

6	Mrs.	\$2,000	Mrs.	\$1,000	
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CSVs for policies 1 and 2 are **not** excludable under this policy for Mr. Smith. He owns both policies. They insure the same person. The combined FVs exceed \$1,500.

CSV for policy 4 is **not** excludable under this policy for Mr. Smith. The FV exceeds \$1,500.

CSV for policy 6 is **not** excludable under this policy for Mrs. Smith. The FV exceeds \$1,500.

Exceptions: Do not count the face value of:

- Term insurance that does **not** generate a CSV.
- Burial insurance. Burial insurance is an insurance policy whose terms prevent the use of its proceeds for anything other than payment of the insured's burial expenses. A policy is not burial insurance if the policy has a CSV the owner can access. A policy used for a Life Insurance Funded Funeral below is not burial insurance. Michigan does **not** have burial insurance, but a person from another state could have such insurance.
- Endowment policies. An **endowment policy** is a policy which enables the insured to accumulate a sum of money payable to him at a date named in the policy (the maturity date). The policy states whether the money is paid over time or all at once. The policy matures on the maturity date. An endowment policy is **not** life insurance. Because the applicant gives up the rights to control the money until the maturity date, a non-matured endowment policy must be considered a divestment; see BEM 405, MA DIVESTMENT.

LONG TERM CARE INSURANCE PARTNERSHIP POLICIES

SSI-Related MA Only

Long term care insurance partnership policies are health insurance and are not countable as assets. However, there are special asset rules for individuals who use long term care insurance partnership policies to pay for long term care.

At the initial eligibility determination there is an asset disregard (starting with countable assets first) equal to the amount that the long term care policy has paid to, or on the behalf of, the applicant. The asset disregard can increase at redetermination or case closure. The countable asset limit for Extended Care category remains the same. Assets of any type can receive the disregard. These disregarded assets are also disregarded (protected from) estate recovery; see BAM 120.

FUNERAL PLANS

SSI-Related MA Only

Funeral plan refers to the prearrangement for cemetery and/or funeral goods and services. Normally, the plan is established using one or more of the following:

- Burial fund.
- Purchase of burial space.
- Prepaid funeral contract.
- Life insurance funding.

Burial Fund Exclusion

SSI-Related MA Only

A limited amount of certain types of assets a person has clearly designated to pay for burial expenses is excluded as a burial fund. See below for information about:

- Types of assets.
- Burial expenses.
- Clearly designated.
- Not commingled.
- Amount excluded.
- Misuse of funds.

See Exhibit I of this item for examples of this exclusion.

Types of Assets

Assets under the following headings in this item can be a burial fund:

- Cash.
- Investments.

time the service was provided (for example a written agreement signed at the time services were first provided). The policy in Bridges Administrative Manual (BAM) 130 allowing use of best available information or best judgment as verification does not apply.

Value of Transferring Right to Income

When a person gives up his right to receive income, the fair market value is the total amount of income the person could have expected to receive.

Use **EXHIBIT I - LIFE EXPECTANCY TABLE - FEMALE** or **EXHIBIT II - LIFE EXPECTANCY TABLE - MALE** to compute the fair market value of a lifetime income source such as a pension. Base the calculation on the person's sex and age on the date of transfer.

Personal Care & Home Care Contracts

Personal Care Contract means a contract/agreement that provides health care monitoring, medical treatment, securing hospitalization, visitation, entertainment, travel/transportation, financial management, shopping, home help or other assistance with activities of daily living.

Home Care Contract means a contract/agreement which pays for expenses such as home/cottage/care repairs, property maintenance, property taxes, homeowner's insurance, heat and utilities for the homestead or other real property of the client's

Home Care and Personal Care contracts/agreements may be between relatives or non-relatives. A relative is anyone related to the client by blood, marriage or adoption.

Note: When relatives provide assistance or services they are presumed to do so for love and affection and compensation for past assistance or services shall create a rebuttable presumption of a transfer for less than fair market value. Fair market value of the services may be determined by consultation with area businesses which provide such services. Contracts/agreements that include the provision of companionship are prohibited.

All Personal Care and Home Care contracts/agreements, regardless of whether between a client and a relative or a client and a non-relative, must be considered and evaluated for divestment.

Personal Care and Home Care contracts/agreements shall be considered a transfer for less than fair market value unless the agreement meets all of the following:

- The services must be performed **after** a written legal contract/agreement has been executed between the client and the provider. The contract/agreement must be dated and the signatures must be notarized. The services are not paid for until the services have been provided (there can be no prospective payment for future expenses or services); **and**
- At the time the services are received, the client cannot be residing in a nursing facility, adult foster care home (licensed or unlicensed), institution for mental diseases, inpatient hospital, intermediate care facility for individuals with intellectual disabilities or be eligible for home and community based waiver, home health or home help; **and**
- The contract/agreement must be signed by the client or legally authorized representative, such as an agent under a power of attorney, guardian, or conservator. If the agreement is signed by a representative, that representative cannot be the provider or beneficiary of the contract/agreement.
- MDHHS will verify the contract/agreement by reviewing the written instrument between the client and the provider which must show the type, frequency and duration of such services being provided to the client and the amount of consideration (money or property) being received by the provider, or in accordance with a service plan approved by MDHHS.

Assets transferred in exchange for a contract/agreement for personal services/assistance or expenses of real property/homestead provided by another person after the date of application are considered available and countable assets.