

Indiana Health Coverage Program Policy Manual Chapter 4800 BURIAL ASSISTANCE Sections 4800.00.00 – 4835.00.00
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4800.00.00 BURIAL ASSISTANCE (MED 1)

This chapter includes policies and procedures for the following:

- Estate of the Deceased (Section 4805)
- Maximum Payments for Burial Expenses (Section 4810)
- Submission of Burial Claims to DFR (Section 4815)
- Consideration of Burial Claims by DFR (Section 4820)
- Verification by DFR of Burial Contributions (Section 4825)
- Payment for Burial Expenses (Section 4830)
- Insurance Settlements (Section 4835).

Burial Assistance is available to recipients in the Medicaid Aged, Blind, and Disabled categories (MA A, MA B, MA D, MASI, MADW, or MA R) who die on or after 7-1-99. Burial Assistance is not available to recipients in the Disability Improved (MADI) category. It is 100% state funded.

Recipients in any other Medicaid category are not eligible for Burial Assistance.

A recipient is eligible for Burial Assistance regardless of where their death occurs or whether the funeral and interment take place in Indiana or elsewhere.

An individual who was receiving Medicaid for the Aged, Blind, or Disabled, at the time of death, or who applied for benefits prior to his death and was subsequently determined eligible for one of these categories, is eligible for Burial Assistance.¹

Please note:

- *Beginning July 1, 2023, the outside contribution funeral cap moves from \$1,750 to \$2,500; the cemetery cap would move from \$400 to \$1,000.*
- Beginning July 1, 2024, those caps would move to \$2,600 funeral; \$1,100 for cemetery.
- Beginning July 1, 2025, \$2,700 for funeral; \$1,200 for cemetery
- Beginning July 1, 2026, \$2,800 for funeral; \$1,300 for cemetery

4805.00.00 ESTATE OF THE DECEASED (MED 1)

The estate consists of all assets, including both real and personal property, owned by the deceased recipient. An estate need not be established by formal legal proceedings. However, the value of the estate may be established by FSSA and a determination made of the total amount payable for burial expenses.

4805.05.00 RESOURCES OF THE DECEASED (MED 1)

The resources of the deceased recipient, such as a burial trust, bank account, or personal funds remaining on account in a nursing home, shall be used to meet burial expenses. The funeral director and/or cemetery representative must obtain these funds as payment for burial expenses in accordance with Indiana Probate Code (IC 29-1-1 et seq.).

Nursing home administrators should be guided by their own legal counsel regarding the disposition of deceased residents' resources.

4810.00.00 MAXIMUM PAYMENTS FOR BURIAL EXPENSES (MED 1)

The maximum allowable burial assistance payments are \$1,200 for the funeral director's expenses² and \$800 for cemetery expenses,³ for a total of \$2,000. The age of the deceased is not a factor in the amount of any payment.

4810.05.00 PAYMENT FOR FUNERAL DIRECTOR'S EXPENSES (MED 1)

If there are no other resources, payment not to exceed \$1200 (including sales tax) will be paid to meet the expenses of the funeral director.⁴

The funeral director's expenses include:

- Reasonable expenses connected with preparation of the body, including cremation
- Purchase of necessary clothing
- Purchase of a casket
- Funeral services
- Transportation of the body
- Professional services of the funeral director.

4810.05.05 COMPUTATION OF FUNERAL DIRECTOR'S PAYMENT (MED 1)

Relatives and/or friends may contribute as much as they wish toward the funeral expenses of the deceased recipient. However, all contributions and the resources of the deceased must be considered when determining the amount, if any, of the funeral expenses to be paid by the Division.

An amount of \$ 2,500 in contributions and resources is exempted in the computation of the amount of the payment to the funeral director.⁵ Contributions and payments made from the estate of the deceased recipient more than the \$2500 exclusion are subtracted from the statutory maximum of \$1,200. The balance of the funeral director's unpaid expenses, up to the statutory maximum of \$1,200, will be paid.

4810.05.05.05 CONTRIBUTIONS/RESOURCES OF \$3,700 OR MORE (MED 1)

If all contributions, plus the resources of the deceased, total \$3,700 or more, none of the funeral director's expenses will be paid.

