

## ***Estate Recovery Dies on the Vine ... For Now***

After waiting 14 years for Michigan to adopt an “estate recovery” law, the law that was finally passed in Michigan more than a year ago appears to be going nowhere – and that’s good for seniors.

Estate Recovery is the program that allows the State to make a claim against the property of an individual who receives Medicaid benefits, after they die, to recover the costs of services provided to them in certain Medicaid programs, including the cost of care paid by Medicaid for a resident of a nursing home. All 49 other states have such laws. In September 2007, Michigan became the last state to adopt such a law, but the law required federal approval before implementation. The federal government recently rejected Michigan’s plan. So, at least for now, it appears that there is no immediate likelihood that Michigan will have an estate recovery law anytime in the near future.

At this time, it is unclear as to what changes, if any, the federal government would require in order to allow Michigan to proceed. In the meantime, seniors should understand that, while Michigan has no “estate recovery” program in place, there is an exception with respect to annuities owned by people who apply for Medicaid benefits, or owned by the spouses of people who apply for Medicaid benefits. Annuities are subject to a lien requirement that acts as the equivalent of estate recovery. Accordingly, senior citizens who anticipate the possible need for Medicaid assistance should remain extremely cautious before investing in any annuity products.

***Be sure to follow this and other legislative issues as they unfold.***

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