FinStream TV
finstream.tv

# Medicaid and Inherited Property: Understanding Estate Recovery Liens

Admin User · February 4, 2026

*Uncertain about the legality of a Medicaid lien increase on your inherited property? Explore your rights and potential legal options with an elder law attorney*

## By Harry Margolis

**Question:**

Idaho’s Medicaid estate recovery filed a lien on my home which I learned about when I went to sell it. The original lien was for $88,000 and the state came back with an increase of $27,000 without refiling a new lien. Is this legal?

**Response:**

I don’t practice in Idaho, so I can’t give you a definitive answer, but that is probably legal. All state Medicaid programs must have estate recovery programs through which they recover their costs from the estates of deceased beneficiaries. You don’t say who received Medicaid in your case. I’ll assume it was a parent and that you inherited the house.

In that case, the Medicaid agency can assert a claim. There are some exceptions, for instance the state cannot collect from a surviving spouse during their life, and every state must provide for waivers in the event of hardship. Unfortunately, these hardship waivers, usually for low-income heirs, are often narrow and limited.

The states may apply interest on claims that are not paid right away. You do not say whether that is the explanation for the almost 30% increase in your case, which seems high given the current low interest rates. For instance, in my state of Massachusetts, the state Medicaid agency currently applies an interest rate of 3.25%. So after three years, the extra payment on $88,000 would be about $8,600, not the $27,000 you’re being charged.

For an answer specific to Idaho. I recommend that you consult with a local elder law attorney. One place to find one is at www.elderlawanswers.com.

## About the author: Harry Margolis, JD

Harry S. Margolis practices elder law, estate and special needs planning at Margolis Bloom & D'Agostino in Wellesley, Massachusetts, and is the founder of ElderLawAnswers.com and co-founder of the Academy of Special Needs Planners. He is author of "The Baby Boomers Guide to Trusts: Your All-Purpose Estate Planning Tool" and answers consumer questions about estate planning issues at www.AskHarry.info. Please post your estate planning questions there.