

NYC HUMAN RESOURCES ADMINISTRATION

Medical Insurance and Community Services Administration (MICSA)
Medical Assistance Program ALERT

June 21, 2004

*Irrevocable Pre-Need Funeral Arrangements
And Burial Funds*

Effective January 1, 1997 every Medicaid consumer may establish a nonrefundable, irrevocable pre-need funeral agreement for any amount of money. The irrevocable pre-need funeral agreement is considered an exempt resource; therefore it is not counted in the MA eligibility determination. The agreement must contain the following disclosure:

“New York Law requires this agreement to be irrevocable for applicants for receipt of supplemental security benefits under section two hundred nine of the Social Services Law, or of Medical Assistance under section three hundred sixty-six of the Social Services Law, and for the moneys put into a trust under this agreement to be used only for funeral and burial expenses. If any money is left over after your funeral and burial expenses have been paid, it will go to the county. You may change your choice of funeral home at any time.”

SSI Related consumers (individuals ages 65 and over, certified blind or disabled) may also maintain a separate burial fund in addition to the, irrevocable pre-need funeral agreement. The fund may not exceed \$1,500 or the difference between the portion of the funds held in the agreement for non-exempt burial expenses and \$1,500. However, if the irrevocable pre-need funeral agreement has more than \$1500 in non-exempt burial space items the consumer cannot retain a separate burial fund. Life insurance policies with a combined face value of \$1,500 or less will be counted first toward a supplemental burial fund. If the combined face value is greater than \$1,500 the **cash value** is a countable resource. Consumers may use the cash value to bring their non-burial space items up to the allowable \$1,500 and only the difference would be counted as available resources. In addition, SSI-Related consumers are entitled to maintain life insurance policies with combined face values of \$1,500 or less as a supplemental burial fund even though their pre-need agreement contains more than \$1,500 in non-burial space items.

(Over)

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Burial Space Items - Exempt

Conventional Gravesites
Crypts
Vaults
Mausoleums
Caskets
Urns
Opening and the closing of the grave
Headstones and headstone engraving

Non-Burial Space Items - NON-Exempt

Topical disinfection
Custodial care of the gravesite
Dressing /Casketing
Cosmetology
Supervision for Visitation
Funeral Service
Hearse
Death Notices
Flowers
Out of town Shipping