

RESOURCES

PRE-NEED FUNERAL AGREEMENTS

The same rules are applied when determining whether a supplemental burial fund may be established for the A/R's spouse.

NOTE: If the SSI-related A/R has more than \$1,500 (\$3,000 for a couple) designated for non-burial space items in the irrevocable pre-need funeral agreement, the entire amount paid in connection with the agreement is disregarded. However, the SSI-related A/R is not allowed to have a separate burial fund.

In instances when a pre-need funeral agreement contains an amount of \$1,500 (\$3,000 for a couple) or more which is designated for non-burial space items, an SSI-related A/R is, nevertheless, entitled to a separate disregard of the cash value of life insurance policies with a combined face value of \$1,500 (\$3,000 for a couple) or less. (See **RESOURCES** BURIAL SPACES for a discussion of burial space items.)

An SSI-related A/R who is eligible to spenddown excess resources must be given ten days from the date they are advised of an excess resource amount to reduce the excess resource by establishing an irrevocable pre-need funeral agreement and/or a burial fund. In establishing eligibility for the three month retroactive period, only amounts used to purchase an irrevocable funeral agreement and/or a burial fund for the applicant and the applicant's spouse can be used to reduce excess resources. The ten day period may be extended if more time is needed.

Pre-1997 Funeral Agreements

An SSI-related A/R who did not have Medicaid eligibility authorized prior to January 1, 1997, and who has a revocable funeral agreement worth more than \$1,500, must convert the agreement to an irrevocable pre-need funeral agreement in order to have the entire amount of the agreement disregarded. If the agreement remains revocable, only the amounts designated for non-burial space items (up to \$1,500 for an individual and \$3,000 for a couple) can be disregarded.

The SSI-related A/R is allowed ten days from the date of notification to convert the revocable agreement to an irrevocable one. The ten-day period may be extended if more time is needed.

An SSI-related Medicaid recipient whose receipt of Medicaid began prior to January 1, 1997 and who had a revocable pre-need funeral agreement in place, which was considered exempt, may either