



| Policy Memo | |
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| KDHE-DHCF POLICY NO: 2021-6-01 | From: Erin Kelley, Senior Manager |
| Date: June 19, 2021 | Medical KEESM Reference: 5430 (10) |
| RE: Increase in the Irrevocable Burial Funds Agreement Exemption | Programs: Elderly and Disabled Medical Programs (including LTC) |

The purpose of this memo is to notify eligibility staff of an increase in the amount of the irrevocable burial fund agreement exemption. These changes are effective for actions taken on or after July 1, 2021.

This change will be incorporated in the Medical Kansas Economic and Employment Support Manual (KEESM) during the next revision scheduled for August 1, 2021 and the F-8 Medical Assistance Standards 7-21 v2.

This memo supersedes [PM2010-08-01](#), when applicable.

I. INCREASE IN THE IRREVOCABLE BURIAL FUNDS AGREEMENT EXEMPTION

A. BACKGROUND

Previously, the 2010 Kansas Legislature passed House Bill 2588 increasing the total amount allowed to be designated for funeral services in an irrevocable burial agreement to \$7,000.

B. NEW POLICY

Effective July 1, 2021, the 2021 Kansas Legislature passed HB 2254 to increase the total amount designated for funeral services in an irrevocable burial agreement from \$7,000 to \$10,000. This limit (statutory funeral services cap) is to be increased every July 1st thereafter by the cumulative percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) in the Midwest Region from May 2021 (the base year) to May of the current year. The statutory funeral service cap will be updated every July and available on the [F-8](#).

It is important to stress this limitation is specifically for the service portion of the agreement and any miscellaneous expenses. Additional amounts may be included in the irrevocable plan if specifically designated for any of the burial space items listed in Medical KEESM 5430(3). Amounts designated specifically for funeral services under the plan in excess of the statutory funeral service cap [see F-8] limitations are by law revocable and therefore considered available as a resource.

C. RETROACTIVITY

The increase in the exemption limit to \$10,000 is effective on any actions taken on or after July 1, 2021. Any cases initially reviewed prior to July 1st, and the final determination completed after the July 1st implementation date must have the correct statutory funeral services cap applied to each month. The \$10,000 increase is effective July 1, 2021, so any prior medical months from April 2021-June 2021 will still have the prior cap of \$7,000 applicable to those months and the new cap effective July 1st and after.

Any medical application denied, or active medical cases closed due to excess resources from failure to apply the new statutory funeral services cap to the service portion of an irrevocable funeral agreement on or after that date should be reevaluated for possible eligibility. Staff are asked to apply due diligence in identifying affected cases and reinstate eligibility if warranted.

II. ITEMIZED VERIFICATION OF GOODS AND SERVICES

A. BACKGROUND

Hard copy verification of all funeral agreements is required. This includes signed copies of the actual agreement(s) as well as a copy of the itemization of specific goods and services. Copies of any documents related to an insurance assignment must also be provided.

B. NEW POLICY

Effective July 1, 2021, or for cases being reviewed per section I.C. above, verification of the funeral agreement specifying the type and value of the funeral items and services (*itemized list of goods and services*) shall only be required when the funeral agreement exceeds the statutory funeral services cap. Irrevocable funeral agreements that do not exceed the statutory funeral service cap, may be entered into KEES as a single irrevocable funeral agreement record. Proof of the funeral agreement's irrevocability is still required.

III. QUESTIONS

For questions or concerns related to this document, please contact the KDHE Medical Policy Staff at KDHE.MedicaidEligibilityPolicy@ks.gov.

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| Erin Kelley | Senior Manager |
| Amanda Corneliusen | Family Medical Program Manager |
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Questions regarding any KEES issues are directed to the KEES Help Desk at KEES.HelpDesk@ks.gov.