



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 204 (Substitute S-1 as reported)
Sponsor: Senator Michael Switalski
Committee: Appropriations

(as enrolled)

CONTENT

The bill would amend the Estates and Protected Individuals Code to include Medicaid payments subject to recovery under the Social Security Act in the order of priority of payment of claims and allowances from an estate.

The Estates and Protected Individuals Code establishes an order of priority for payment of claims and allowances from an individual's estate, if the estate property is insufficient to pay all claims and allowances in full. The bill would modify the reference to debts and taxes with priority under Federal law to include Medicaid payments subject to adjustment or recovery under the Social Security Act.

The bill is tie-barred to Senate Bill 374, which would amend the Social Welfare Act to establish the Michigan Estate Recovery Program. The program would permit the State to recover, from the estate of a qualifying individual after his or her death, the funds used to provide Medicaid long-term care services for the recipient. This program is required under Federal law.

MCL 700.3805

FISCAL IMPACT

Senate Bill 204 (S-1) would have no fiscal impact upon State or local government. Implementation of the Michigan Estate Recovery Program, under Senate Bill 374, is estimated to generate GF/GP savings of \$1.7 million in the current fiscal year and \$4.2 million GF/GP in FY 2007-08.

Date Completed: 4-11-07

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