

249A.53 Recovery of payment.

1. Medical assistance paid to, or on behalf of, a recipient or paid to a provider of services is not recoverable, except as provided in [subsection 2](#), unless the assistance was incorrectly paid. Assistance incorrectly paid is recoverable from the provider, or from the recipient, while living, as a debt due the state and, upon the recipient's death, as a claim classified with taxes having preference under the laws of this state.

2. The provision of medical assistance to an individual who is fifty-five years of age or older, or who is a resident of a nursing facility, intermediate care facility for persons with an intellectual disability, or mental health institute, who cannot reasonably be expected to be discharged and return to the individual's home, creates a debt due the department from the individual's estate for all medical assistance provided on the individual's behalf, upon the individual's death.

a. The department shall waive the collection of the debt created under [this subsection](#) from the estate of a recipient of medical assistance to the extent that collection of the debt would result in either of the following:

(1) Reduction in the amount received from the recipient's estate by a surviving spouse, or by a surviving child who was under age twenty-one, blind, or permanently and totally disabled at the time of the individual's death.

(2) Otherwise work an undue hardship as determined on the basis of criteria established pursuant to 42 U.S.C. §1396p(b)(3).

b. If the collection of all or part of a debt is waived pursuant to [subsection 2](#), paragraph "a", to the extent the medical assistance recipient's estate was received by the following persons, the amount waived shall be a debt due from one of the following, as applicable:

(1) The estate of the medical assistance recipient's surviving spouse or child who is blind or has a disability, upon the death of such spouse or child.

(2) A surviving child who was under twenty-one years of age at the time of the medical assistance recipient's death, upon the child reaching the age of twenty-one or from the estate of the child if the child dies prior to reaching the age of twenty-one.

(3) The estate of the recipient of the undue hardship waiver, at the time of death of the hardship waiver recipient, or from the hardship waiver recipient when the hardship no longer exists.

c. For purposes of [this section](#), the estate of a medical assistance recipient, surviving spouse, or surviving child includes any real property, personal property, or other asset in which the recipient, spouse, or child had any legal title or interest at the time of the recipient's, spouse's, or child's death, to the extent of such interests, including but not limited to interests in jointly held property, retained life estates, and interests in trusts.

d. For purposes of collection of a debt created by [this subsection](#), all assets included in the estate of a medical assistance recipient, surviving spouse, or surviving child pursuant to paragraph "c" are subject to probate.

e. Interest shall accrue on a debt due under [this subsection](#), at the rate provided pursuant to [section 535.3](#), beginning six months after the death of a medical assistance recipient, surviving spouse, or surviving child.

f. (1) If a debt is due under [this subsection](#) from the estate of a recipient, the administrator of the nursing facility, intermediate care facility for persons with an intellectual disability, or mental health institute in which the recipient resided at the time of the recipient's death, and the personal representative of the recipient, if applicable, shall report the death to the department within ten days of the death of the recipient.

(2) If a personal representative or executor of an estate makes a distribution either in whole or in part of the property of an estate to the heirs, next of kin, distributees, legatees, or devisees without having executed the obligations pursuant to [section 633.425](#), the personal representative or executor may be held personally liable for the amount of medical assistance paid on behalf of the recipient, to the full value of any property belonging to the estate which may have been in the custody or control of the personal representative or executor.

(3) For the purposes of this paragraph, "executor" means executor as defined in [section](#)

633.3, and “*personal representative*” means a person who filed a medical assistance application on behalf of the recipient or who manages the financial affairs of the recipient.

3. a. Following the death of an individual who is a designated beneficiary of an account established under a participation agreement pursuant to [chapter 12I](#), all of the following shall apply to the extent permitted pursuant to [chapter 12I](#) and under federal law including section 529A of the Internal Revenue Code:

(1) The department shall not seek recovery of any account balance remaining in the designated beneficiary’s account for medical assistance paid to or on behalf of the designated beneficiary on or after the date the participation agreement was entered into and the account established for the designated beneficiary.

(2) The department shall not file a claim for payment under section 529A(f) of the Internal Revenue Code.

(3) Any account balance remaining in the designated beneficiary’s account may be transferred to an account for another eligible individual specified by the designated beneficiary, or if another eligible beneficiary is not so designated, then the account balance shall be transferred to the estate of the designated beneficiary or to the successor as defined in [section 633.356](#).

b. For the purposes of [this section](#), “*designated beneficiary*”, “*Internal Revenue Code*”, and “*participation agreement*” mean the same as defined in [section 12I.1](#).

c. For the purposes of [this section](#), “*eligible individual*” means the same as defined in section 529A of the Internal Revenue Code.

[C62, 66, §249A.13; C71, 73, 75, 77, 79, 81, §249A.5]

83 Acts, ch 153, §14; 94 Acts, ch 1120, §10; 95 Acts, ch 68, §2; 96 Acts, ch 1107, §1; 96 Acts, ch 1129, §65, 113; 2002 Acts, ch 1086, §2, 21; 2003 Acts, ch 62, §3; 2012 Acts, ch 1019, §97, 98; 2013 Acts, ch 24, §14

C2014, §249A.53

2021 Acts, ch 136, §7

Referred to in §97B.39, 249A.40, 523A.303, 561.19, 633.231, 633.304A, 633.356, 633.410, 633.425