

Recoveries from Public Assistance Recipients: FYs 16 to 19

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Issue

How much did the state recover from current or former public assistance recipients in FYs 16 to 19? This report updates OLR Report [2016-R-0207](#).

Summary

According to data provided to us by the Department of Administrative Services (DAS), the state recovered a total of \$219,635,502 from current or former public assistance recipients in FYs 16 to 19, or an average of \$54,908,875 per year. Within this time frame, more than 40% of annual collections were recovered from accident liens. By law, the DAS Collections Recovery Unit is responsible for recovering this assistance from Department of Social Services (DSS) program beneficiaries who receive a financial windfall (e.g., lottery winnings, lawsuit proceeds, or inheritances) or the estates of these individuals after they die ([CGS §§ 17b-93 to -95](#)).

The law gives the state a claim that has priority over other unsecured claims against these individuals. DAS collects the claims by placing liens on windfalls and recovering from decedents' estates. The state generally takes half of windfall proceeds. The state's share of estate recoveries is the entire amount of assistance provided. (For detailed information on the recoveries process, see OLR Report [2009-R-0412](#).)

The DSS-administered programs for which DAS recovers assistance are the former Aid to Families with Dependent Children (AFDC); Temporary Assistance for Needy Families (TANF), which replaced AFDC in 1996; Medicaid (see BACKGROUND); State-Administered General Assistance (SAGA); and the State Supplement (SS). For programs receiving federal funding, certain portions of the recoveries are either returned to the federal government or used to offset future federal assistance.

Specifically, DSS returns to the Centers for Medicare and Medicaid Services (CMS) the federal share of its Medicaid recoveries, which is 50%. With AFDC, DSS also returns 50%. Finally, with TANF, 100% of recoveries are used to offset and reduce the federal basic cash assistance expenditures that the state claims (see Administration for Children and Families guidance, TANF-ACF-PI-2006- 03).

Table 1 provides summary data on recoveries from current or former public assistance recipients in FYs 16 to 19.

Table 1: FYs 16 – 19 Recoveries from Public Assistance Recipients*

<i>Case Type</i>	<i>FY 16</i>	<i>FY 17</i>	<i>FY 18</i>	<i>FY 19</i>
Accident Liens	\$22,413,256	\$22,805,072	\$25,525,772	\$23,575,277
Estate Recoveries	12,864,361	12,969,216	15,271,054	16,430,473
Inheritance Liens	6,001,668	6,050,855	7,442,337	6,450,421
Insurance Settlement Liens	6,852,772	5,715,802	5,178,681	7,805,734
Other Agencies Collections	471,860	661,575	553,462	31,987
Skilled Nursing Trust Fund	2,514,839	3,226,291	5,423,247	3,009,276
Workers' Compensation	107,388	48,861	97,720	136,246
Total	\$51,226,144	\$51,477,671	\$59,492,273	\$57,439,414

*These figures represent the total amount collected by DAS; they include the recoveries that DSS returned to the federal government or used to offset future federal assistance

Tables 2 to 5 provide detailed data for each year. Due to recent staff changes, DAS was unable to replicate the format of the previous OLR report from 2016. Instead, the department provided us with the data as it is compiled in their systems, which sorts the recoveries via the source of recovery, not the nature of the debt (i.e., assistance program).

Tables 2 to 5 notes:

- The line item for the Department of Children and Families (DCF) refers to monies collected from recipients of AFDC and TANF.
- The line item for the Department of Correction (DOC) consists of monies collected for costs of incarceration.
- All five of the line items relating to DSS refer to the monies collected pursuant to Medicaid, including recoveries associated with other state assistance received by individuals who had received Medicaid.
- The mortgage interest line item is an artifact of a past practice; specifically, when the state used to include a low interest rate on home liens.

- The refund line item generally relates to two situations: (1) if the money is available only in the form of an annuity, the annuity companies turn over the full amount of the annuity, regardless of the amount of the debt, and then DAS refunds the remainder and (2) if the state agency that notifies DAS of a debt later discovers that its calculations were incorrect and DAS collected too much.

