

MEDICAID BURIAL FUND POLICY

Burial Funds are defined as:

- Revocable burial contracts;
- Revocable burial trusts;
- Other revocable burial arrangements;
- Cash
- Financial accounts (e.g. savings or checking)
- Other financial instruments with a definite cash value (e.g. stocks, bonds, CD's, etc.)

Burial Fund Limit: SSI: \$1500 District Office: \$5000

The maximum burial fund allowance is reduced by the face value of a life insurance policy owned by the claimant on his/her life. If the face value of all combined life/burial insurance policies is under the respective limit (\$1500 for SSI cases, \$5000 for District Office cases) it will be excluded by Medicaid; however, the total excluded face values WILL reduce the amount of the allowable burial fund. If the total face values of life/burial insurance exceeds the \$1500/\$5000 limit, the claimant may set aside up to \$1500/\$5000 in CSV for burial, and the amount set aside will offset the burial fund limit. In addition, the \$1500/\$5000 maximum burial fund exclusion is further reduced by any irrevocable burial arrangement for the purpose of meeting the claimant's or spouse's burial expenses. Excludable burial space items included in irrevocable agreements should be deducted prior to it affecting the \$1500/\$5000 limit.

Development of The Exclusion:

1. Determine if the burial contract is revocable or irrevocable.
2. Deduct grave space items/insurance applied to contract to obtain allowable burial fund.
3. The \$1500/\$5000 maximum burial fund exclusion is reduced by:
 - The face value of life insurance policies on the claimant with total FV of \$1500/\$5000 or less or, if the face value exceeds \$1500/\$5000, the cash surrender value of the policies which are set aside for burial.
 - The total value of any irrevocable burial arrangement on the claimant (less any burial space items). *This means that any burial/funeral contract or life insurance policy which has been purchased to fund a burial fund contract is totally excluded if it is irrevocable, but it DOES reduce the amount of the burial fund exclusion. Any irrevocable arrangement is excluded altogether and does not result in excess burial for the claimant as it never counts as a resource. Example: Mr. Smith has a \$3000 Liberty National insurance policy. He spends a total of \$11,500 on his funeral, of which \$6300 is for "other" non-grave space items. The contract is funded by an irrevocably assigned insurance policy. The insurance policy AND the \$6300 irrevocable portion of the contract are not considered a resource, they simply reduce the burial fund to \$0 with no additional money allowed for burial.*
4. If the above calculation results in \$0 or a negative amount, the \$1500/\$5000 countable toward the burial fund allowance has been met. Additional burial is a countable asset. Additional burial would include net amount of revocable burial contract owned by claimant or purchased with his/her funds, CSV of insurance designated for burial, other monies designated for burial. (Note: revocable contracts owned by someone other than the claimant are not considered in the burial development.)