

## **FIDUCIARY ABBREVIATIONS**

1. IH – Investors Heritage
2. SOGS – Statement of Goods and Services

## **ABBREVIATIONS**

1. ABI – Acquired Brain Injury
2. BHDID – Department for Behavioral Health, Developmental and Intellectual Disabilities
3. DCBS - Department for Community Based Services
4. DFS - Division of Family Support
5. DPP - Division of Permanency and Protection
6. DMS - Department for Medicaid Services
7. EPSDT – Early and Periodic Screening, Diagnosis and Treatment
8. K-TAP - Kentucky Transitional Assistance Program
9. HCBS - Home and Community Based Services
10. IMD - Institution for Mental Diseases
11. IRS - Internal Revenue Service
12. LFC - Licensed Family Care Home
13. LTC - Long Term Care
14. MOU - Memorandum of Understanding
15. MRT - Medical Review Team
16. MSBB - Medical Support and Benefits Branch
17. NEMT - Nonemergency Medical Transportation
18. PCH - Personal Care Home
19. PRO - Peer Review Organization
20. PRTF - Psychiatric Residential Treatment Facility
21. QDWI - Qualified Disabled Working Individual
22. QMB - Qualified Medicare Beneficiaries
23. SCL - Supports for Community Living
24. SLMB - Specified Low-Income Medicare Beneficiaries
25. SSA - Social Security Administration

## **ADULT GUARDIANSHIP TERMS AND DEFINITIONS**

ABUSE - the infliction of injury, sexual abuse, unreasonable confinement, intimidation, or punishment that results in physical pain or injury, including mental injury; (KRS 209.020(8))

ADULT - a person eighteen (18) years of age or older who, because of mental or physical dysfunction, is unable to manage his or her own resources, carry out the activity of daily living, or protect himself or herself from neglect, exploitation, or a hazardous or abusive situation without assistance from others, and who may be in need of protective services. (KRS 209.020)

AUTHORIZED AGENCY - (a) The Cabinet for Health and Family Services; (b) A law enforcement agency or the Department of Kentucky State Police; (c) The office of a Commonwealth's attorney or county attorney; or (d) The appropriate division of the Office of the Attorney General. (KRS 209.020(17))

CABINET - the Cabinet for Health and Family Services. (KRS 209.020(2))

CARETAKER - an individual or institution who has been entrusted with or who has the responsibility for the care of the adult as a result of family relationship, or who has assumed the responsibility for the care of the adult person voluntarily or by contract, employment, legal duty, or agreement; (KRS 209.020(6))

CONSERVATOR - an individual, agency, or corporation appointed by the court to manage the financial resources of a disabled person. (KRS 387.510(1))

COURT - a court of competent jurisdiction.

DECEPTION - means but is not limited to: (a) Creating or reinforcing a false impression, including a false impression as to law, value, intention, or other state of mind; (b) Preventing another from acquiring information that would affect his or her judgment of a transaction; or (c) Failing to correct a false impression that the deceiver previously created or reinforced, or that the deceiver knows to be influencing another to whom the person stands in a fiduciary or confidential relationship; (KRS 209.020(7))

DEPARTMENT - the Department for Community Based Services of the Cabinet for Health and Family Services (KRS 209.020(3))

DISABLED - a legal, not a medical disability, and is measured by functional incapacities. It refers to any person seventeen (17) years of age or older who is: Unable to make informed decisions with respect to his personal affairs to such an extent that he lacks the capacity to provide for his physical health and safety, including but not limited to health care, food, shelter, clothing, or personal hygiene; or unable to make informed decisions with respect to his financial resources to such an extent that he lacks the capacity to manage his property effectively by those actions necessary to obtain, administer, and dispose of both real and personal property. Such inability shall be evidenced by acts or occurrences within six (6) months prior to the filing of the petition for guardianship or conservatorship and shall not be evidenced solely by isolated instances of negligence, improvidence, or other behavior. (KRS 387.510(8))

DIVISION - the Division of Guardianship.

EMERGENCY - an adult that is living in conditions which present a substantial risk of death or immediate and serious physical harm to himself or herself or others; (KRS 209.020(11))

EMERGENCY PROTECTIVE SERVICES - are protective services furnished an adult in an emergency; (KRS 209.020(12))

EXPLOITATION - obtaining or using another person's resources, including but not limited to funds, assets, or property, by deception, intimidation, or similar means, with the intent to deprive the person of those resources; (KRS 209.020(9))

FIDUCIARY MANAGEMENT BRANCH - a central office branch under the Division of Administration and Financial Management.

