HEALTH CARE
AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
Alanna Dancis, Acting Medicaid Director

DEPARTMENTAL MEMORANDUM
MAD-MR: 26-03
DATE: July 14, 2026

TO: INCOME SUPPORT DIVISION AND MEDICAL ASSISTANCE STAFF

FROM: ALANNA DANCIS, MEDICAL ASSISTANCE DIVISION

THROUGH: ROY BURT, BUREAU CHIEF, ELIGIBILITY BUREAU

BY: VANESSA MATHEWS, ELIGIBILITY BUREAU

SUBJECT: REVISED MAD 237 ESTATE RECOVERY BROCHURE

GENERAL INFORMATION

The MAD 237 has been updated to remove employee email and only include mailing address, fax number and department contact number. Removing the state staff email will ensure the brochure will contain consistent contact information during employee and staffing transitions.

FILING INSTRUCTIONS

Please remove MAD 237 revised 7/24
Replace with MAD 237 revised 6/26

Attachments:

MAD 237 revised 7/24
MAD 237 revised 6/26

INFORMATION:

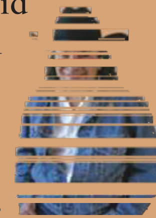
More information about Estate Recovery can be found on the internet or at a public library. The federal Medicaid Estate Recovery Law can be found at 42 U.S.C. § 1396p (b)(4)(A).

Information on the state laws can be found in the New Mexico Statutes: the Medicaid Estate Recovery Law can be found in Chapter 27, Article 2A; and the Uniform Probate Code can be found in Chapter 45.

TERMS:

Medicaid Claim is a legal notice that the estate of the Medicaid recipient owes a debt to the government for the amount of money that was spent on behalf of the recipient for long-term medical care.
Decedent means the person that died.
Estate means the property that is left after someone dies. An estate can include homes, land, money, bank accounts, stocks, dividends, mineral rights, trusts, interests in a law suit, vehicles, boats, household items and any other belongings or property owned by the decedent.
Estate Recovery is the process used to repay the government the cost of the long-term medical care from the Medicaid recipient's estate.
Heirs are the living family members (husband/wife, children, parents, brother(s)/sister(s) and/or grandparents) that are placed in line by law to receive the decedent's property if there is no legal will.
Personal Representative is the person that takes the legal action(s) required to hand out the property of the estate.
Probate is the court process used to decide what will happen to the property of an estate.

MEDICAL CLAIMS:



Upon the death of the Medicaid client, the recipient's personal representative or heir may contact the HCA Estate Recovery Program to find out how much in Medicaid claims had been paid out on behalf of the client. When making this request, the representative will need to provide the following information for the recipient:

- Name
- Social Security Number
- Date of birth
- Date of death

The claim information will then be sent to the personal representative or attorney who is handling the affairs of the deceased.

The HCA Estate Recovery Program cannot provide legal advice so you should contact a lawyer if you have any special concerns or questions about Estate Recovery laws.

For more information, contact:

Mail: HCA/MAD
ATTN ESTATE RECOVERY PROGRAM
PO BOX 2348
SANTA FE, NM 87504-2348

Phone: 1-800-283-4465

Fax: 1-505-476-6825

E-Mail: VanessaJ.Mathews@hca.nm.gov

Health Care Authority

ESTATE RECOVERY PROGRAM

Federal law requires that the cost of long-term medical care be repaid from the estates of certain Medicaid recipients.

This law is carried out in New Mexico through the **Estate Recovery Program**.

MAD 237 Revised 7/24

ESTATE RECOVERY:

If you are fifty-five (55) years of age or older when you receive Medicaid services for long-term care, your estate (the property that is left after your death) will be used to pay the State of New Mexico back any money that was spent on your care. These costs can include: nursing home care, in home or community-based services, hospital expenses and prescription drugs.

WHY:

Federal law requires the State of New Mexico to seek repayment from certain Medicaid recipients because the state receives money from the federal government to help fund its Medicaid program. Since New Mexico also uses state tax dollars for the Medicaid program, state laws must be followed as well. These laws include the Medicaid Estate Recovery Act and the Uniform Probate Code.

WHEN:

Estate Recovery only happens after a Medicaid recipient dies. It's set up this way so that people can get the proper medical care they need without having to take out a loan or sell their belongings to pay for their medical services.

Estate Recovery will not apply if the Medicaid client has a surviving spouse, a child that is blind or permanently disabled, or a surviving child that is under twenty-one (21) years old. The New Mexico Health Care Authority (HCA) may also reduce or waive the Medicaid claim if a Qualified Hardship is identified. Some examples of Qualified Hardships are listed in this brochure.

HOW:

After the client's death, HCA files a Medicaid claim against the client's estate for the amount of money that was spent on the recipient's long-term medical care. If the Estate has a lot of claims filed against it for other debts, taxes or expenses, a court may help to decide which claims will be paid first. Modest funeral expenses and taxes are examples of claims that are usually paid first in New Mexico. The estate is then responsible to repay the debt owed to HCA.

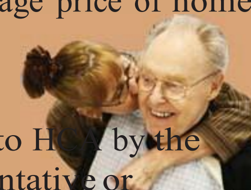
An estate can be used to pay HCA back whether the Medicaid client wrote a will or not and even if the estate does not go through Probate. If there is not enough money in the estate to cover the Medicaid claim, HCA does not waive its right, as permitted by the Uniform Probate Code, to recover the value of non-probate transfers such as properties transferred on death by deed.

QUALIFIED HARDSHIPS:

Some Estates may qualify for relief from

Estate Recovery, but only if HCA decides that one or more of the following hardship conditions are met:

- an heir would qualify for public benefits to meet food, clothing and shelter needs;
- an heir would not be able to get off of public assistance if the Estate property is used for repayment;
- an heir has no source of money other than what the Estate could provide;
- the home in the Estate is worth 50% or less than the average price of homes in that county.



Any relief request must be submitted in writing to HCA by the client's personal representative or heir(s). If HCA denies any part of the request, a Fair Hearing may be requested to review the decision.

No relief will be given if the hardship was caused by the recipient's (or their representative's) effort to avoid the legal responsibility to repay Medicaid.

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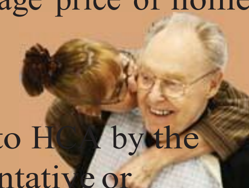

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