



Missouri Association of Homes for the Aging

515 E. High Street ▲ Suite 101 West ▲ Jefferson City, Missouri 65101
(573) 635-6244 ▲ Fax (573) 635-6618

TO: MoAHA Members
FROM: Denise Clemonds, CEO
SUBJECT: TEFRA Lien
DATE: October 28, 2005

As we reported earlier this year, Missouri is implementing the requirement to place a lien on the property of certain Medicaid recipients.

Following are the specific circumstances of when a lien will be filed.

A TEFRA lien is a claim on the property of a person as security for payment of a debt authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Based on approval of the application for medical assistance, the Medicaid recipient's home and other real property(ies) are subject to a TEFRA lien. The amount of the lien will be for the full amount due the state at the time the lien is enforced.

A lien may be placed on a person's home and other real property when ALL of the following are met:

1. When the person lives or is going to live in a long-term care facility, or other medical institution.
2. When the person owns a home or other real property.
3. When there is no reasonable expectation that the person will be discharged from the long-term care facility and resume living in the home within one hundred twenty days of admission. The right to appeal the decision is available if the recipient is not expected to return to the home within one hundred twenty days of admission.
4. When the person does not have a spouse, child under twenty one years of age, or child who is blind or permanently disabled living in the home.
5. When the person does not have a brother or sister who has an equity interest in the property and who was residing in the home at least one year immediately before the date of the person's admission to a long-term care facility.
6. When the person does not have a son or daughter who has been residing in the home on a continuous basis for at least two years immediately before the date of admission, providing care which permitted the person to reside at home rather than in an institution.

A lien on property does not change the ownership of the property. It only represents a debt that must be satisfied whenever the property is sold, transferred or leased.

The TEFRA lien will be released in the event the person is discharged from the long-term care facility and resumes living in the home.

Please note that if the applicant/recipient objects to the placement of the TEFRA lien, the applicant/recipient may be made ineligible for medical assistance.

MoAHA is working with the state as they develop the policies to implement this law. The policies will cover such questions as: a) which institutions are covered under this law, b) will the state “automatically” release the lien once the person returns to their community home, c) what documentation will be needed to prove relationship, length of stay, and disability for items 4-6 above. The emergency rule can be found at <http://www.sos.mo.gov/adrules/moreg/current/2005/v30n18/v30n18a.pdf>

As of this week, the state does not have all the policies in place. I will notify you as soon as the policies are completed. Until then, if you have any questions, please feel free to contact me.