

Document: Notice of Intent to Adopt a Rule, **Register Page Number:** 26 IR 3075

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**TITLE 405 OFFICE OF THE SECRETARY OF
FAMILY AND SOCIAL SERVICES**

LSA Document #03-134

Under IC 4-22-2-23, the Office of the Secretary of Family and Social Services intends to adopt a rule concerning the following:

OVERVIEW: Amends 405 IAC 2-8-1 to eliminate the exclusion of a life insurance policy and annuity from the definition of “estate” for Medicaid estate recovery purposes. Amends 405 IAC 2-8-1.1 to reduce the estate recovery exemption for jointly-owned real property from \$125,000 to \$75,000. Makes the following changes to 405 IAC 2-10 concerning liens against the real property of certain Medicaid recipients: Amends 405 IAC 2-10-3 to eliminate the prohibition on filing a lien when an individual who provided care to the recipient resides in the home. Amends 405 IAC 2-10-6 to provide that a lien expires unless the office of Medicaid policy and planning commences a foreclosure action within two years of the recipient’s death. Eliminates the prohibition on enforcement when a recipient is survived by a parent. Amends 405 IAC 2-10-9 to provide that a lien is subordinate to the security interest of a financial institution that loans money to be used as operating capital for a farm, business, or income-producing property. Repeals 405 IAC 2-10-10 to eliminate the exemption of \$125,000 on property subject to a lien. These changes are being made to conform to legislation enacted by the 2003 Indiana General Assembly in HEA 1001. This rule will also specify that property that is disregarded for eligibility purposes in connection with the purchase and use of a qualified long term care insurance policy is exempt from lien placement and enforcement. Statutory authority: IC 12-8-6-5; IC 12-15-1-10.