

**DEPARTMENT OF FINANCE BILL ANALYSIS**

**AMENDMENT DATE:** 03/26/2014  
**POSITION:** Oppose  
**SPONSOR:** California Advocates for Nursing Home Reform,  
 Western Center on Law and Poverty

**BILL NUMBER:** SB 1124  
**AUTHOR:** Hernandez, Ed

**BILL SUMMARY: Medi-Cal: estate recovery.**

This bill would require the Medi-Cal program, to the extent permitted by federal law, to refrain from recovering costs of medical care services from the estates of deceased Medi-Cal beneficiaries. The bill would also prohibit recoveries from estates of the surviving spouse of a decedent, only allow recoveries for health care services actually received, and provide a variety of avenues for beneficiaries to learn the amount of expenditures that would be subject to estate recovery upon the beneficiary's death.

**FISCAL SUMMARY**

This bill would reduce estate recovery revenue of approximately \$30 million (\$15 million General Fund), which will reduce the resources available for the Medi-Cal program. This revenue would need to be backfilled with General Fund.

**COMMENTS**

The Department of Finance opposes this bill as it significantly reduces estate recoveries that offset General Fund expenditures in the Medi-Cal program. Medi-Cal is a health care program for individuals with limited income and assets. Recovery of past health care expenditures from the estates of decedents helps fund necessary health care benefits for additional beneficiaries, most of whom have little or no assets. While the intergenerational transmission of assets for low-income Medi-Cal beneficiaries may be hindered by the estate recovery process, reducing this significant source of funding for the program would result in General Fund costs or lead to reductions in health care services for other beneficiaries.

Code/Department Agency or Revenue Type	SO LA CO RV	(Fiscal Impact by Fiscal Year)						Fund Code
		PROP 98	FC	2013-2014 FC		2014-2015 FC	2015-2016 FC	
4260/Hlth Care	LA	No	C	--	C	15,000	C	15,000 0001
4260/Hlth Care	LA	No	C	--	C	15,000	C	15,000 0890
<u>Fund Code</u>		<u>Title</u>						
0001		General Fund						
0890		Trust Fund, Federal						

Analyst S.Ogus	Date	Program Budget Manager Matt Paulin	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____