

SUMMARY STATEMENT

Idaho Department of Health & Welfare v. Peterson

Docket No. 40615

The Idaho Supreme Court affirmed in part and vacated in part the Boundary County district court's decision affirming the magistrate court's decision on Medicaid recovery. This case arose out of the Department of Health and Welfare's ("IDHW") attempt to recover Medicaid benefits from Melvin Peterson's estate that were paid during his lifetime. At issue was whether any part of a real estate transfer from Melvin Peterson to his daughter Cathie Peterson was subject to Medicaid recovery. Melvin Peterson transferred his real property to Cathie Peterson by Gift Deed, retaining the right to live on the property until his death, at which point all property rights would then pass to Cathie Peterson. The magistrate court held that the remainder interest Melvin Peterson gifted to Cathie Peterson, but not the retained life interest, was subject to Medicaid recovery. The district court affirmed.

The Idaho Supreme Court held that both the magistrate court and the district court properly exercised jurisdiction over Cathie Peterson and her claims, and further held that Cathie Peterson did not waive her appeal of the decision that Melvin Peterson's life estate was an asset subject to Medicaid recovery. The Court vacated the district court's decision to the extent it held that only the remainder interest in the estate was subject to Medicaid recovery. The Court held that the entire residential property Cathie Peterson ultimately received from Melvin Peterson was an asset of his estate and subject to Medicaid recovery. The Court also held that Cathie Peterson failed to show her claim for offsets against Medicaid's claim was supported by the evidence. The Court awarded costs on appeal, but no attorney fees, to IDHW.