



Oregon

Tina Kotek, Governor

Department of Human Services
Office of Aging and People with
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Chair Sara Gelser Blouin
Senate Committee on Human Services
900 Court St. NE
Salem, OR 97301

Chair Gelser Blouin, Vice-Chair Linthicum, and Members of the
Committee,

Thank you for the opportunity to testify on SB 1029, a bill to exempt certain transfers of property from estate recovery after a recipient of Medicaid services passes away. The Oregon Department of Human Services (ODHS) is neutral on the bill, but I did want to note a potential issue with the bill language.

Before I provide details about the potential issue, I wanted to note that we are in the process of meeting with the bill's advocates to discuss in detail whether an amendment would be necessary to address the issue, or whether perhaps there is a solution possible without amendment. As you mentioned during the public hearing yesterday, this bill's public hearing came shortly after its introduction in the legislature, and neither we nor the advocates had time to connect before the deadline for submitting testimony.

The potential issue I want to address is one that is specific to individuals' eligibility to receive Medicaid long term services and supports through ODHS's Office of Aging and People with Disabilities (APD). While APD has no position on the goal of the bill, to allow for certain transfers of property without the property being subject to estate recovery, there is a specific line of text in the bill that may have an unintended impact: Section 1(3)(b)(B)(i) of the measure. This provision seeks to remove ODHS's authority to recover the value of a home whose title was transferred to a child who lived in the home and provided services and supports to the Medicaid recipient without

receiving Medicaid reimbursement. The issue with this provision is that it may describe a transfer which, by virtue of being a delivery of an asset without receiving consideration at fair market value, may result in a penalty period of ineligibility for Medicaid. (See [20 CFR § 416.1246](#).)

The bill's advocates noted on the record that they disagree with this assessment of that provision; we at the department look forward to meeting with them to discuss further.

The department has additionally noted that the bill may have a significant fiscal impact, and may require an amendment to our federal Medicaid authorities, though we are still working to determine the scope of the former and to confirm the latter.

I would be happy to answer any questions, and will plan to attend the work session for this bill, should one be scheduled, alongside a colleague from ODHS's Office of Payment Accuracy and Recovery (the office that administers ODHS's estate recovery) in case there are questions for the department.

Sincerely,

Jane-ellen Weidanz
Deputy Director of Policy
Oregon Department of Human Services
Office of Aging and People with Disabilities