

## RESOURCES

### PRE-NEED FUNERAL AGREEMENTS

maintain the revocable agreement or establish an irrevocable agreement.

#### **Family Member Irrevocable Pre-Need Agreements**

In determining the eligibility of an SSI-related A/R, the district must review any pre-need funeral agreement purchased by the A/R or his/her spouse for a family member of the A/R to determine if it is exempt. If the agreement was established after January 1, 2011, is irrevocable and contains the appropriate irrevocable disclosure statement, it is disregarded. If the purchase of the agreement is prior to the month the A/R is seeking Medicaid coverage, the amount used to purchase the agreement is considered a countable resource until the month following the month in which the funds are actually paid to a funeral director. Retroactive eligibility cannot be established by spending down excess resources through the purchase of irrevocable pre-need funeral agreements for family members.

Revocable pre-need agreements for an SSI-related A/R's family member established prior to January 1, 2011 and those purchased on or after January 1, 2011 but before the filing of an application for Medicaid must be converted to an irrevocable agreement or the value of the agreement will be treated as a countable resource. The A/R must be allowed ten days from the date of notification to convert the family member's revocable pre-need agreement to an irrevocable agreement. The ten day period may be extended if more time is needed.

For individuals applying for coverage of nursing facility services, where a pre-need funeral agreement was purchased for a family member during the look-back period, an itemized statement of services and merchandise purchased under the irrevocable pre-need agreement must be reviewed to determine whether an uncompensated transfer of assets has been made.