

### Fiscal Estimate - 2021 Session

Original                     
  Updated                     
  Corrected                     
  Supplemental

|                             |                                   |
|-----------------------------|-----------------------------------|
| <b>LRB Number</b> 21-4675/1 | <b>Introduction Number</b> SB-726 |
|-----------------------------|-----------------------------------|

**Description**  
 limitation of estate recovery for the cost of long-term Medical Assistance to only a recipient's probate estate

**Fiscal Effect**

**State:**

|   |  |  |
|---|--|--|
| <input type="checkbox"/> No State Fiscal Effect           | <input type="checkbox"/> Increase Existing Revenues            | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Indeterminate                    | <input checked="" type="checkbox"/> Decrease Existing Revenues |  |
| <input type="checkbox"/> Increase Existing Appropriations | <input type="checkbox"/> Decrease Costs                        |  |
| <input type="checkbox"/> Decrease Existing Appropriations |  |  |
| <input type="checkbox"/> Create New Appropriations        |  |  |

**Local:**

|  |  |  |
|--|--|--|
| <input type="checkbox"/> No Local Government Costs                     | <b>5. Types of Local Government Units Affected</b> |  |
| <input type="checkbox"/> Indeterminate                                 | <input type="checkbox"/> Towns                     | <input type="checkbox"/> Village <input type="checkbox"/> Cities |
| 1. <input type="checkbox"/> Increase Costs                             | <input type="checkbox"/> Counties                  | <input type="checkbox"/> Others                                  |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> School Districts          | <input type="checkbox"/> WTCS Districts                          |
| 2. <input type="checkbox"/> Decrease Costs                             |  |  |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |  |  |
| 3. <input type="checkbox"/> Increase Revenue                           |  |  |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |  |  |
| 4. <input type="checkbox"/> Decrease Revenue                           |  |  |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |  |  |

|  |                                       |
|--|---------------------------------------|
| <b>Fund Sources Affected</b>   | <b>Affected Ch. 20 Appropriations</b> |
| <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS | 20.435 (4) (im) and 20.435 (4) (b)    |

|                                |                              |             |
|--------------------------------|------------------------------|-------------|
| <b>Agency/Prepared By</b>      | <b>Authorized Signature</b>  | <b>Date</b> |
| DHS/ Sara Koler (608) 267-5147 | Andy Forsaith (608) 266-7684 | 2/18/2022   |

## Fiscal Estimate Narratives

DHS 2/18/2022

|   |                  |                     |               |               |                 |
|---|------------------|---------------------|---------------|---------------|-----------------|
| LRB Number  | <b>21-4675/1</b> | Introduction Number | <b>SB-726</b> | Estimate Type | <b>Original</b> |
| <b>Description</b><br>limitation of estate recovery for the cost of long-term Medical Assistance to only a recipient's probate estate |                  |                     |               |               |                 |

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Health Services is required to seek repayment for the cost of certain long-term care services paid for on behalf of recipients of Medical Assistance. Recovery is currently made from the estates of decedent recipients, from the estates of their surviving spouses, and from certain other non-probate property, subject to certain limitations.

2021 SB 726 limits the property that DHS may seek repayment from to only property in the recipient's probate estate that is required to be pursued under federal law. In practice, this would preclude recoveries related to the following: real property held in joint tenancy; life estate interests; revocable trusts; life insurance policies; survivorship marital property; marital property; real property with transfer on death deeds; real property that is payable on death; annuities other than those with the State of Wisconsin or DHS as beneficiary; and, other non-probate transfers.

It is estimated that this bill would impact approximately 1 percent of recovery cases each year, for an annual decrease in revenue of \$800,000. As estate recovery revenues offset GPR costs in the Medicaid program, this would increase GPR costs under 20.435 (4) (b) by \$800,000 GPR. It would not be possible to absorb this increase within the agency's budget.

### Long-Range Fiscal Implications