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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 318**  
**136<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 318's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Stephens and Brennan

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The Ohio Department of Medicaid (ODM) will incur lost revenue of approximately \$7.8 million to \$9.7 million annually when prohibited from Medicaid estate recovery on estates with a value less than \$20,000.
- Lost ODM revenue from limiting the amount of an estate subject to recovery to no more than 75% of the estate's total value and from prohibiting estate recovery unless expressly required under federal law, is unknown.

### **Detailed Analysis**

The bill places restrictions on the Ohio Department of Medicaid's (ODM) participation in Medicaid's estate recovery program. It would prohibit estate recovery when the value of services provided was less than \$20,000, or when the expected administrative costs of recovery exceed the amount to be recovered. It would also limit the amount of an estate that can be taken by the state to 75% of the estate.

Under Medicaid's estate recovery program, recovered funds are split among the Ohio Attorney General's Office (AGO), ODM, and the outside collection law firm that functions as special counsel for the state's claim. The proportion of the split is 10% for AGO, 20% for special counsel, and 70% for ODM (see the accompanying table). Of the funds received by ODM, the state must refund to the federal government an amount determined by the state's Federal Medical Assistance Percentage (FMAP), which is the share of a state's Medicaid spending that the federal government reimburses. For FY 2025, Ohio's FMAP is 64.60%. Thus, for every \$1 of estate value recovered through this program, ODM retains approximately 24.8¢.

For FY 2024, the AGO certified a total of \$33.5 million for Medicaid cases less than \$20,000. In the first nine months of FY 2025, they collected \$11.1 million. Based on this, ODM

estimates a yearly state cost in lost revenue of between \$12 million and \$15 million if collecting from estates valued at less than \$20,000 were to cease. Applying the FY 2025 FMAP, the result to Ohio would be a loss of between \$7.8 million and \$9.7 million annually.

Attorney General	10%
Special Council	20%
Federal Medicaid	64.60% of 70% = 45.2%
ODM	35.40% of 70% = 24.8%

The expected loss in revenue of limiting the amount of an estate that can be recovered to 75% of the value of the estate is unknown. The figure would depend on details of each individual case, such as the value of the property and the amount subject to and certified for recovery. Also unknown is the expected loss in revenue of prohibiting ODM from permitting estate recovery in cases not expressly required under federal law.