

# House Study Bill 652

## Bill Text

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1 1 Section 1. Section [249A.5](#), subsection 2, Code 1997, is  
1 2 amended by adding the following new paragraph after paragraph  
1 3 b and relettering the subsequent paragraphs:  
1 4 NEW PARAGRAPH. c. The department shall adopt rules to  
1 5 determine the value of a life estate held by a decedent.  
1 6 Sec. 2. Section [249F.1](#), subsection 2, paragraph b,  
1 7 subparagraph (5), Code Supplement 1997, is amended to read as  
1 8 follows:  
1 9 (5) Transfers of less than two thousand dollars. However,  
1 10 all transfers by the same transferor during

~~a calendar year~~

1 11 the five-year period prior to application for medical  
1 12 assistance by the transferor shall be aggregated. If a  
1 13 transferor transfers property to more than one transferee  
1 14 during

~~a calendar year~~

~~the five-year period prior to~~  
1 15 application for medical assistance by the transferor, the two  
1 16 thousand dollar exemption shall be divided equally between the  
1 17 transferees.

1 18 Sec. 3. Section [249F.1](#), subsection 2, paragraph b,  
1 19 subparagraph (9), Code Supplement 1997, is amended by striking  
1 20 the subparagraph.

1 21 Sec. 4. Section [249F.3](#), subsection 1, unnumbered paragraph  
1 22 1, Code 1997, is amended to read as follows:

1 23 The department of human services may issue a notice  
1 24 establishing and demanding payment of an accrued or accruing  
1 25 debt due and owing to the department of human services as  
1 26 provided in section 249F.2. The notice shall be sent by  
1 27 restricted certified mail, as defined in section 618.15, to  
1 28 the transferee at the transferee's last known address. If  
1 29 service of the notice is unable to be completed by restricted  
1 30 certified mail, the notice shall be served upon the transferee  
1 31 in accordance with the rules of civil procedure. The notice  
1 32 shall include all of the following:

1 33 Sec. 5. Section [249F.4](#), subsection 2, Code 1997, is  
1 34 amended to read as follows:

1 35 2. The certification shall include true copies of the  
2 1 original notice, the return of service, if applicable, any  
2 2 request for an informal conference, any subsequent notices,  
2 3 the written request for hearing, and true copies of any  
2 4 administrative orders previously entered.

2 5 Sec. 6. NEW SECTION. 249F.6A EXEMPTION FROM CHAPTER 17A.

2 6 Actions initiated under this chapter are not subject to  
2 7 contested case proceedings or further review pursuant to  
2 8 chapter 17A. Review by the district court shall be an  
2 9 original hearing before the court.

2 10 Sec. 7. Section [535.3](#), Code Supplement 1997, is amended by  
2 11 adding the following new subsection:

2 12 NEW SUBSECTION. 3. Interest shall be allowed on all money  
2 13 due on final decisions of contested case proceedings pursuant  
2 14 to chapter 17A, in accordance with subsection 1, when the  
2 15 contested case relates to overpayment under the medical

2 16 assistance program and the debt is due to the error of the  
2 17 debtor.  
2 18 Sec. 8. Section [633.477](#), Code 1997, is amended by adding  
2 19 the following new subsection:  
2 20 NEW SUBSECTION. 13. A statement as to whether a debt is  
2 21 due to the department of human services for medical assistance  
2 22 provided to the deceased pursuant to section 249A.5,  
2 23 subsection 2, to be paid by all parties subject to the estate  
2 24 recovery provisions of that subsection.

2 25 EXPLANATION

2 26 Code section 249A.5 is amended to direct the department to  
2 27 adopt rules for determining the value of a life estate of a  
2 28 decedent for the purposes of the estate recovery program.

2 29 The bill amends chapter 249F of the Code, relating to  
2 30 transfer of assets under the medical assistance program.

2 31 Code section 249F.1 is amended to limit the amount of cash  
2 32 transfers to \$2,000 during the five-year period prior to  
2 33 application for medical assistance by the transferor, and not  
2 34 during each calendar year. The bill also provides that if a  
2 35 transfer is made to more than one transferee during that  
3 1 period, the \$2,000 exemption is to be divided between all  
3 2 transferees.

3 3 Code section 249F.1 is also amended by striking the  
3 4 exemption for transfers of homesteads other than those  
3 5 transfers allowed under federal law. Earlier subsections  
3 6 exempt such transfers to a spouse, a disabled or minor child,  
3 7 a child who has provided care to the transferor, or a sibling  
3 8 residing with the transferor.

3 9 Code section 249F.3 is amended to provide for notice to a  
3 10 transferee by restricted certified mail.

3 11 Code section 249F.4 is amended to provide a conforming  
3 12 change to reflect the change in Code section 249F.3, and new  
3 13 Code section 249F.6A provides that actions under the chapter  
3 14 are not subject to contested case or further review under  
3 15 chapter 17A but shall be reviewed by the district court in an  
3 16 original hearing.

3 17 Code section 535.3 is amended to provide for the accrual of  
3 18 interest on debts owed based upon contested case proceedings  
3 19 resulting from overpayment due to the debtor's error under the  
3 20 medical assistance program.

3 21 Code section [633.477](#) is amended by adding to the checklist  
3 22 used in probating an estate claims against the estate by the  
3 23 department of human services for medical assistance debt of  
3 24 the deceased.

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