FIELD SERVICES BRANCH - a central office branch under the Division of Guardianship.

INFORMAL NETWORK OF SUPPORT - (a) A family member; (b) A friend; (c) A neighbor in the life of the individual needing assistance; or (d) Another interested person or entity.

INQUIRY - an individual or entity requesting information regarding guardianship services.

**INVESTIGATION** - shall include but is not limited to: (a) A personal interview with the individual reported to be abused, neglected, or exploited. When abuse or neglect is allegedly the cause of death, a coroner's or doctor's report shall be examined as part of the investigation; (b) An assessment of individual and environmental risk and safety factors; (c) Identification of the perpetrator, if possible; and (d) Identification by the Office of Inspector General of instances of failure by an administrator or management personnel of a regulated or licensed facility to adopt or enforce appropriate policies and procedures, if that failure contributed to or caused an adult under the facility's care to be abused, neglected, or exploited; (KRS 209.020(10))

**LEAST RESTRICTIVE ALTERNATIVES** - an alternative to guardianship that has been exhausted such as: (a) Power of attorney; (b) Living wills; (c) Advanced directives; (d) Case management; (e) Representative payee; (f) Curator; (g) Trustee; (h) Health care surrogate; (i) Ex-parte order; (j) Emergency protective services; (k) Adult protective ongoing services; (l) Informal network of support; or (m) Supported decision making.

**LIMITED CONSERVATOR** - an individual, agency, or corporation appointed by the court to assist in managing the financial resources of a partially disabled person and whose powers and duties have been specifically enumerated by court order. (KRS 387.510(2))

**LIMITED GUARDIAN** - an individual, agency, or corporation appointed by the court to assist in managing the personal affairs of a partially disabled person and whose powers and duties have been specifically enumerated by court order. (KRS 387.510(4))

**NEGLECT** - a situation in which an adult is unable to perform or obtain for himself or herself the goods or services that are necessary to maintain his or her health or welfare, or the deprivation of services by a caretaker that are necessary to maintain the health and welfare of an adult. (KRS 209.020(16))

**PERSONAL NEEDS** - an individual's need to purchase varied goods such as: (a) Clothing; (b) Personal care items; or (c) Social support items such as: 1. Telephone; 2. Stationery; 3. Books; 4. Snacks; or 5. Occasional outings.

**PROTECTIVE PLACEMENT** - the transfer of an adult from his or her present living arrangement to another; (KRS 209.020(13))

**PROTECTIVE SERVICES** - agency services undertaken with or on behalf of an adult in need of protective services who is being abused, neglected, or exploited. These services may include but are not limited to conducting investigations of complaints of possible abuse, neglect, or exploitation to ascertain whether or not the situation and condition of the adult in need of protective services warrants further action; social services aimed at preventing and remedying abuse, neglect, and exploitation; and services directed toward seeking legal determination of whether or not the adult in need of protective services has been abused, neglected, or exploited. (KRS 209.020(5))

**PROVIDER** - a facility or entity providing services for a ward such as: (a) Self; (b) Caretaker; (c) Relative; (d) Group home placement; (e) Hospital; (f) Psychiatric hospital; (g) Personal care home; or (h) Medicaid waivers.

**RECORDS** - the medical, mental, health, and financial records of the adult that are in the possession of any hospital, firm, corporation, or other facility, if necessary to complete the investigation mandated in this chapter. These records shall not be disclosed for any purpose other than the purpose for which they have been obtained; (KRS 209.020(15))

REFERRAL SOURCE - an entity that makes an inquiry of the Division for Guardianship Services such as: (a) A member of the general public; (b) Adult Protective Services; (c) Child Protective Services; (d) A family member; (e) A medical hospital; (f) A jail; (g) A psychiatric hospital; (h) Another interested person or entity; or (i) a long-term care facility.

SECRETARY - the secretary of the Cabinet for Health and Family Services. (KRS 209.020(1))

SUCCESSOR GUARDIAN - an individual, agency, or corporation who is appointed to succeed a current guardian removed by a court.

WARD - a person for whom a limited guardian, guardian, limited conservator, or conservator has been appointed. (KRS 387.510(15))

### **ADULT MEDICAID TERMS AND DEFINITIONS**

ACTUARIALLY SOUND - A term used by the Office of the Actuary of the Social Security Administration (SSA) to determine if the average years of expected life remaining for an individual coincide with the life of a financial instrument such as an annuity, promissory note, loan, mortgage, or land contract. If the individual is not reasonably expected to live longer than the guaranteed period of the financial instrument, it is not considered to be actuarially sound as the individual will not receive fair market value (FMV) for the annuity based on the projected return.

