

Board Meeting March 31, 2010

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- Spenddown process.
 - The process commonly referred to as “spending down” is the process by which an individual spends down their available resources to under the Medicaid maximum resource limit.
 - In Missouri using the term “spend down” to refer to the spending of resources to under the maximum limit is a little confusing to use because Missouri has a MO HealthNet for the Aged, Blind, and Disabled program where individuals whose income exceeds 85% of the federal poverty level can still qualify for coverage by “spending down” their income by paying the difference between their net countable income and 85% FPL directly to the MO HealthNet Division or by incurring medical expenses equivalent to the difference. However as long as the distinction is made that you are referring to spenddown of assets, not income, it is appropriate to use this term.
- Purchase of Preneed Funeral Plan to Spenddown Assets.
 - Participants and applicants of MO HealthNet can use their funds to purchase a preneed funeral plan.
 - In fact there are no limitations on what they can purchase to spend down their funds , but they do need to keep an accounting of what the funds are spent on and keep receipts.
 - One should avoid giving away or transferring funds to others as this can result in a transfer of property penalty.
- Preneed Funeral Plans and Irrevocable Waivers.
 - By signing an irrevocable waiver the preneed funeral plan is not considered to be an available resource when determining the individual’s Medicaid eligibility.
 - There are no special forms they need to sign, the irrevocable waiver is sufficient.
- Individual received MO HealthNet and had a Preneed Funeral plan but the plan was not utilized for disposition. Can the family receive a refund or should any refund go the State?
 - RSMo 208.010.7(4) states “.....If the beneficiary, as defined in Chapter 436, RSMo, of an irrevocable prearranged funeral or burial contract receives any public assistance benefits pursuant to this chapter and if the purchaser of such contract or his or her successors in interest cancel or amend the contract so that

any person will be entitled to a refund, such refund shall be paid to the state of Missouri up to the amount of public assistance benefits provided pursuant to this chapter with any remainder to be paid to those person designated in Chapter 436, RSMo.”

- When a person who has a preneed funeral contract (who purchased the contract while following appropriate spend down requirements) dies, and the funeral services provider is paid from the preneed contract funds, and there is money left over, those extra funds go to the state. Is this correct? How does this work? What needs to be done to ensure this happens?
 - Per RSMo 208.010.7(4) funds would be payable to the State for the amount of benefits paid out on behalf of the individual. The provider would need to contact: Department of Social Services, Third Party Liability Unit (573)751-2005 or fax: (573)526-1162.

- The issue of naming a funeral home as an irrevocable beneficiary of a life insurance policy was discussed.
 - In the meeting it was stated that assignment of the funeral home as an irrevocable beneficiary was sufficient to satisfy spenddown requirements. This was later clarified.
 - The funeral home can be designated as an irrevocable beneficiary of a life insurance policy but in addition to that in order to satisfy spenddown requirements there must be a valid preneed contract.