) Code, Section 14009.5, and Probate Code, Section 700.1, the Department of Health Services (DHS) implemented a recovery program in June 1981, whereby creditor's claims are filed against estates of certain deceased Medi-Cal beneficiaries for the amount of services paid by the program on behalf of the named decedents after age 65.

The following information outlines the major points of this program.

1. Notification of Medi-Cal Beneficiary's Death

   It is the responsibility of the heirs, the executor, the administrator, or the persons in possession of any property of the decedent to notify the State of the death of a Medi-Cal beneficiary (Probate Code, Section 700.1 (a)).

   The State has a system which identifies decedents who meet the criteria in W&I Code, Section 14009.5. An inquiry letter is sent to the last known address of appropriate Medi-Cal beneficiaries. The return of the letter with a copy of the death certificate satisfies the provision in Probate Code, Section 700.1 (a), to notify the State of the death of a Medi-Cal beneficiary.

2. Persons That Claims May Be Filed Against

   DHS may file a claim if the Medi-Cal decedent was 65 or older, there is no surviving spouse, no surviving child who is under the age of 21 or who is blind or permanently and totally disabled, and there is an estate (W&I Code, Section 14009.5).

   Estates may include real property (joint tenancy, tenants in common, and fee simple) and/or personal property.

3. Amount of the Claim

DHS may file a claim against the estate of the decedent, or against any recipient of the property of that decedent, by distribution or survival in an amount equal to the payments for health care services received (W&I Code, Section 14009.5) or the amount of the estate, whichever is less (Probate Code, Section 700.1).

Expenses of last illness (funeral expenses, administration of estate, and costs) are paid first.

4. Payment of Claims

Payment in full from the proceeds of the estate, monthly payments, and voluntary property liens are used to effect satisfaction of our claim. This is decided on a case-by-case basis, depending on the circumstances. DHS can, by law, force a sale of property to satisfy claims.

5. Distributed Estate

If the assets of the estate have been distributed, the law provides that DHS is entitled to a claim against the distributee(s). The claim is either the amount equal to the payments for Medi-Cal services received, or each distributee's share of the distributed assets, whichever is less (Probate Code, Section 700.1).

The law also allows for referral to the Attorney General for superior or municipal court action.

COUNTY RESPONSIBILITIES

The county is to notify DHS via the Medi-Cal Eligibility Data System (MEDS) of each aged person who is discontinued from Medi-Cal due to death.

MEDS Input

Field 0185 has been designated as the "reason for termination" field. Termination code "01" indicates the cause for termination is death.

For either on-line MEDS or county batch transactions, the county shall input code "01" in field 0185 on the record of any person age 65 years or over for whom death is the reason for discontinuance.

DHS RESPONSIBILITIES

DHS will generate a letter requesting information which will be sent to the heirs/administrator of the estates of aged Medi-Cal beneficiaries.

Once the letter is returned, DHS will initiate a claim to recover Medi-Cal expenses when appropriate.

STATE OF CALIFORNIA-HEALTH AND WELFARE AGENCY GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES

July 18, 1985

GENERAL COLLECTION SECTION
P.O. BOX 2946
SACRAMENTO, CA 95812

ATTENTION: Person Responsible for the Estate of Decedent Named Below

SECOND REQUEST

TELEPHONE 916-322-2280

"Decedent Name"
"Decedent Address Line 1"
"Decedent Address Line 2"
"Decedent Address Line 3"
"Decedent Address Line 4"
"Decedent City, State, Zip"

DECEASED : "Decedent Name"
SOCIAL SECURITY NO.: 123456789
MEDI-CAL NO. : 11223333333455

California's Probate Law requires that this Department be notified when settling the estate of a deceased person who has received or may have received health care under the Medi-Cal Program. Section 700.1 of the Probate Code requires the heirs, executor, administrator, or persons in possession of any property of the decedent to provide the Director of Health Services notification no later than 90 days from the date of death. Notification to Social Security or the County Welfare Office does not satisfy this requirement.

State files indicate that the decedent named above was eligible to receive medical services paid for by the Medi-Cal program; notice to this Department is therefore required. Please send your notification to this office with the following information:

1. Name and Social Security number of surviving spouse and/or dependent child, if any: _____
2. Estimated value of:
   A. Real Estate: _____
   B. Cash & Bank Accounts (after burial expenses): _____
   C. Other (specify): _____
3. Name, address, and telephone number of person or attorney settling the estate: _____
4. Probate Number & County of filing: _____
5. Copy of Death Certificate (photocopy acceptable).

Your completion and return of this letter and a copy of the death certificate in the enclosed envelope will provide this Department the notice required by law. You will be notified within four (4) months if the Department plans to file a claim against the estate to recover the cost of Medi-Cal benefits paid on behalf of the decedent as provided for in State law (Section 14009.5 of the Welfare and Institutions Code). Such claim will be made only if there is no surviving spouse or dependent child. It is important that you return the letter even if there are no assets in the estate. If the estate will be probated, complete as much information as possible even if you are unable to estimate the value of assets at this time.

If there is an attorney handling probate proceedings, please refer this letter to that attorney as soon as possible. If you have any questions, please call the number above. Your cooperation in meeting this reporting requirement is appreciated.

CH-ERS -R