ANTICIPATED INCOME - Money expected to be received in the future.

ASSESSED VALUE - The value of a piece of property or an asset shown on records in the county property valuation office.

BURIAL INSURANCE - Insurance whose terms specifically provide that the proceeds can be used only to pay the burial expenses of the insured.

BURIAL RESERVES - Life insurance policies designated for burial, annuities designated for burial, burial trust funds, prepaid and/or prearranged funeral contracts, and any other identifiable fund or resource designated as set aside for the individual's burial expense.

BURIAL SPACES - Conventional grave sites, crypts, mausoleums, urns, vaults, caskets, headstones, and opening and closing of the grave.

BUY-IN - A Medicaid program which pays the Medicare Supplementary Medical Insurance (SMI) premium for eligible individuals.

CASH SURRENDER VALUE (CSV) OF LIFE INSURANCE - The dollar amount the individual would receive for cashing in a life insurance policy. This is the cash value less indebtedness.

COINSURANCE - A percentage of the cost of covered health-related services after the deductible has been met. Both Medicare recipients and individuals with private health insurance may incur this expense. EXAMPLE: An individual has a medical bill that private health insurance paid 80% of the total. They are responsible for payment of the remaining 20%.

COMMUNITY SPOUSE - An individual who resides at home, in the community, and is legally married (or considered legally married by a state that recognizes common-law marriage) to an institutionalized spouse receiving LTC services such as Home and Community Based Services (HCBS), Supports for Community Living (SCL), etc. The individual is considered the community spouse, even if separated from the institutionalized spouse, unless incarcerated. The institutionalized spouse is considered as single when divorced from a spouse. A spouse living at home with an individual in a Personal Care Home (PCH) or Family Care Home (FCH) is not considered a community spouse.

*Note: Kentucky does not recognize common-law marriage.*

COMMUNITY SPOUSE INCOME ALLOWANCE - An amount deducted from the income of the institutionalized spouse in the post eligibility determination for maintenance of the community spouse who has insufficient income to meet his/her needs. The deduction is equal to the difference between the gross income of the community spouse and the designated community spouse income allowance standard. The deduction is allowed only if the institutionalized spouse actually makes the income available to or for the benefit of the community spouse.

COMMUNITY SPOUSE RESOURCE ALLOWANCE - A designated amount deducted from the combined countable resources of the institutionalized spouse and community spouse prior to determining resource eligibility of the institutionalized spouse.

CONTINUING INCOME - Money received and expected to recur on a regular ongoing basis.

COST OF CARE - Monthly rate for a Medicaid recipient plus end-of-month ancillary services charges for the institutionalized recipient.

COUNTABLE EARNED INCOME - Total earned income considered in a Medicaid case minus appropriate deductions.

COUNTABLE UNEARNED INCOME - Total unearned income considered in a Medicaid case minus appropriate deductions.

COURT ORDERED SUPPORT FOR COMMUNITY SPOUSE - An amount court ordered to be paid by an institutionalized spouse for monthly support of the community spouse.

DEDUCTIBLES - The amount that an individual must pay before insurance will start paying for any costs.

DEDUCTIONS - Amounts which vary by case type, subtracted from income to allow for specific expenses or allowances.

DEPENDENT CHILDREN OF INSTITUTIONALIZED/COMMUNITY SPOUSE - Children of the couple age 21 and younger who live with the community spouse and are claimed as dependents by either member of the couple for tax purposes under the IRS Code.

DEPENDENT PARENTS OF INSTITUTIONALIZED/COMMUNITY SPOUSE - Parents of either spouse who reside with the community spouse and are claimed as dependents by either spouse for tax purposes under the IRS Code.

DEPENDENT SIBLINGS OF INSTITUTIONALIZED/COMMUNITY SPOUSE - A brother or sister of either spouse, including half-brothers and half-sisters and siblings gained through adoption, who reside with the community spouse and are claimed by either spouse for tax purposes under the IRS Code.

EARNED INCOME - Money derived from direct involvement in a work-related activity.

EARNED INCOME TAX CREDIT (EITC) - A credit given to individuals who file Federal taxes as "head of household" or "married filing jointly" and who have children. The credit is determined using a scale with the largest credit going to the individuals that fall in the middle of the income range. The credit is received as part of the individual's federal income tax refund.

