

Name of Applicant or Consumer	Medicaid ID or Social Security No.
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To Persons Applying for Long-Term Care Services Paid by Medicaid

This is an informational notice only. The case manager or eligibility specialist will ask you to sign this form to show the state has met its obligation to inform you about Medicaid estate recovery. You do not have to sign this form. If you choose not to sign it, your application for Medicaid services will not be denied for that reason. However, the state may still file a claim against your estate after you die, unless certain exemptions or hardships exist at that time.

Medicaid Estate Recovery Program

Medicaid is a government program that pays for health care services. Some of these services are for people as they grow older. Medicaid pays for services that help people stay in their own home. It also pays for people to move to a facility, such as a nursing home, if that is what they need.

To help pay for these long-term care services, every state must have a Medicaid Estate Recovery Program (MERP). If you receive long-term care services paid for by Medicaid, the state of Texas has the right to ask for some money back from your estate after you die. In some cases, the state may not ask for anything back. The state will never ask for more money back than it paid for your services.

How does this program work?

You are receiving this notice because you are applying for long-term care services covered by MERP. When you die, the state will send a notice to your estate representative or heirs to remind them that the state may file a MERP claim. The notice will ask them for information so that the state can decide whether it should file a claim, or whether your estate meets one of the exceptions described below.

If the state files a claim, Texas law sets out which claims will be paid first. The state's MERP claim will be paid **after** the following expenses are paid first, if there are any:

- unpaid expenses for your funeral and any expenses of your final illness, up to \$15,000;
- unpaid expenses from your estate administrator for managing your estate, or for keeping your estate intact, and any expenses of a guardian who is appointed for you while you are alive;
- unpaid secured claims and tax liens filed against your home;
- unpaid child support debts you owe;
- unpaid state and local taxes you owe; and
- unpaid expenses from any correctional institution.

What is an estate?

An estate is property, such as money, a house or other things of value that a person leaves to family members or others (heirs) when he or she dies. MERP does not apply to all property that a person may own. Here are some examples of property that the state will not collect on:

- Life insurance policies that name a person to receive the payment.
- Bank accounts that are paid on death to another person.

Does MERP affect you?

This program will affect only long-term care services you receive after the age of 55 and only if you first apply for these services after March 1, 2005. If you applied for these services before March 1, 2005, and as a result of the application became approved for covered services, MERP does not affect you. If you were on an interest list for services before that date but did not complete an application for services until after March 1, 2005, MERP does affect you.

The following services and programs are affected by MERP:

- Nursing Facility Care (nursing homes)
- Intermediate Care Facility for Persons with Mental Retardation (ICF/MR)
- The following Medicaid Waiver Programs:
 - Home and Community-based Services (HCS)
 - Community Living Assistance and Support Services (CLASS)
 - Deaf Blind with Multiple Disabilities (DBMD) Waiver
 - Consolidated Waiver Programs (CWP)
 - Community Based Alternatives (CBA)
 - STAR+PLUS Waiver (SPW)
 - Integrated Care Management Waiver (ICMW)
 - Community Attendant Services (CAS)

MERP also affects the costs of certain hospital and prescription drug services you receive. Primary Home Care (PHC) is **not** affected by MERP.

If you are not sure whether MERP applies to the services you will be receiving, you should ask your Department of Aging and Disability Services (DADS) case manager. If you are a Medicaid managed care enrollee, you should ask your service coordinator with the health plan from which you receive your services.

Are there any times when the state will not ask for money back?

Yes, the state will not ask for money back after you die if:

- Your spouse is still alive.
- You have a child under age 21.
- You have a child of any age who is blind or permanently and totally disabled.
- Your unmarried adult child lives full-time in your home for at least one year before you die.
- The value of your estate is \$10,000 or less.
- The amount of your Medicaid costs was \$3,000 or less.
- The cost of selling your property is more than the property is worth.

Does the state make any exceptions for hardship?

Yes, the state may not file a MERP claim to ask for money back when this would cause an undue hardship for the heirs. The state may grant a hardship waiver when:

- The estate property is a family business, farm or ranch for at least 12 months before you die and is the main source of income for your heirs.
- Your heirs would need financial assistance from the government if the state files a MERP claim.
- Your heirs will be able to stop getting financial assistance from the government if the state does not file a MERP claim.
- You are receiving services as the result of being a crime victim.

There are other circumstances that may create a hardship.

One type of hardship applies just to your home. If one or more of your heirs has a family income under a certain amount, MERP may grant a hardship waiver for up to \$100,000 of your home value.

In 2011, this income limit for one person is \$32,670. For a family of four, it is \$67,050. These figures are adjusted each year. To get a waiver based on an undue hardship, your heirs must ask for it and provide proof of the hardship.

Will the state ever reduce the amount owed?

Yes, if you or someone else spends money to maintain your home while you are in a nursing facility, these costs can be deducted from the MERP claim. If you or someone else spends money to pay for care that helps you live at home longer before entering a nursing home, those costs can be deducted as well. Your heirs must have receipts to show what was spent on your home or services when they ask the state to deduct these amounts from the MERP claim.

If your estate has debts such as funeral costs, legal costs or a home mortgage, those costs are paid first before MERP is paid.

What happens if I give away or transfer my assets before moving into a nursing home?

Giving away resources for no compensation, or refusing to accept income, or reducing income you could receive before moving into a nursing home may result in:

- a penalty against you for not paying for nursing facility or ICF/MR facility services when you were able to do so, or
- a decision by the state that you are ineligible for waiver program services or state supported living center services.

The state may "look-back" up to 60 months before you applied for nursing home, ICF/MR or waiver services to determine when your income was reduced and resources were transferred. To determine how long you may be penalized (or prevented from receiving nursing home care paid for by Medicaid), the state will divide the value of your transferred assets by the average cost of nursing home care paid for by a private-pay patient. The state will calculate the penalty period in terms of how long ago you transferred assets and how long you refused to accept income or reduced your income.

How can I get more information on Medicaid estate recovery?

For more detailed information on this program, call the agency's toll-free number at 1-800-641-9356. This line is answered from 8:00 a.m. through 5:00 p.m., Monday through Friday. Voicemail is available 24 hours a day.

You may also e-mail your questions to merp@dads.state.tx.us.

You may also visit the DADS website at: www.dads.state.tx.us/services/estate_recovery/.

Medicaid ID or Social Security No.: _____

I have received and understand the information about MERP.

Printed Name – Consumer	Signature	Date
Printed Name – Responsible Person	Relationship to Consumer (if not consumer)	Date
Printed Name – Case Manager	Signature	Date

Form 8001, MERP Receipt Acknowledgement, was provided to the consumer or responsible person and the person chose not to sign the form.