4810.05.05.10 CONTRIBUTIONS/RESOURCES OF \$2,500 TO \$3,700 (MED 1)

If all contributions plus the resources of the deceased exceed \$2,500 but are less than \$3,700, the \$1,200 maximum payment from state funds to the funeral director will be reduced dollar for dollar by the amount more than \$2,500. The funeral director will be paid up to \$1,200 or the amount of their unpaid expenses, whichever is less.

The two separate examples below show how the calculation is performed where the same contribution towards funeral expenses is made with differing amounts for declared Funeral expenses. This shows where the same contribution can have markedly different payment back to Funeral Home.

This Formula should be utilized when contributions are significantly less than documented submitted Funeral Expenses

EXAMPLE 1: Contributions = \$2,600 Funeral Expenses = \$5,000
$\$2,600 - \$2,500$ (exclusion) = \$100
$\$1,200$ (maximum payment) - \$100 = \$1,100
Payment to Funeral Director = \$1,100

This formula should be utilized when contributions are considerably closer in dollar amount to documented submitted Funeral Expenses

EXAMPLE 2: Contributions = \$2,600 Funeral Expenses = \$2,750 (\$2,600 paid = \$150 still owed)
$\$2,750 - \$2,600$ = \$150 (exclusion) = \$150
$\$1,200$ (maximum payment) - \$150 = \$1,050
Payment to Funeral Director = \$150 (Unpaid balance of funeral expenses.)

4810.05.05.15 CONTRIBUTIONS/RESOURCES OF \$2,500 OR LESS (MED 1)

If all contributions plus the resources of the deceased total \$2,500 or less, the funeral director's payment will be \$1,200 or the amount of their unpaid expenses, whichever is less.

Example 1:

Resources = \$2,500

Funeral Expenses = \$3,200 - \$2,500 = \$700 still owed

\$2,500 - \$2,500 (exclusion) = \$0

Payment to Funeral Director = \$700 (Unpaid balance of expenses.)

Example 2:

Contributions = \$1,500 Funeral Expenses = \$2,700

\$1,500 - \$2,500 (exclusion) = \$0

Payment to Funeral Director = \$1,200 (maximum)

4810.10.00 PAYMENT FOR CEMETERY EXPENSES (MED 1)

Cemetery expenses include all expenses connected with the interment of the body or remains in a cemetery, such as:

- To cover provision of burial rights if necessary
- Opening and closing a burial plot and provision of an outer container.
- Service required by the cemetery authorities.⁵

Cremated remains must be buried in a cemetery to receive payment for burial expense. A cremation vault on its own will not be considered a cemetery expense. A signed burial transit permit must accompany all cemetery expense claims.

A monument or headstone is not considered a cemetery expense.

If there are no other resources, payment not to exceed \$800 shall be paid to meet the cemetery expenses.⁶

4810.10.05 COMPUTATION OF CEMETERY PAYMENT (MED 1)

Relatives and/or friends may contribute as much as they wish toward the cemetery expenses of the deceased recipient. However, all contributions and the resources of the deceased must be considered when determining the amount, if any, of the funeral expenses to be paid.

An amount of \$1,000 in contributions from friends and/or relatives and resources of the deceased is exempted in the computation of the amount of the payment to the cemetery.⁸ Contributions and payments made from the estate of the deceased recipient in excess of the \$1,000 exclusion are subtracted from the statutory maximum of \$800. The balance of the cemetery's unpaid expenses, up to the statutory maximum of \$800, will be paid.⁹

4810.10.05.05 CONTRIBUTIONS/RESOURCES OF \$1,800 OR MORE (MED 1)

If all contributions plus the resources of the deceased total \$1,800 or more, the cemetery representative's expenses will not be paid.

4810.10.05.10 CONTRIBUTION/RESOURCES OF \$1,000 TO \$1,800 (MED 1)

If all contributions plus the resources of the deceased exceed \$1,000 but are less than \$1,800, the \$800 maximum payment from state funds to the cemetery will be reduced dollar for dollar by the amount more than \$1,000. The cemetery representative's payment will be up to \$800 or the amount of their unpaid expenses, whichever is less.

EXAMPLE 1:

Contributions = \$500 Cemetery Expenses = \$1,200
\$500 - \$1,000 (exclusion) = \$100
\$800 (maximum) - \$100 = \$700 payment to cemetery

4810.10.05.15 CONTRIBUTIONS/RESOURCES OF \$1,000 OR LESS (MED 1)

If all contributions plus the resources of the deceased total \$1,000 or less, the cemetery representative's payment will be \$800 or the amount of their unpaid expenses, whichever is less.

