

Medicaid Commission
200 Independence Ave, SW
Humphrey Building, Room 450G
Washington, D.C. 20201

Re: Medicaid Recovery Plan

Sent Via Email
Medicaid.commission@hhs.gov

1\12\06

Dear Members of the Commission,

We have previously submitted our proposal for a Medicaid Recovery Plan in which we conservatively estimate One Hundred and Twenty Five Billion Dollars to be recovered over a ten-year span and would like the opportunity to make a formal presentation at a Commission meeting. We look forward to answering any questions you may have with respect to our proposal.

The following are possible issues that may need to be addressed in order to implement our Medicaid Recovery Plan.

Term Life Insurance:

Due to prior logic, term life insurance was not included in the asset buy down process. We propose to have all life insurance, including TERM LIFE, be classified as an excluded asset for, irrevocable assignment, for the purpose of Medicaid Recovery. Money thus recovered will be pledged towards the care of the recipients to the extent of services provided or the face amount of the policy (ies), which ever comes first. Term and all other types of Life Insurance are being kept in force merely by assigning the policies to third parties, thus mitigating the Federal Guidelines. Part of the Medicaid Plan is to help enforce existing laws and help stop Fraud. With our computerized system we will be able to detect all in force polices with-in the look back period. What type of change would be required, if any?

Standardized Irrevocable Assignment Form:

We have included a **sample** Irrevocable Assignment Form in our business plan. To avoid the need to tailor make a document to meet the requirements of each state, we propose to have a standardized form to be used by all states that can in turn be presented to all life insurance companies for processing. How can this be accomplished?

Authority to deal with Life Insurance Companies:

Fast, accurate and reliable communication between Medicaid Recovery and the life insurance industry will be forthcoming to the success of our proposal. What do you feel is needed to authorize us to deal with all licensed life insurance companies to develop the proposed plan. How do we require an insurance company to comply if they are reluctant to work with Medicaid Recovery? It is our opinion that the Irrevocable Assignment form should give us the right to deal with the insurance companies to process claims.

Existing Federal and State statutory and regulatory rules:

Based on our understanding we qualify to recover life insurance proceeds for the benefit of the Medicaid system, both at the federal and state levels. Are there any changes needed or anything that would obstruct the implementation of the Medicaid Recovery Plan?

Would you be kind enough to tell us when the appropriate time would be to come to a Commission Meeting to discuss our proposal? Thanking you in advance.

Terrance R. Gilbert