

Wisconsin Estate Recovery Program Policy Changes Effective August 1, 2014

Last year, Wisconsin legislators approved major changes to Wisconsin's Estate Recovery Program (ERP), which seeks repayment of long-term care benefits provided to medical assistance recipients from their estates upon their death. The Wisconsin Department of Health Services issued guidance regarding how it will implement these new ERP changes.

WI Act 20, part of the 2013-2015 budget, made changes to the WI Estate Recovery Program, effective 8/1/2014.

The WI Estate Recovery Program (ERP) seeks repayment for the cost of certain long term care services paid for on behalf of members of Medicaid, BadgerCare Plus, etc.

These changes will take place for documents created on or after August 1, 2014, they affect assets including:

- Joint tenancy property – ERP may recover the value of your fraction interest in the property at the time of your death
- Life Estates – ERP may recover the value of the life estate interest upon your death
- Marital Property – ERP may recover up to 50% of your spouse's estate upon your spouse's death
- Revocable Trusts – ERP may recover your interest in any revocable trust created on or after 8/1/2014
- Tax Equity & Fiscal Responsibility Act 1982 (TEFRA) Liens – pre-death lien, we already record these, ERP may
- Other Non-Probate Property – ERP may recover the value of any non-probate property upon your death
- Life Insurance – ERP may recover the death benefit of the policy regardless of who you have named as the beneficiary

It is recommended to talk to legal counsel to see how this may affect your estate.

Below are several website links that help explain some of the changes.

WI Act 20 Changes to Medicaid:

<http://www.andlaw.com/wp-content/uploads/2013/11/Important-Changes-To-Medicaid-and-Long-Term-Care-Planning.pdf>

WI Department of Health Services web site: <http://www.dhs.wisconsin.gov/medicaid/erp.htm>

DHS Policy change Fact Sheet: <http://www.dhs.wisconsin.gov/publications/P0/P00694.pdf>

The following links explains the update and change quite well; *however this is not an official State of Wisconsin website:* <http://www.ruderware.com/legal-updates/estate-recovery-program-changes-effective-august-1-2014/>