EXAMPLE 1:

Resources = \$300 Cemetery Expenses = \$1,500
\$300 - \$1,000 (exclusion) = \$0
Payment to cemetery = \$800 (maximum)

4815.00.00 SUBMISSION OF BURIAL CLAIMS TO FSSA (MED 1)

Except as provided in Subsection 4815.05.00, the funeral director and the cemetery representative are to file separately for payment of the deceased recipient's burial expenses.⁷

The form used for this purpose is State Form 35937 Medicaid Recipients Claim to Defray Burial Costs.

Effective July 1, 2014, any claim under this section must be submitted with the signed claim form and all necessary supporting documentation to the FSSA office within ninety (90) days of the date of death. Failure to submit all documents within 90 days of the date of death may result in denial of such claim by the FSSA.

4815.05.00 SUBMISSION OF CEMETERY CLAIM BY FUNERAL DIRECTOR (MED 1)

A funeral director may file and receive payment for cemetery expenses if they attach proof to the claim that either (1) They are a cemetery representative, or (2) they have been designated such by the cemetery representative.

In addition, the funeral director must attach a signed receipt verifying the cemetery expenses have been paid. If there was no charge for opening and closing the grave, a notation to this effect must be entered on the claim by the funeral director. If the funeral director is designated as the cemetery representative, cemetery claims submitted by any other party will not be paid.

4820.00.00 CONSIDERATION OF BURIAL CLAIMS BY FSSA (MED 1)

The payment of funeral and cemetery expenses is based upon the charges for burial expenses, the existence of other funds to meet such expenses, and the legal maximum payments from public funds. If other resources are determined to be available a summary of those resources should be listed. Amounts paid by all other sources toward burial expenses should be verified by the FSSA before a recommendation for payment is made. If resources are determined post payment, then reimbursement back to the FSSA will be requested.

If the FSSA determines that payments made toward burial expenses are insufficient to cover the costs, and payment of the claim is to be approved by the FSSA, the FSSA Authorized Designee shall:

- Certify that State Form 35937 is in proper form and that the amount being recommended for payment is correct based on information submitted by the funeral director or the cemetery representative.
- Sign the form, file the original copy, and submit a copy to Accounts Payable.

4825.00.00 VERIFICATION BY FSSA OF BURIAL CONTRIBUTIONS (MED 1)

In the event inaccurate information was recorded on the funeral and/or cemetery claim regarding the amount of the individual contribution, the FSSA will follow up. If it is determined that there was collusion, misrepresentation, or apparent fraud on the part of the funeral director and/or the cemetery representative to obtain more payment, the FSSA will refer the case for prosecution.

4830.00.00 PAYMENT FOR BURIAL EXPENSES (MED 1)

Recommendations for payment of funeral and cemetery expenses of deceased recipients of Medicaid for the Aged, Blind, and Disabled (MA A, MA B, MA D, MASI), Disabled Working (MADW), or Residential Care Assistance Program (MA R) are to be submitted for final approval to the Medicaid Medical Review Team, Office of Medicaid Policy and Planning.

Any business receiving payment from the Auditor of State must have a Vendor Information Form, State Form 53788 (R2/10-09), Request for Taxpayer Identification Number and Certification, on file in the State Auditor's office. If a business has never received payment through the State Auditor's office, a State Form 53788 (R2/10-09) W-9 must be attached to each business' initial claim form. Remittance will be made directly to the claimant.

Reimbursements of burial expenses are made to vendors by direct deposit in the account on file through completed vendor information form, State Form 53788 (R2/10-09).

4835.00.00 INSURANCE SETTLEMENTS (MED 1)

A surviving relative of a deceased recipient may be the beneficiary of a cash settlement from a life insurance policy on the deceased.

The insurance settlement is the income or resource of the surviving relative. However, if all or part of the insurance settlement is used to meet the burial expenses of the deceased recipient, the funds used for burial expenses are to be considered a contribution from a relative.

If the surviving relative is also an applicant or recipient, the insurance settlement may affect the applicant's eligibility depending on the program involved.

¹ IC 12-14-17-2

² IC 12-14-17-2(b)

³ IC 12-14-17-3

⁴ IC 12-14-17-2(b)

⁵ IC 12-14-6-2

⁶ IC 12-14-17-3

⁷ IC 12-14-17-5