Table 2: FY 16 Recoveries

Case Type		Amount Recovered	Percent of Recovery for Case Type
ACCIDENT LIENS	DSS Child Support	\$302,832	0.6%
	DCF	338,785	0.7%
	DOC	2,478,664	4.8%
	DSS Managed Care	5,362	0.0%
	DSS medical bills related to AFDC, TANF, SS, SAGA	8,140,582	15.9%
	DSS medical programs only	10,342,271	20.2%
	DSS Health Maintenance Co.	421,030	0.8%
	DSS Inpatient Care	414,789	0.8%
	Mortgage Interest	929	0.0%
	Refunds	(31,986)	(0.1%)
	Accident Total		22,413,256
ESTATE RECOVERIES	DSS Child Support	64,339	0.1%
	DCF	405,518	0.8%
	DOC	782,267	1.5%
	DSS Managed Care	10,119	0.0%
	DSS medical bills related to AFDC, TANF, SS, SAGA	4,852,871	9.5%
	DSS medical programs only	5,936,719	11.6%
	DSS Inpatient Care	796,928	1.6%
	Mortgage Interest	23,513	0.1%
	Refunds	(7,914)	(0.0%)
Estate Total		12,864,361	25.1%
INHERITANCE LIENS	DSS Child Support	89,220	0.2%
	DCF	140,723	0.3%
	DOC	1,288,937	2.5%
	DSS Managed Care	209	0.0%

Table 2 (continued)

<i>Case Type</i>		<i>Amount Recovered</i>	<i>Percent of Recovery for Case Type</i>
	DSS medical bills related to AFDC, TANF, SS, SAGA	3,066,352	6.0%
	DSS medical programs only	205,068	0.4%
	DSS Inpatient Care	1,230,230	2.4%
	Mortgage Interest	1,755	0.0%
	Refunds	(20,827)	(0.0%)
Inheritance Total		6,001,668	11.7%
INSURANCE SETTLEMENT LIENS	DSS Child Support	93,159	0.2%
	DCF	18,129	0.0%
	DOC	1,131,060	2.2%
	DSS medical bills related to AFDC, TANF, SS, SAGA	3,781,739	7.4%
	DSS medical programs only	1,717,715	3.4%
	DSS Health Maintenance Co.	15,774	0.0%
	DSS Inpatient Care	104,661	0.2%
	Refunds	(9,465)	(0.0%)
Insurance Total		6,852,772	13.4%
OTHER AGENCIES	DCF	35,000	0.1%
	DOC	42,753	0.1%
	DSS medical bills related to AFDC, TANF, SS, SAGA	3,244	0.0%
	DSS medical programs only	336,741	0.7%
	DSS Inpatient Care	88,363	0.2%
	Refunds	(34,241)	(0.1%)
Other Agencies Total		471,860	0.9%
SKILLED NURSING TRUST FUND	DSS medical bills related to AF, TF, SS, SA & SM	284,401	0.6%
	DSS medical programs only	2,089,885	4.1%
	DSS Inpatient Care	140,553	0.3%
Skilled Nursing Total		2,514,839	4.9%

Table 2 (continued)

<i>Case Type</i>		<i>Amount Recovered</i>	<i>Percent of Recovery for Case Type</i>
WORKERS' COMP	DSS Child Support	3,400	0.0%
	DSS medical bills related to AFDC, TANF, SS, SAGA	99,877	0.2%
	DSS medical programs only	4,111	0.0%
Workers' Comp Total		107,388	0.2%
	FY 16 Grand Total	\$51,226,144	100.0%

Table 3: FY 17 Recoveries

<i>Case Type</i>		<i>Amount Recovered</i>	<i>Percent of Recovery for Case Type</i>
ACCIDENT LIENS	DSS Child Support	\$315,939	0.6%
	DCF	320,281	0.6%
	DOC	2,452,339	4.8%
	DSS Managed Care	428	0.0%
	DSS medical bills related to AFDC, TANF, SS, SAGA	8,169,222	15.9%
	DSS medical programs only	10,315,017	20.1%
	DSS Health Maintenance Co.	649,805	1.3%
	DSS Inpatient Care	649,092	1.3%
	Refunds	(67,050)	(0.1%)
Accident Total		22,805,072	44.3%
ESTATE RECOVERIES	DSS Child Support	1,128	0.0%
	DCF	64,211	0.1%
	DOC	462,468	0.9%
	DSS medical bills related to AFDC, TANF, SS, SAGA	4,738,161	9.2%
	DSS medical programs only	7,117,673	13.8%
	DSS Inpatient Care	717,783	1.4%
	Mortgage Interest	927	0.0%
	Refunds	(133,135)	(0.3%)
Estate Total		12,969,216	25.2%

Table 3 (continued)

