

(1) Amend Section 50960 to read:

50960. Definitions.

(a) For purposes of this article only, "annuity" is defined as a policy or contract that is a private agreement or an investment contract or an insurance policy or contract which gives a person or entity the right to receive periodic payments of a fixed or variable sum, either for life or for a term of years, and which also may include a lump sum payment or periodic payments upon the death of the decedent.

(b) (a) For purposes of this article only, "applicant" is defined as a person an heir, dependent, or survivor of the decedent seeking a waiver or reduction of his or her portion from of the Department's estate claim, and who is a dependent, heir, or survivor of the decedent.

(c) (e) For purposes of this article only, "equity interest" is defined as the value of the property to which the decedent held legal title, or interest at the time of death, less the amount owed in deeds of trust, mortgages and liens on record at the time of death.

(d) (b) For purposes of this article only, "estate" is defined as follows:

(1) For individuals who die on or after October 1, 1993, and for payments made on or after October 1, 1993, "estate" is defined as all real and personal property and other assets in which the individual decedent had any legal title or interest at the time of death (to the extent of such interest), including assets conveyed to a heir, dependent, survivor, ~~heir~~ or assignee of the ~~deceased individual~~ decedent through joint

tenancy, tenancy in common, survivorship, life estate, living trust, or ~~other arrangement~~;
annuities purchased on or after September 1, 2004;

(2) For individuals who died prior to October 1, 1993, "estate" is defined according to the common law. For purposes of this article, estate includes property which that passes from a decedent to his or her heirs by way of a revocable inter vivos trust.

(e) ~~(d)~~ For purposes of this article only, "estate hearing" is defined as a hearing conducted in person, before a the hearing office appointed by the Director, in which an applicant may seek a waiver ~~or reduction~~ of the claim because of undue hardship.

(f) ~~(e)~~ For purposes of this article only, "heir" is defined as a person who survives the decedent and is designated to receive some or all of the decedent's property ~~by will or by law~~.

NOTE: Authority cited: ~~Section 1396p(b), 42 USC; and Sections 10725, and 14043.75,~~
and 14124.5, Welfare and Institutions Code.

Reference: Section 1396p(b), 42 USC; Sections 14009.5, Welfare and Institutions Code; ~~Citizens Action League v. Kizer (9th Cir. 1989) 887 F. 2d 1003, 1006; and Belshé v. Hope (1995) 33 Cal. App. 4th 161; and California Advocates for Nursing Home Reform v. Bontá (2003) 106 Cal. App. 4th 498.~~

(2) Amend Section 50961 to read:

50961. Estate Claims.

(a) Through (f) No changes to text.

(g) The Department shall claim against annuities as part of a deceased Medi-Cal beneficiary's estate. The Department's claim shall be recovered from an annuity, annuity payments or distributions, receivable by the Medi-Cal beneficiary or the Medi-Cal beneficiary's estate, or by any person or entity by reason of distribution or survival, or designation by the Medi-Cal beneficiary, from the date the annuity payments or distributions are designated to be made. The Department's claim shall apply to the annuity, annuity payments or distributions, regardless of the funding source for the annuity.

NOTE: Authority cited: ~~Section 1396p(b), 42 USC; and Sections 10725, and 14043.75~~ and 14124.5, Welfare and Institutions Code.

Reference: Sections 1382c, and 1396p(b), 42 USC; and Section 14009.5, Welfare and Institutions Code; and California Advocates for Nursing Home Reform v. Bontá (2003) 106 Cal. App. 4th 498.