

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: June 16, 2004

SUBJECT: Fiscal Impact Statement: Medicaid State Plan Amendment:
“Liens and Adjustments or Recoveries Section Amendment
Resolution of 2004”

REFERENCE: Draft Legislation – Bill Number Not Available

Conclusion

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the proposed Medicaid state plan amendment. The resolution would result in the recovery of approximately \$91,830 of local funds in FY 2005 and a total of approximately \$367,320 of local funds in the FY 2005 through FY 2008 period.

Background

The proposed state plan amendment would establish criteria and processes for the enforcement of estate recovery claims by the Medical Assistance Administration (MAA). This would include: 1) defining “undue hardship” that would waive enforcement of an estate recovery claim; 2) identifying the services for which MAA would seek recovery of payments; and 3) enumerating the collection process and appeals procedures available to the affected parties.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the proposed Medicaid state plan amendment. The resolution would result in the recovery of approximately \$91,830 in FY 2005 and a total of approximately \$367,320

in the FY 2005 through FY 2008 period in local funds. According to the Medical Assistance Administration, the recovery estimates are based on estates data from the current and prior three years. The analysis assumes that the amounts recovered would be approximately equal in each of the years estimated, that the federal share of the recovery would have to be returned to the federal government and that the local funds recovered would be offset against expenditures.

Estimated Recovered Medicaid Funds (Recoupment) FY 2005 – FY 2008					
	FY 2005	FY 2006	FY 2007	FY 2008	4-Year Total
Total Recovered	(\$306,099)	(\$306,099)	(\$306,099)	(\$306,099)	(\$1,224,396)
Federal Recovery	(\$214,269)	(\$214,269)	(\$214,269)	(\$214,269)	(\$857,076)
Local Recovery	(\$91,830)	(\$91,830)	(\$91,830)	(\$91,830)	(\$367,320)