<i>Case Type</i>		<i>Amount Recovered</i>	<i>Percent of Recovery for Case Type</i>
INHERITANCE LIENS	DSS Child Support	188,065	0.4%
	DCF	271,272	0.5%
	DOC	1,217,168	2.4%
	DSS Managed Care	114	0.0%
	DSS medical bills related to AFDC, TANF, SS, SAGA	3,414,940	6.6%
	DSS medical programs only	27,184	0.1%
	DSS Inpatient Care	923,883	1.8%
	Mortgage Interest	16,170	0.0%
	Refunds	(7,941)	(0.0%)
	Inheritance Total		6,050,855
INSURANCE SETTLEMENT LIENS	DSS Child Support	134,811	0.3%
	DCF	17,465	0.0%
	DOC	590,669	1.2%
	DSS medical bills related to AFDC, TANF, SS, SAGA	3,405,667	6.6%
	DSS medical programs only	1,432,850	2.8%
	DSS Health Maintenance Co.	2,531	0.0%
	DSS Inpatient Care	156,506	0.3%
	Refunds	(24,698)	(0.1%)
Insurance Total		5,715,802	11.1%
OTHER AGENCIES	DOC	14,724	0.0%
	DSS medical bills related to AFDC, TANF, SS, SAGA	2,010	0.0%
	DSS medical programs only	161,084	0.3%
	DSS Inpatient Care	483,757	1.0%
Other Agencies Total		661,575	1.3%
SKILLED NURSING TRUST FUND	DSS medical bills related to AFDC, TANF, SS, SAGA	139,705	0.3%
	DSS medical programs only	3,002,988	5.8%

Table 3 (continued)

<i>Case Type</i>		<i>Amount Recovered</i>	<i>Percent of Recovery for Case Type</i>
	DSS Inpatient Care	87,000	0.2%
	Refunds	(3,402)	(0.0%)
Skilled Nursing Total		3,226,291	6.3%
WORKERS' COMP	DSS medical bills related to AFDC, TANF, SS, SAGA	28,057	0.1%
	DSS medical programs only	15,748	0.0%
	DSS Inpatient Care	6,050	0.0%
	Refunds	(993)	(0.0%)
Workers' Comp Total		48,861	0.1%
	FY 17 Grand Total	\$51,477,671	100.0%

Table 4: FY 18 Recoveries

<i>Case Type</i>		<i>Amount Recovered</i>	<i>Percent of Recovery for Case Type</i>
ACCIDENT LIENS	DSS Child Support	\$232,974	0.4%
	DCF	369,039	0.6%
	DOC	3,012,822	5.1%
	DSS Managed Care	552	0.0%
	DSS medical bills related to AFDC, TANF, SS, SAGA	8,436,059	14.2%
	DSS medical programs only	12,297,488	20.7%
	DSS Health Maintenance Co.	541,086	0.9%
	DSS Inpatient Care	729,872	1.2%
	Refunds	(94,120)	(0.2%)
Accident Total		25,525,772	42.9%
ESTATE RECOVERIES	DSS Child Support	23,660	0.0%
	DCF	121,074	0.2%
	DOC	805,872	1.4%
	DSS medical bills related to AFDC, TANF, SS, SAGA	5,303,272	8.9%
	DSS medical programs only	8,491,476	14.3%

Table 4 (continued)

<i>Case Type</i>		<i>Amount Recovered</i>	<i>Percent of Recovery for Case Type</i>
	DSS Inpatient Care	567,977	1.0%
	Mortgage Interest	805	0.0%
	Refunds	(43,082)	(0.1%)
Estate Total		15,271,054	25.7%
INHERITANCE LIENS	DSS Child Support	64,826	0.1%
	DCF	379,908	0.6%
	DOC	1,913,345	3.2%
	DSS medical bills related to AFDC, TANF, SS, SAGA	4,098,775	6.9%
	DSS medical programs only	5,352	0.0%
	DSS Inpatient Care	1,028,571	1.7%
	Mortgage Interest	409	0.0%
	Refunds	(48,851)	(0.1%)
Inheritance Total		7,442,337	12.5%
INSURANCE SETTLEMENT LIENS	DSS Child Support	70,101	0.1%
	DCF	18,460	0.0%
	DOC	686,749	1.2%
	DSS medical bills related to AFDC, TANF, SS, SAGA	2,597,912	4.4%
	DSS medical programs only	1,628,299	2.7%
	DSS Health Maintenance Co.	77,985	0.1%
	DSS Inpatient Care	112,158	0.2%
	Refunds	(12,983)	(0.0%)
Insurance Total		5,178,681	8.7%
OTHER AGENCIES	DSS medical bills related to AFDC, TANF, SS, SAGA	1,340	0.0%
	DSS medical programs only	525,419	0.9%
	DSS Inpatient Care	26,563	0.0%
	Mortgage Interest	140	0.0%
Other Agencies Total		553,462	0.9%

Table 4 (continued)

<i>Case Type</i>		<i>Amount Recovered</i>	<i>Percent of Recovery for Case Type</i>
SKILLED NURSING TRUST FUND	DSS medical bills related to AFDC, TANF, SS, SAGA	88,738	0.1%
	DSS medical programs only	5,326,161	9.0%
	DSS Inpatient Care	8,348	0.0%
Skilled Nursing Total		5,423,247	9.1%
WORKERS' COMP	DSS medical bills related to AFDC, TANF, SS, SAGA	14,452	0.0%
	DSS medical programs only	74,879	0.1%
	DSS Inpatient Care	8,389	0.0%
Workers' Comp Total		97,720	0.2%
	FY 18 Grand Total	\$59,492,273	100.0%

