

Health and Human Services

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REASONABLE FUNERAL EXPENSES POLICY (EXCLUDING COUNTY BURIALS)

Effective January 1, 2024

Wilkin County Health and Human Services implements the following policy related to the funeral expenses allowed when a decedent was a recipient of Medical Assistance. If the decedent's estate does not have enough assets to pay all the claims made against it, Minnesota Law prioritizes payment of the decedent's "reasonable funeral expenses" before MA claims. The Department of Human Services has outlined what reasonable funeral expenses are allowed. Wilkin County Health and Human Services has adopted the DHS policy with additional clarification of the type of funeral expense.

Health Care Services Eligible for MA Claim

An MA Claim seeks recovery of payment for all these health care services:

- Alternative care (AC) services received on or after July 1, 2003
- General Assistance Medical Care (GAMC) services received at any age
- Medical Assistance (MA) Services:
 - MA Long-term services and supports (LTSS) received by a member 55 years old or older. LTSS includes:
 - Nursing facility services (NFS)
 - Home and community-based services (HCBS)
 - Waiver HCBS
 - Alternative Care (AC)
 - Brain injury (BI)
 - Community alternative care (CAC)
 - Community access for disability inclusion (CADI)
 - Developmental disabilities (DD)
 - Elderly Waiver (EW)
 - Nonwaiver HCBS
 - Home Care Services
 - Home Care Nursing
 - Home health aide services
 - Medical supplies and equipment
 - Physical therapy, occupational therapy and speech therapy, when the service is provided by a home health agency
 - Personal Care Assistance
 - Hospital and prescription drug services received during the time the member was provided NFS or HCBS
- All MA services received by a member, regardless of age, during permanent residence in a medical institution.

Medical Assistance claims include capitation payments made to managed care organizations (MCOs) for coverage of these services. A capitation payment is like an insurance premium payment made each month to the MCO on behalf of the MA member. The MCO covers the services in exchange for the payment. Capitation rates are determined based on an actuarial analysis of the State's historical fee-for-service cost experience with equivalent groups of members.

See State Medicaid Manual, Section 3810.A.6.

PREPAID BURIAL TRUSTS AND INSURANCE

If a decedent has a prepaid burial trust, the funds must "be distributed for the payment of the at-need funeral goods, funeral services, burial site goods, or burial site services selected, with any excess funds distributed to the beneficiary's estate." See Minnesota Statutes, section 149A.97, subdivision 3a, clauses (9) and (10). A decedent may also have a life insurance policy designed to pay for funeral expenses.

If a decedent's funeral costs exceed the dollar amount of prepaid burial trust or insurance funds, "reasonable funeral costs", as listed below, that exceed that amount will be allowed on a case-by-case basis and upon consideration of appropriate inflation costs of goods and services listed. Any remaining funds in a prepaid burial trust after funeral expenses have been paid are distributed to the estate and are subject to MA recovery. If a prepaid burial trust has not been fully funded, items which are considered "unreasonable funeral expenses" as listed below, will not be allowed above the amount listed in the prepaid burial trust.

REASONABLE FUNERAL EXPENSES

If a decedent does not have a prepaid burial trust, "reasonable funeral expenses", as listed below, are allowed at the minimum cost for the goods and services received. If a decedent's funeral expenses exceed the minimum cost, any additional costs will be the responsibility of the person(s) making the arrangements and cannot be paid by the decedent's estate.

Reasonable funeral expenses including the following:

- Expenses directly related to goods sold or offered for sale or rental in connection with the final disposition of the human body.
- Services sold in connection with the final disposition of the human body.
- Goods that may be used for a funeral service.
- Services that may be used to prepare a human body for burial or a funeral service.

Reasonable costs for the following items are paid before MA claims:

- Certificates of death (up to five)
- Mortuary expenses:
 - Cremation
 - Urn (lowest cost)
 - Embalming
 - Casket (least expensive casket for the deceased person's body size)
 - Preparation of the body (cosmetology, dressing & casketing)
 - Clothing for the body, only if clothing is unavailable

- Ground transportation of the body
 - Transfer of remains to Funeral Home or other location
 - Casket Coach (Hearse)
 - Utility Vehicle
 - Additional Mileage (Outside 25-Mile local service radius)

- Interment:
 - Cemetery plot and fees (least expensive; double lot allowed if there is a surviving spouse)
 - Costs of opening and closing grave – casket & vault
 - Costs of opening and closing grave – urn & vault
 - Vault (with delivery & setup) – casket
 - Vault (with delivery & setup) – urn
 - Lowest cost, flat, grave marker or stone marker (includes engraving and setting fee)
 - Winter Burial (additional costs for opening/closing grave)

- Memorial service, viewing, and visitation:
 - **One** of the following, which includes the services of the funeral director and staff, use of equipment and service for memorial/funeral service at funeral home, church or other venue:
 - Public visitation service
 - Funeral service
 - Grave site service

 - Fee or required donation for one officiant
 - Music (one instrumentalist and one vocalist – nonfamily members)
 - Obituary Notice (one paper)

UNREASONABLE FUNERAL EXPENSES

Expenses for these items are not paid before MA claims, unless funds specifically set aside in preneed burial, in which case the amount allowed will not exceed that amount:

- Family travel and lodging
- Flowers (no matter the purpose or sender)
- Food and beverage
- Entertainment not listed above as a reasonable expense
- Clothing, unless clothing for the deceased is unavailable
- Police escort
- Memorial cards and thank you cards, including postage
- Memorial donations
- Planning costs

CROWDFUNDING AND FUNDRAISING ACCOUNTS

Online crowdfunding and fundraising campaigns to pay for a deceased's funeral expenses are increasingly common. Accounts set up to pay for a person's funeral costs after a person dies are not part of the person's estate and are not subject to MA estate recovery.

SPECIAL NEEDS TRUSTS (SNTs) AND POOLED TRUSTS

Minnesota law does not prioritize reasonable funeral expenses before MA claims in a decedent's special needs trust or pooled trust. Upon an MA member's death, the Special Recovery Unit (SRU) at DHS works directly with any SNT or pooled trust and applies DHS policy to determine which funeral expenses will be allowed and disallowed. See Minnesota Statutes, section 501C.1205, subdivision 3, for special needs trusts and Minnesota Statutes, section 256B.056, subdivision 3b, for pooled trusts.

Revised 12/19/2023