

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB855

Patron: Cousins

Bill Title: Department of Medical Assistance Services; Medicaid estate recoveries.

Bill Summary: Directs the Department of Medical Assistance Services (the Department) to limit the operation of its estate recovery program to the recovery of only federally required costs. The bill directs the Department to make information on estate recovery available on its website in multiple languages. The bill directs the Department to adopt emergency regulations to implement the provisions of the bill.

Budget Amendment Necessary: No

Items Impacted: -

Fiscal Summary: No fiscal impact.

Fiscal Analysis: The bill limits the Department of Medical Assistance Services (DMAS) to only recovering federally required costs pursuant to 42 U.S.C. § 1396p(b)(1)(A) and 42 U.S.C. § 1396p(b)(1)(B)(i). This is current practice for the agency, as DMAS does not opt to collect costs associated with other state plan services in the estate recovery program. Additionally, DMAS already provides information about estate recovery on their website and has translation available.

State Medicaid agencies are required to attempt to recover Medicaid payments from the estate of a deceased Medicaid beneficiary for certain services received on or after the beneficiary attained age 55. This process is referred to as "estate recovery." Estate recovery is mandated by federal law (Social Security Act § 1917(b)(1)(A) and implemented under § 32.1-326 and 32.1-327, Code of Virginia, and the Virginia Administrative Code under 12VAC30-20-141). Currently, the Third-party liability Unit at DMAS applies estate recovery practices as required by federal law. DMAS, with approval from the Office of the Attorney General, waives claims against an estate if an undue hardship arises from the enforcement of recovery of those claims.

Other: