

HB 2346 -2 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 3/1, 3/29

WHAT THE MEASURE DOES:

Directs insured institution or credit union to accept declaration rather than affidavit from Oregon Department of Human Services or Oregon Health Authority to pay claim after death of depositor.

ISSUES DISCUSSED:

- Whether bills can be paid from account during 75-day waiting period
- Value of estate determines process for paying out deposits
- Measure applies to accounts not exceeding \$25,000

EFFECT OF AMENDMENT:

-2 (Requested by the Department of Human Services) Specifies that insured institution needs authorization from agencies before releasing moneys on deposit to depositor's adult child, parent, or adult sibling prior to 76th day after death of depositor and when deposit does not exceed \$25,000.

- Minimal expenditure impact
- Minimum revenue impact

BACKGROUND:

The Department of Human Services (DHS) and the Oregon Health Authority (OHA) are federally required to seek recovery of funds paid through supplemental income program assistance (ORS 411.708), general assistance (ORS 411.795), and medical assistance (ORS 416.350) upon the death of the recipient under certain conditions. Financial institutions may satisfy obligations to OHA and DHS from the account of a deceased person under certain conditions and in specific situations when those agencies are seeking recovery. When deposits do not exceed \$25,000, financial institutions may release the funds in the following prescribed order: to the spouse, to OHA and DHS when they demand payment 46 days to 75 days after death, to the adult children, to the parent, and finally to siblings. Legislation in 2015 (House Bill 2415) amended statutes governing private financial records so that financial institutions may release specific information and records upon request and notice from OHA and DHS, such as account balances, and the names of persons who have received funds from an account on or after the account holder's death, so the agencies can determine whether to pursue recovery of funds.

House Bill 2346 allows DHS and OHA to provide a declaration instead of an affidavit to the insured institution or credit union when seeking recovery of funds upon the death of a depositor.