

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB 457

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|------------------------|------------------------------------------------|-------------------------------------|------------------------------------|
| House of Origin | <input checked="" type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron: Filler-Corn

3. Committee: Education

4. Title: ABLE savings trust agreements; elimination of Medicaid claw back

5. Summary: This bill would eliminate estate recoveries from Achieving a Better Life Experience (ABLE) trust accounts for Medicaid and CHIP enrollees, except where federal law requires DMAS to pursue estate recovery.

6. Budget Amendment Necessary: No

7. Fiscal Impact Is Indeterminate: See Item 8.

8. Fiscal Implications: ABLE accounts are trust accounts set up for beneficiaries to assist them in paying their medical expenses. Amounts deposited in an ABLE account must be used for medical expenses and are not counted for purposes of Medicaid/CHIP resource eligibility. The proposed legislation would prohibit DMAS from seeking estate recovery or payment from the proceeds of a deceased ABLE trust account beneficiary's account for benefits provided. It also permits an ABLE account beneficiary to appoint an individual to receive any amounts left in the ABLE account upon the trust beneficiary's death.

DMAS is required by federal law to pursue estate recovery for anyone aged 55 or older, regardless of whether the individual received long term services and supports (LTSS) and could pursue recoveries from ABLE accounts under estate recovery. The state portion of estate recovery is deposited into the Virginia Health Care Fund (VHCF) and utilized to offset general fund appropriations for Medicaid claims. The ABLE accounts addressed in the bill were recently implemented (2017) and as such, DMAS has not yet collected any funds from these accounts. Therefore, this bill is not likely to have a significant impact on collections from Medicaid estate recovery efforts in the 2018-2020 biennium. However, it is unknown as to the potential future impact prohibiting estate recoveries from ABLE accounts. To the extent that this bill limits potential DMAS recoveries, deposits to the VHCF would decrease thereby increasing general fund need.

9. Specific Agency or Political Subdivisions Affected:
Department of Medical Assistance Services

10. Technical Amendment Necessary: No

11. Other Comments: None