

House Committees

Public Insurance and Pensions, Ranking Member
Education Committee
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Joint Committee on Agency Rule Review
Commission on Eastern European Affairs
Ohio Retirement Study Council
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**Representative Sean Patrick Brennan
14th House District**

Sponsor Testimony: H.B. 318

Chair Gross, Vice Chair Barhorst, Ranking Member Baker and members of the House Medicaid Committee, first I want to thank you for your unanimous support of H.B. 130 – the Medicaid Estate Recovery Notification Act. As you know, it subsequently unanimously passed the House and we are awaiting a hearing in the Senate Medicaid Committee.

Thank you for allowing Representative Stephens and I to present H.B. 318 to you today. This bill brings much-needed balance and fairness to the Medicaid Estate Recovery process here in Ohio.

As you may know, Ohio is among the most aggressive states in the nation when it comes to pursuing estate recovery. While the original intent of Medicaid Estate Recovery is to recoup long-term care expenses from estates after a recipient passes away - particularly to protect the taxpayer - the reality on the ground is much more complicated and, in many cases, counterproductive.

In fiscal terms, less than 1% of Ohio's total Medicaid expenditures are recovered through this program. But the true cost of these efforts goes far beyond the dollars and cents returned to the state.

We are spending state resources - administrative hours, legal processes, property lien enforcement, and other expenses - to chase down pennies on the dollar, sometimes recovering less than the cost of the recovery itself. This is not just inefficient—it is economically irrational.

H.B. 318 proposes a more focused, humane, and fiscally responsible approach. The bill does the following:

- First, it limits Medicaid Estate Recovery only to mandatory Long-Term Services and Supports (LTSS) - such as nursing homes, Passport, assisted living, and directly related hospital or prescription costs. This aligns Ohio with 13 other states, including Texas, that have made this sensible choice, recovering only what federal law requires - nothing more.
- Second, the bill ensures recovery only occurs when the value of the estate exceeds the administrative cost to pursue it. If we spend more to collect a debt than we actually recover, we are literally paying to lose money. This is not stewardship; it's waste.
- Third, the legislation exempts small claims under \$20,000, protecting the poorest of the poor - those for whom a family home or modest asset may be the only inheritance left to future generations.
- Fourth, we place a reasonable cap: Medicaid liens must not exceed 75% of the fair market value of the property. Why? Because liens that are greater than the value of the home lead to abandonment, blight, and community decline. The state gains nothing when a property becomes unmarketable, uninhabitable, and eventually gets demolished at taxpayer expense.

By contrast, a reasonable lien allows for the possibility that a grandchild, neighbor, or community member can purchase the home, preserve the neighborhood, and pay off the debt in a way that actually returns money to the state. Excessive liens return nothing. Reasonable ones return something. That's just smart policy.

Importantly, all existing hardship waivers and protections for low-income families would remain intact under H.B. 318.

Colleagues, I understand and respect the principle behind estate recovery: the idea that we should be wise stewards of taxpayer dollars. But right now, the state is losing money through a program when you consider what little it actually recovers, how it strips families of intergenerational wealth, contributes to Ohio's housing crisis, and leaves vacant homes to blight our neighborhoods, among other negative side effects.

H.B. 318 strikes a more responsible balance - recovering what we are required to, in ways that don't bankrupt families or neighborhoods, and focusing our resources on where they make fiscal sense.

It is truly an honor to join my friend and colleague, Representative Stephens on this compassionate and conservative fix to a broken system, one that protects both the taxpayer and the dignity of Ohio families.

Thank you Chair Gross and members of the committee. We respectfully ask for your support of H.B. 318, and would be happy to answer any questions you may have.