



State of Wisconsin
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TO: **Income Maintenance Supervisors**
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FROM: **Rebecca McAtee, Bureau Director**
Bureau of Enrollment Policy and Systems
Division of Health Care Access and Accountability

DHS OPERATIONS MEMO

No: DHS 14-34

DATE: 8/13/2014

AMENDED 09/07/2016

FS	<input type="checkbox"/>	MA	<input checked="" type="checkbox"/>	BC+	<input type="checkbox"/>
SC	<input type="checkbox"/>	CTS	<input type="checkbox"/>	FSET	<input type="checkbox"/>

SUBJECT: Expanding Burial Trust Exemptions

CROSS REFERENCE: Chapters [16.5.1](#) and [18.4](#) (MEH); [Operations Memo 12-04](#)

EFFECTIVE DATE: EFFECTIVE IMMEDIATELY

PURPOSE:

This memo announces a change in the policy that allows an additional \$1500 over the irrevocable amount of \$3,000, to be exempt in a burial trust.

BACKGROUND:

Current Medicaid policy allows each individual to have one or more irrevocable burial trusts of which the total face value may not exceed \$3,000. Any principal amount over \$3,000 is a countable asset, except an additional amount up to \$1,500 may also be exempt if contributed by friends and family members. As required under 2013 Wisconsin Act 20 § 1090f, and Wisconsin Statutes § 49.47(4)(k), the department sought and did receive approval from the Centers for Medicare and Medicaid Services to remove the requirement that additional funds be contributed by family and friends and allow an individual receiving EBD Medicaid to contribute to his or her own account an additional \$1,500 in excess of the current \$3,000 limit.

POLICY:

Currently, a total of \$3,000 of the principal amount in a member's irrevocable burial trust(s) is treated as exempt, regardless of who contributed the funds, and an additional amount up to \$1,500 of the principle amount in an irrevocable burial trust(s) can be exempt as long as it was contributed by friends or family of the applicant or member. Effective immediately, this additional amount can also be contributed directly by the member, and there is no longer any provision for family or friends to contribute.

➤**Note:** This policy change does not affect the treatment of interest or dividends earned on the irrevocable burial trust. If the interest and dividends are irrevocable and accrue to the trust, they are exempt. If the interest or dividends are revocable, they are a countable asset.

CARES:

~~Until changes can be made to CARES to accommodate this change, any amount over \$3,000 in an irrevocable burial trust that should be exempt must be entered separately as a burial space with case comments indicating the 'burial space' is actually additional exempt burial trust principal.~~

Effective August 1, 2016, CARES will accommodate this change. The total \$4,500 in a member's irrevocable burial trust(s) will be systematically treated as exempt, regardless of who contributed the funds. Workers should enter this asset as "irrevocable burial trust." An additional "burial space" entry is not necessary.

CONTACTS:

BEPS CARES Information & Problem Resolution Center

*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – SeniorCare, CTS – Caretaker Supplement, FSET – FoodShare Employment and Training.

DHS/DHCAA/BEPS/FM