

Introduction

If you need to qualify for Medicaid coverage for long term care, you may be trying to think of smart ways to spend down your assets. Burial plans can be set up as exempt assets so that they are not counted when applying for Medicaid coverage. This way, you are able to preserve some assets that your family will need one day.

Source: <https://www.funeralbasics.org/medicaid-qualification-rules-and-how-to-spend-down-with-a-burial-plans/>

Exempt from counting for Medicaid qualification

An irrevocable contract for burial space items (with no limitation on the amount) for you and your immediate family members including your spouse, your children (including adoptive and stepchildren), their spouses, your siblings and their spouses, and your parents.

Burial space items include caskets, urns, vaults, burial plots, cremation niches, headstones, opening and closing of the grave, and perpetual care. Burial space items are counted as separate from burial funds.

Burial funds and Burial space items

These terms may sound similar, but they mean different things when it comes to Medicaid spend down rules. Both burial funds and burial space items can be placed into irrevocable contracts. The term "irrevocable" signifies that you cannot cancel or liquidate your assets within the contract for cash value. This irrevocable status excludes the contract from being considered as a countable asset for your state's Medicaid program. "Burial funds" is a term that designates the services provided by a funeral home. "Burial space items" is a term that designates the merchandise and items associated with the burial of a body.

Exempt Burial Space Items

Casket
Crypt
Cost of opening and closing grave site
Cost of maintaining gravesite (perpetual care)
Headstone
Engraving
Conventional Gravesite
Mausoleum
Outer Receptacle
Urn
Other repositories for remains
Vaults

Non-Exempt Burial Space Items

Acknowledgement Cards
Arrangement and Supervision
Chapel and Facilities
Church Offering
Clergy Honorarium
Clothing or Burial Garments
Embalming
Flower Care
Gratuities
Hearse
Limousine
Memorial Package
Newspaper Notices
Other Preparation of Remains
Out of Town Funeral Director Charges
Out of Town Transportation
Pall Bearers
Prayer Cards
Transfer of Remains to Funeral Chapel
Transcript