Iowa Department of Human Services

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Burial Contract Frequently Asked Questions

What is a burial contract?

A burial contract is an agreement with a funeral home in which a person pre-pays for funeral expenses.

How is a burial contract counted in determining eligibility for Medicaid?

There are some circumstances in which a burial contract is not counted as a resource for Medicaid. In order to be excluded as a resource a prepaid burial contract must be an irrevocable contract and the applicant or member must be unable to access the funds.

In addition there must be a contract with a funeral home. In other words, you must purchase something for your money. You may not simply put money in an irrevocable account. This would be considered a transfer of assets for less than fair market value which results in a period of ineligibility for Medicaid.

How can a burial contract be funded?

A burial contract can be funded a number of ways. The most common ways include assigning ownership of a life insurance policy to a funeral home, setting up a trust at a bank which can be funded by a certificate of deposit or another type of account.

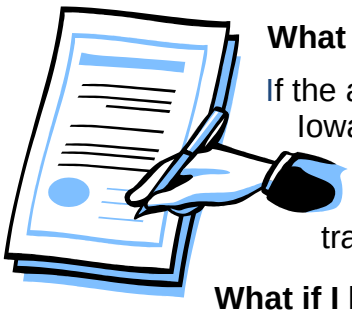
If I have a burial contract, what information do I need to provide?

If you have a burial contract, you will be asked to provide verification of the contract to your Department of Human Services IM worker.

If you have a life insurance policy funding a burial contract, you will need to provide verification of the face value and cash value of the life insurance policy as well as verification of the owner and beneficiary of the policy.

If you have burial trusts, CDs, or other funds set aside for your burial, you will need to provide verification of the value.

You must also provide a complete copy of your burial contract that indicates whether the contract is revocable or irrevocable.



What amount can be funded for burial?

If the amount funding your burial contract exceeds the average cost of a funeral in Iowa, you will need to provide a statement of goods and services verifying what was purchased. The current average cost can be found at www.iafda.org. The Department will also need to review the contract for any possible transfer of assets.

What if I have questions?

If you have questions about Facility Medicaid or what to provide, you can call the DHS Facility Unit at 877-344-9628.