

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 19-0755.01 Conrad Imel x2313

HOUSE BILL 19-1054

HOUSE SPONSORSHIP

Bridges,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REQUIREMENTS FOR VALID DISABILITY TRUSTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Under existing law, a disability trust is not valid unless, among other requirements, the trust provides that upon the death of the beneficiary, or termination of the trust during the beneficiary's lifetime, whichever occurs sooner, the department of health care policy and financing (department) receives any amount remaining in the trust up to the total medical assistance paid on behalf of the individual and that no other person is entitled to payment until the department is fully reimbursed for any assistance. A disability trust is not valid until the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

department ensures that the trust complies with state law and any applicable rules.

The bill clarifies that a disability trust must provide that the department receives reimbursement from the trust only upon the death of the beneficiary, that no other person is entitled to payment until the department and any other states' medical assistance agencies are fully reimbursed for any assistance, and that a disability trust is not valid until the department ensures that the trust also complies with the requirements of title XIX of the federal social security act.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 15-14-412.8, **amend**
3 (2)(b), (2)(c), and (4) as follows:

4 **15-14-412.8. Disability trusts - limitations.** (2) A disability trust
5 is not valid for the purpose of establishing or maintaining a person's
6 resource eligibility for medical assistance unless the trust meets all of the
7 following criteria:

8 (b) The trust provides that upon the death of the beneficiary ~~or~~
9 ~~termination of the trust during the beneficiary's lifetime, whichever occurs~~
10 ~~sooner~~, the department of health care policy and financing receives any
11 amount remaining in the trust up to the total medical assistance paid on
12 behalf of the individual.

13 (c) The sole lifetime beneficiaries of the trust are the individual
14 for whom the trust is established and the state medical assistance
15 program. After the death of the person for whom the trust is created, ~~or~~
16 ~~after the trust is terminated during the beneficiary's lifetime, whichever~~
17 ~~occurs sooner~~, no person is entitled to payment from the remainder of the
18 trust until the state medical assistance agency ~~has~~ AND THE MEDICAL
19 ASSISTANCE AGENCY OF ANY OTHER STATE HAVE been fully reimbursed
20 for the assistance rendered to the person for whom the trust was created.

1 (4) ~~No~~ A disability trust ~~shall be~~ IS NOT valid unless the
2 department of health care policy and financing, or its designee, has
3 reviewed the trust and determined that the trust conforms to the
4 requirements of this section, TITLE XIX OF THE FEDERAL "SOCIAL
5 SECURITY ACT", 42 U.S.C. SEC. 1396 ET SEQ., and any rules adopted by
6 the medical services board pursuant to section 25.5-6-103. ~~C.R.S.~~

7 **SECTION 2. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, and safety.