Table 5: FY 19 Recoveries

<i>Case Type</i>		<i>Amount Recovered</i>	<i>Percent of Recovery for Case Type</i>
ACCIDENT LIENS	DSS Child Support	\$266,925	0.5%
	DCF	255,924	0.5%
	DOC	2,325,554	4.1%
	DSS medical bills related to AFDC, TANF, SS, SAGA	8,016,171	14.0%
	DSS medical programs only	11,294,809	19.7%
	DSS Health Maintenance Co.	733,547	1.3%
	DSS Inpatient Care	740,762	1.3%
	Refunds	(58,414)	(0.1%)
Accident Total		23,575,277	41.1%
ESTATE RECOVERIES	DSS Child Support	16,491	0.0%
	DCF	293,625	0.5%
	DOC	1,184,609	2.1%
	DSS medical bills related to AFDC, TANF, SS, SAGA	4,739,133	8.3%

Table 5 (continued)

<i>Case Type</i>		<i>Amount Recovered</i>	<i>Percent of Recovery for Case Type</i>
	DSS medical programs only	9,367,874	16.3%
	DSS Inpatient Care	929,569	1.6%
	Mortgage Interest	2,710	0.0%
	Refunds	(103,538)	(0.2%)
Estate Total		16,430,473	28.6%
INHERITANCE LIENS	DSS Child Support	154,206	0.3%
	DCF	237,823	0.4%
	DOC	1,707,281	3.0%
	DSS medical bills related to AFDC, TANF, SS, SAGA	3,718,812	6.5%
	DSS medical programs only	232,243	0.4%
	DSS Inpatient Care	497,539	0.9%
	Mortgage Interest	90	0.0%
	Refunds	(97,575)	(0.2%)
Inheritance Total		6,450,421	11.2%
INSURANCE SETTLEMENT LIENS	DSS Child Support	63,373	0.1%
	DCF	56,005	0.1%
	DOC	872,633	1.5%
	DSS Managed Care	333	0.0%
	DSS medical bills related to AFDC, TANF, SS, SAGA	3,500,211	6.1%
	DSS medical programs only	3,007,021	5.2%
	DSS Health Maintenance Co.	6,994	0.0%
	DSS Inpatient Care	313,105	0.6%
	Refunds	(13,941)	(0.0%)
Insurance Total		7,805,734	13.6%
OTHER AGENCIES	DSS medical programs only	31,707	0.1%
	Mortgage Interest	280	0.0%
Other Agencies Total		31,987	0.1%

Table 5 (continued)

Case Type		Amount Recovered	Percent of Recovery for Case Type
SKILLED NURSING TRUST FUND	DSS medical bills related to AFDC, TANF, SS, SAGA	155,673	0.3%
	DSS medical programs only	2,649,040	4.6%
	DSS Inpatient Care	204,563	0.4%
Skilled Nursing Total		3,009,276	5.2%
WORKERS' COMP	DSS medical bills related to AFDC, TANF, SS, SAGA	83,775	0.1%
	DSS medical programs only	58,004	0.1%
	Refunds	(5,534)	(0.0%)
Workers' Comp Total		136,246	0.2%
	FY 19 Grand Total	\$57,439,414	100.0%

Background

Estate Recovery and Liens for Medicaid Recipients

Medicaid program rules require states to recover certain Medicaid benefits paid on behalf of recipients. According to the [Centers for Medicare and Medicaid Services](#) (CMS), for individuals age 55 or older, states must seek recovery of payments from the individual's estate for nursing facility services, home and community-based services, and related hospital and prescription drug services. States have the option to recover payments for all other Medicaid services provided to these individuals, except Medicare cost-sharing paid on behalf of Medicare Savings Program beneficiaries.

Under certain conditions, money remaining in a trust after a Medicaid recipient has passed away may be used to reimburse Medicaid. States must establish procedures for waiving estate recovery when it would cause an undue hardship and are prohibited from recovering from the estate of a deceased Medicaid recipient who is survived by a spouse, child under age 21, or blind or disabled child of any age.

States may impose liens for Medicaid benefits incorrectly paid pursuant to a court judgment. States may also impose liens on real property during the lifetime of a Medicaid recipient who is permanently institutionalized, except when one of the following individuals resides in the home: the spouse, child under age 21, blind or disabled child of any age, or sibling who has an equity interest

in the home. The states must remove the lien when the Medicaid recipient is discharged from the facility and returns home.

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