

**HB 2447 A STAFF MEASURE SUMMARY****Carrier:** Sen. Manning Jr**Senate Committee On Human Services****Action Date:** 04/24/23**Action:** Do pass the A-Eng bill.**Vote:** 5-0-0-0**Yeas:** 5 - Gelser Blouin, Manning Jr, Prozanski, Robinson, Weber**Fiscal:** No fiscal impact**Revenue:** No revenue impact**Prepared By:** Iva Sokolovska, LPRO Analyst**Meeting Dates:** 4/17, 4/24**WHAT THE MEASURE DOES:**

Directs insured institutions and credit unions to accept declarations from the Department of Human Services or the Oregon Health Authority to pay moneys on deposit submitted no earlier than 46 and no later than 76 days after the death of a depositor.

**ISSUES DISCUSSED:**

- Interpretations of current law by banks and credit unions
- Clarity of timelines in statute
- Options for post-deadline declarations

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The state operates several financial assistance programs for individuals with low incomes, health needs, or other qualifying conditions that consist of cash transfers to a bank account. Oregon's Medicaid and General Assistance programs pay for health care and other services for Oregonians. When a Medicaid or General Assistance client dies, the Department of Human Services (DHS) and the Oregon Health Authority (OHA) recover money spent for their care. Money recovered comes from the "estate" of the client. [The Estate Administration Unit \(EAU\)](#) begins the estate recovery process when notified of the client's death or when a probate proceeding is filed. EAU rules allow up to \$3,500 of the decedent's money to be spent on burial-related expenses. If the decedent had any "prearranged funeral trust, funds set aside for burial, life insurance policies specifically identified to pay for funeral expenses, or burial insurance" then the amount of the decedent's funds spent would be reduced by the amounts of those items. Oregon law (ORS 708A.430) provides DHS and OHA with the authority to claim the amount of financial assistance paid to an individual under certain programs, including Medicaid, Oregon Supplemental Income, and General Assistance, against the individual's estate upon that person's death. The law specifies that this may only occur following the death of the deceased person's surviving spouse and may not occur if the person has a child who is under age 21, is blind, or has a total and permanent disability. Financial institutions in Oregon may respond to declarations submitted by DHS or OHA asserting such claims and transfer the funds deposited in the deceased person's account to the agencies, whose claims take priority ahead of those by any surviving heirs. Surviving heirs are allowed to request an exemption due to financial hardship and to retain up to \$3,500 for burial expenses. The law specifies that financial institutions may transfer funds to the agencies only if the agencies submit their declarations between 46 and 75 days after the death of the depositor, in order to allow for surviving heirs to request from the agencies a financial hardship waiver within the first 45 days of the death. Financial institutions may not make payments to surviving heirs earlier than 76 days without authorization from DHS or OHA.

## **HB 2447 A STAFF MEASURE SUMMARY**

House Bill 2447 A specifies that insured financial institutions and credit unions are required to accept declarations from DHS or OHA demanding payment from a deceased individual's account, provided that such declarations are submitted between 46 and 75 days following the individual's death.