

**2311 - BURIAL CONTRACTS (PRE-PAID OR PRE-NEED)
AND BURIAL SPACE ITEMS**

POLICY STATEMENT	The treatment of burial contracts and burial space items is dependent upon whether an A/R's class of assistance (COA) is FBR, Non-FBR or Family Medicaid.
BASIC CONSIDERATIONS	
Contracts	<p>A prepaid (or pre-need) burial contract is an agreement whereby a buyer pays in advance for a burial that the seller agrees to furnish upon death of the buyer or other designated individual.</p> <p>Irrevocable contracts are not resources. All burial contracts purchased in Georgia are revocable. Assume that all other contracts are revocable unless the A/R provides proof to the contrary.</p> <p>A non-itemized contract does not indicate the cost of each item.</p> <p>Only one burial contract designated on a particular individual may be considered for exclusion from resources.</p> <p>NOTE: For Non-FBR ABD Medicaid COAs, a life insurance policy that is purchased to fund a prepaid burial contract has no resource value regardless of the face value or owner of the policy. The face value should be equal to the purchase price of the burial contract.</p>
Burial Space Items	<p>Burial space items may be part of a burial contract or owned outright. The following are burial space items:</p> <ul style="list-style-type: none"> • burial plot • grave site • crypt • mausoleum • casket • urn • niche • other repository customarily and traditionally used for deceased's bodily remains.

BASIC**CONSIDERATIONS****Burial Space
Items
(cont.)**

The term burial space item also includes necessary and reasonable improvement for additions to such spaces, including but not limited to the following:

- vaults
- headstones, markers or plaques
- other burial containers for caskets
- arrangements for the opening and closing of the gravesite
- contracts for the care and maintenance of the gravesite sometimes referred to as endowment or perpetual care.

Immediate Family

Immediate family includes the Medicaid individual's spouse; minor and adult natural, adopted and step children and their spouses; natural and adoptive parents and their spouses, siblings and their spouses. Immediate family does not include members of an ineligible spouse's family unless they are also within the appropriate degree of relationships to the Medicaid individual.

PROCEDURES**Family Medicaid**

Exclude up to \$1500 of the combined equity value (EV) of all burial contracts and one burial plot per each AU or BG member. Count the EV of any additional plot(s) toward the resource limit.

**Burial Contracts
Non-FBR Medicaid
COAs**

Exclude from resources the entire refund value of any prepaid burial contract owned by a Non-FBR A/R or deemor that is designated for the A/R, spouse or deemor.

Count as a resource the entire refund value of a non-itemized revocable burial contract owned by a Non-FBR A/R or deemor that is designated for someone other than the A/R, spouse or deemor.

Exclude from resources the current refund value of burial space items included in an itemized, paid in full burial contract owned by a Non-FBR A/R or deemor that is designated for an immediate family member other than the A/R, spouse or deemor.

Count as a resource the current refund value of non-burial space items included in an itemized, paid in full burial contract owned by a Non-FBR A/R or deemor that is designated for an immediate family member other than the A/R, spouse or deemor.

Count as a resource the entire refund value of a burial contract owned by a Non-FBR A/R or deemor that is designated for someone other than an immediate family member.

PROCEDURES**(cont.)****Burial Contracts
FBR Medicaid COAs**

Count as a resource the entire refund value of a *non-itemized*, revocable burial contract owned by an FBR A/R or deemor.

Exclude the refund value of all burial space items included in an itemized, revocable burial contract that is paid in full if the contract is owned by the FBR A/R or deemor and designated for an FBR A/R, his/her spouse or immediate family member.

Count as a resource the refund value of all non-burial space items included in an itemized, revocable burial contract that is *paid in full* if the contract is owned by the FBR A/R or deemor.

Count as a resource the entire refund value of a burial contract owned by a Non-FBR A/R or deemor that is designated for someone other than an immediate family member.

**Burial Contracts
Designated as
Burial Funds**

Allow the A/R to designate a non-excluded burial contract or the non-excluded portion of a burial contract as a burial fund.

If a burial contract is not paid in full, allow the A/R to designate the burial space items included in the contract only as a burial fund unless the contract or funeral home verifies that full payment has been satisfied on a particular burial space item, and the item is available for use before the contract has been paid in full.

Significant Hardship

Consult the supervisor for instructions if the A/R claims that selling or cashing in a burial contract will cause significant hardship.

**Documenting Burial
Contracts**

Obtain a copy of each excluded burial contract to verify the following:

- for whom the contract is designated
- that the contract is with a business that conducts funeral ser

Obtain a copy of each original *non-excluded* burial contract and obtain a statement from the provider as to the current refund value of the contract.

PROCEDURES

(cont.)

Documenting Burial Contracts

Obtain a statement from the provider as to the amount the A/R has paid on the burial contract if the contract is not paid in full. This is the current countable resource value unless the contract is designated as a burial fund.

Contact the provider and verify the refund value of the contract. If the contract is paid in full but obviously does not include the cost of burial space items, count the refund value as a resource.

Contact the provider and verify the current refund value of the contract if it is paid in full and includes the cost of burial space items.

Determining the Current Resource Value of the Non-Burial Space Items Included in a Burial Contract

Follow the steps below to determine the current resource value of the non-burial space items portion of a burial contract:

Determine the current refund value of the contract.

Step 1

Determine the dollar amount of the original contract that represents the value of non-burial space items.

Step 2

Divide the dollar amount from Step 2 by the total dollar amount paid for the original contract. Carry to three decimal points.

Step 3

Multiply the quotient from Step 3, which is the percentage of the contract that represent non-burial space items, by the current refund value of the contract from Step 1.

Step 4

Count the result of Step 4 as the current resources value of the contract.

Step 5

NOTE: This percentage determined by Step 3 may be used at each review to determine the current resource value of the contract.

Resource Treatment of Interest Earned on Burial Contracts

Exclude from resources any interest left to accrue on the excluded portion of a burial contract.

Count as a resource any interest left to accrue on the non-excluded portion of a burial contract.

PROCEDURES

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**Burial Plots
FBR COAs and**

Exclude from resources all burial plots (cemetery plots) owned outright by a Non-FBR A/R or deemor.

