

# MEDICAID TITLE 19 AND FUNERAL TRUSTS & CONTRACTS

## Medicaid or Title 19 can pay for health care for Connecticut residents in low income situations.

Anyone applying for Medicaid is entitled to set aside funds for the purpose of paying their funeral/burial expenses as part of the spend-down process.

Placing funds in pre-funded funeral contracts is permissible by law. Current Title 19 regulations allow an individual to enter into and pre-fund one or both of the following types of contracts with a CFDA-member funeral home (all of these funds must be used to pay for funeral expenses):

### 1. IRREVOCABLE TRUST

An Irrevocable Trust can be pre-funded up to \$8,000, according to Public Act 16-20 that was established in 2016. **In addition, Department of Social Services has confirmed that existing \$5,400 contracts may be increased to the new \$8,000 limit without impacting the recipients Medicaid eligibility.**

Selections listed under the Irrevocable Trust include: basic service charges, funeral services, preparation of remains, vehicles, etc.

Note that the \$8,000 financial cap may not be sufficient to cover all of the costs to provide for the funeral of your choice.

Once prepaid, an Irrevocable Contract cannot be cancelled or cashed in, but may be transferred to another licensed funeral home.

### 2. BURIAL PLOT ALLOWANCES – REVOCABLE CONTRACT

A Revocable Burial Plot Allowance contract can be pre-funded in an amount for specific burial and cemetery items and services that meet your needs, without any dollar limitation, according to State of Connecticut General Statutes 17b-91(b) that was established in 2004.

This kind of burial plot allowance contract can only include the purchase of the following burial plot items:

- Casket or Urn
- Outer Burial Container or Vault
- Cemetery Expenses (gravesite, opening and closing charges)
- Cemetery Monument, Marker or Mausoleum and Engraving

The family may choose and pre-fund any or all of these burial plot items of their choice.

A Revocable Contract can be cancelled or transferred at any time that the person is on Title 19. But, according to law, if the Revocable Contract is cancelled, then the funds must be returned to the State of Connecticut.

Besides helping to reduce assets for Title 19 qualification and pre-planning, your local CFDA-member funeral home is available to answer a variety of questions about funeral and memorial services of all types.

The Connecticut Funeral Directors Association is comprised of funeral directors at more than 220 funeral homes across the state. Based in Wethersfield, CT, it is committed to the promotion and advocacy of high ethical standards in funeral service. This includes the development and presentation of on-going professional training opportunities for practitioners and educational programs for association members and the public.

***We hope you find this information to be helpful. Please contact us with any questions or concerns.***



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Updated 7/2016

# Funeral Trusts & Contracts: Regarding Medicaid & Title 19

## What Am I Entitled To?



Produced by the  
Connecticut Funeral  
Directors Association  
*Another CFDA Benefit*

## COMMONLY ASKED QUESTIONS

### How can I prepare the pre-funded funeral contracts for Title 19?

First, contact a local funeral director who is a member of the Connecticut Funeral Directors Association. All funeral directors must be licensed by the State to practice. Arrange to meet to learn and understand your options and choices about how to pre-plan and pre-fund your funeral, not only for peace of mind, but to help qualify for state assistance, if appropriate.

### If I decide to pre-fund for my funeral, what happens if the funeral home goes out of business or I wish to use another funeral home or if I move out of town?

Your pre-paid funds are sent to an escrow agent or third party authorized by the State of Connecticut to receive pre-paid funeral funds. These funds can be redesignated or transferred to another funeral firm of your choice.

### Is the money I spend with a funeral director secure?

Absolutely. All funds placed in the trust are invested in financial instruments guaranteed by the Federal Deposit Insurance Corporation (FDIC) or directly by the U.S. Government/U.S. Treasury Bonds. The Connecticut Funeral Directors Association endorses a licensed escrow agent who is approved by the State for this purpose – your funeral director can help you with these arrangements. It is also permissible to purchase (or to assign an existing) life insurance policy to pre-fund your funeral contract.

### If I am not yet enrolled in Medicaid, is there any other way to preserve my funds?

Yes, current regulations entitle you to own one or more personal life insurance policies with a combined face value (death benefit) of not more than \$1,500.

If the total is more than \$1,500, the cash surrender value of the policies will be counted as an asset when applying for Medicaid. If you do not have any insurance policies, ask your local funeral director for information on preparing up to a \$1,500 face value policy.

### What should I bring when I meet my funeral director to pre-plan and pre-fund my funeral?

Bring identification that shows your Date of Birth, Social Security number, and your Power of Attorney or Conservatorship documentation, if applicable.

## REMEMBER, YOU CAN CHOOSE:

- 👤 Irrevocable Trust - pre-funded up to \$8,000
- 👤 Revocable Burial Plot Allowance - pre-funded in an unlimited amount for specific burial and cemetery items and services
- 👤 Life Insurance Policy with up to a \$1,500 face value

As always, the Connecticut Funeral Directors Association recommends that you consult with a qualified elder-law attorney or consultant for information regarding Medicaid. The information provided in this brochure is not a substitute for competent legal advice.

### What should I bring when I meet with my Attorney or Case Worker to apply for Medicaid Title 19?

- Copy of Birth Certificate (for applicant and spouse, if applicable)
- Copies of last 60 MONTHS (5 years) of bank statements (from the date of application):
  - Savings
  - Checking
  - Credit Union
  - Copy of Social Security and Pension Checks (amounts of both applicant and spouse if applicable)
- Copies of Stocks, Bonds and Life Insurance policies (plus Cash Out values of insurance, cashed in stocks/bonds (in the past five years))
- Copy of Medical Insurance cards (you and your spouse)
- Copies of any unpaid medical bills
- Copies of lease or rental agreements/ mortgage payments
- Copy of bills for apartment/home (most recent bills: utilities, insurances, cable, phone, etc.)
- Copy of car registration(s)/license plate number(s)
- Copy of Pre-funded funeral contracts
- Copy of \$1,500 Face Value Life Insurance documentation, if you purchased it
- Copy of Power of Attorney or Conservatorship documentation, if applicable

General number for Connecticut Dept. of Social Services (DSS) 800-842-1508

## MEDICAID AND TITLE 19: FUNERAL TRUSTS & CONTRACTS

### What am I Entitled to?

All Connecticut citizens, regardless of income, should have the right to a respectful and dignified funeral – one that serves the cultural, religious and personal choices of the individual and family.

A growing number of Americans are planning ahead, arranging and pre-funding their own funerals and burials. Most families agree that pre-planning can help bring peace of mind.

Before applying for Title 19, you have the option to pre-pay your own funeral by spending down your assets.

The Connecticut Funeral Directors Association (CFDA) wants you to have this important information about what you are legally entitled to do.

After you read this, just contact your licensed CFDA-member funeral director for assistance in making your own plans.



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