ELECTRONIC INCOME VERIFICATION (EIV) - A method of verifying income through the transmission of information by various electronic systems.

ENTITLED BENEFIT - Payments made to individuals who meet established qualifications set by a federal, state or local government.

EPSDT LONG TERM CARE (LTC) CHILD - A child with special health care needs who receives treatment in an Early Periodic Screening Diagnosis and Treatment Services (EPSDT) LTC facility in or out-of-state, certified by the Department for Medicaid Services, EPSDT program.

EQUITY VALUE - The assessed value of a piece of property or an asset minus indebtedness.

ESSENTIAL PERSON (EP) - An individual who is not SSI eligible in their own right, but who the Social Security Administration considers essential to an SSI recipient's care.

EXCLUDED INCOME - Income received by a Medicaid household member that is not considered when determining Medicaid eligibility.

EXCLUDED RESOURCE - Money, real property, personal property or other assets not considered when determining Medicaid eligibility.

FACE VALUE (FV) OF LIFE INSURANCE - The basic death benefit or maturity amount of the policy as specified by the policy. The face value does not include dividends, additional amounts payable because of accidental death or other special provisions.

FAIR MARKET VALUE (FMV) - The prevailing price of property or a resource at the time of transfer based on the sale of like property in the vicinity. The FMV is considered to be at least equal to the assessed value.

FAMILY INCOME ALLOWANCE - An amount deducted from the income of the institutionalized spouse in the post eligibility determination for the maintenance of each minor or dependent child, dependent parent or sibling of the institutionalized or community spouse residing with the community spouse and who has insufficient income to meet their needs. The deduction is equal to 1/3 of the difference between the family members' gross income and the designated standard. The deduction is allowed regardless of whether the income is actually made available to the family members.

GENERAL UNEARNED INCOME EXCLUSION - The \$20 deduction allowed for all Medicaid recipients with unearned income. EXCEPTION: State Supplementation recipients are not allowed this deduction.

GRANDFATHERED DISABLED CHILD (GDC) - A child who lost SSI benefits when the Personal Responsibility and Work Opportunity Act (PRWOA) of 1996 changed the definition of childhood disability. These children remain Medicaid eligible until age 19 or otherwise become ineligible.

GROSS INCOME - The total sum of earned or unearned income prior to any deductions.

HOME - Shelter, including adjoining land and buildings, which is the principal place of residence, whether occupied or unoccupied. The homestead can be the shelter, the shelter and land, or land only. If the property has more than one house, only one house may be designated as the homestead property.

HOUSEHOLD EQUIPMENT - Household furniture, furnishings, and goods commonly found in or about a house and used for the operation, maintenance, and occupancy of the home.

INCOME - Earned or unearned money received from any source of funding such as statutory benefits, child support, labor or services, rental property, investments, business operations, or non-recurring lump sum income.

INCREASED PERSONAL NEEDS ALLOWANCE - Deductions allowed in vendor payment cases from any earned/unearned income. These deductions are not for the community spouse. (A) Blind Work Expense (BWE). Allow earned income deductions for any work expense incurred for employed blind individuals such as federal, state and local income taxes, F.I.C.A., or special equipment directly related to enable the individual to work. (B) Impairment Related Work Expense (IRWE). Certain deductions are allowed from earned income for any amount expended for specific items or services which enable the disabled individual to work. (C) Mandatory Withholdings. An amount deducted from the LTC recipient's earned and unearned income for mandatory withholdings that are a condition of employment, such as mandatory payroll deductions, and federal, state, and local taxes. Deductions for withholdings resulting from recipient-induced actions such as indebtedness or financial obligations, voluntary income tax withholdings, court ordered deductions for child support or other garnishments.

INCURRED MEDICAL EXPENSE - An owed or paid medical expense.

IN-KIND INCOME - Any gain or benefit (not in the form of money) payable directly to the household for a service. Examples of in-kind income are meals, clothing, free rent or produce from a garden.

INSTITUTIONALIZED SPOUSE - An individual in an LTC facility legally married (or considered legally married by a state that recognizes common-law marriage) to a spouse who is not in an LTC facility. Individuals receiving waiver services such as Home and Community Based Services (HCBS) and Supports for Community Living (SCL) are considered institutionalized spouses if married to and living in the home with a spouse not receiving those services. An individual in a Personal Care Home (PCH) or Family Care Home (FCH) with a spouse remaining at home is not considered an institutionalized spouse.) *Note: Kentucky does not recognize common-law marriage.*

KYHEALTH CARD - The permanent, plastic Medicaid identification card issued to recipients for use in obtaining medical services.

