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### **House Bill 318 Sponsor Testimony**

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Chair Gross, Vice Chair Barhorst, Ranking Member Baker, and members of the House Medicaid Committee, thank you for allowing Representative Brennan and me to present sponsor testimony on House Bill 318, which revises the Medicaid estate recovery program law.

The Saving Homes for Ohioans' Legacy Act targets several critical issues impacting our state today: the fairness of the Medicaid process, housing availability, and the efficiency of state agencies.

The federal government requires states to recoup some degree of Medicaid long-term care expenses from the estates of recipients. Ohio has become well-known as one of our country's most aggressive. Despite our state's strenuous efforts, estate recovery recoups less than 20% of long-term care expenses.

Estate recovery occurs through the filing of liens on a Medicaid recipient's property. Homes owned by families that do not qualify under the Ohio Department of Medicaid's discretionary hardship waiver, which has strict guidelines, often become subject to substantially high liens. Countless properties in my house district and others have Medicaid liens that far exceed fair market value.

Community problems arise when liens exceeding property values come into play. Medicaid encumbered homes become hotspots for abandonment and blight. While these properties are technically available for purchasers, most homebuyers cannot afford the exceptionally high Medicaid liens, leaving homes vacant for many years. These liens assure that properties will never be occupied. The only method to end the cycle involves land bank acquisition – with no reimbursement of the Medicaid lien. In the end, Medicaid never gets repaid, homebuyers have difficulty finding houses, the neighborhood deteriorates, and the government loses additional funds in paying for demolition.

These situations would not happen under House Bill 318. By capping Medicaid liens at reasonable amounts, properties become viable for new homebuyers. Purchasers acquire properties and pay off reasonable Medicaid liens, boosting Medicaid's efforts to

recover expenses. In the process, neighborhoods will not face the vacancy and blight concerns they currently do with liens exceeding a home's value.

This legislation has special significance for keeping the next generation of Ohioans in our state. By eliminating overly burdensome liens, it will enable family members to be able to purchase a home, which will maintain generational wealth as well as more efficiently reimbursing Medicaid.

This bill further streamlines the Medicaid Estate Recovery process to exclude the poorest beneficiaries and the smallest liens from costly recovery efforts. Eligible Medicaid claims under \$20,000 and claims amounting to less than the cost of recovery are excluded under this bill. These changes protect the most vulnerable Medicaid recipients and their families while freeing up state resources to pursue more significant claims.

As this committee continues to make Medicaid more efficient and effective for our state and its citizens, House Bill 318 takes significant steps to help. Streamlined Medicaid Estate Recovery criteria, combined with the byproduct of increased homeownership, will greatly improve the outlook of communities all around our state.

Thank you for the opportunity to present the Saving Homes for Ohioans' Legacy Act. I now welcome Representative Brennan for additional comments.