LAND CONTRACT - A contract in which a purchaser of real property, upon making an initial payment, agrees to pay the seller specified amounts at established times until the total purchase price is paid.

LEGAL GUARDIAN - An individual appointed through the state district courts to be in charge of the affairs and finances of a minor. Additionally, the individual is usually required to be bonded upon appointment and to file periodic financial settlements with the district court on behalf of his ward.

LIFE ESTATE INTEREST - A form of legal ownership where the individual possesses and uses the property until death. The life estate owner cannot sell the property.

LIQUID ASSETS - Cash, savings accounts, checking accounts, stocks, bonds, mutual fund shares, promissory notes, mortgages, land contracts, certificates of deposit, or other reserves readily convertible into cash.

LIVING APART - Not sharing a common household due to divorce, separation, disability, or illness.

LIVING WITH - Sharing a common living arrangement in a household.

LONG TERM CARE FACILITIES (LTC) - Licensed Nursing Facilities (NF) and Mental Hospitals (MH) approved for participation in Title XVIII and licensed Intermediate Care Facilities for the Mentally Retarded or Developmentally Disabled (ICF/MR/DD).

LOOK BACK PERIOD - The look back period for the transfer of resources is 60 months from the date the transfer occurred, or the applicant became Medicaid eligible.

MA FAMILY SIZE - Individuals whose income and resources are used to determine eligibility of the assistance group.

MEDICAID (MA) - Medical benefits provided to eligible individuals in compliance with Title XIX of the Social Security Act as administered by DCBS under contract to the Department for Medicaid Services (DMS).

MEDICARE - The Federal program of health insurance for aged individuals and certain disabled persons which provides for Hospital Insurance Benefits (HIB or Medicare Part A), Supplementary Medical Insurance (SMI or Medicare Part B) and which covers additional medical costs and prescription drugs (Part D), effective 1/1/06, for eligible individuals.

MODEL II WAIVER - Provides up to 16 hours a day for nursing services approved by DMS.

MORTGAGE - The written claim by which the pledging of property to a creditor as security for the payment of a debt is made.

NATURAL ASSETS - Rights to oil, gas, coal, timber, or other natural resources on land not owned by the individual.

NET WAGES - Wages minus appropriate deductions.

NON-HOME PROPERTY - Property, other than a home, owned by an individual.

NON-RECURRING LUMP SUM INCOME - Income received at one time and not expected to continue.

NURSING FACILITY (NF) - A licensed facility in which individuals are eligible for vendor payment. These facilities meet all requirements for participation in Kentucky's Medicaid program.



**PARTICIPATING ICF/MR/DD** - A licensed Intermediate Care Facility (ICF) for the treatment of the mentally retarded or developmentally disabled which has a valid provider contract with DMS.

**PARTICIPATING NF** - A licensed nursing facility (NF) that has submitted a completed Application for Participation, been certified by DMS for participation and been issued a time limited agreement.

**PASS THROUGH** - A Medicaid program which allows the receipt of Medicaid for individuals who lost their SSI or State Supplementation benefits due to an RSDI cost-of-living increase.

**PATIENT STATUS** - A classification based on the available clinical and social data determining level of care needs of the institutionalized recipient.

**PEER REVIEW ORGANIZATION (PRO)** - The organization responsible for conducting patient status determinations for recipients in need of NF, ICF/MR/DD and psychiatric care.

**PER DIEM RATE** - The daily rate a facility receives from DMS for each recipient in LTC. The per diem rate varies for each facility.

**PERSONAL NEEDS ALLOWANCE** - A basic maintenance deducted from the gross income of recipients in NF, non-institutionalized Hospice, HCBS, SCL, etc.

**PERSONAL PROPERTY** - Any property which can be moved such as jewelry or furniture, other than real property.

**PREPAID BURIAL FUND** - Monies deposited in a financial institution to a fund in the name of a mortician, bank official, or any other individual or group licensed to accept burial reserves, who the individual has a written agreement for funeral services.

**PROFIT** - Amount remaining after allowable deductions to income from self-employment.

**PROMISSORY NOTE** - A written promise to pay on demand or on a specified date, a certain sum of money to a seller or lender for a piece of property or other asset.

**QUALIFYING INCOME TRUST (QIT)** - For individuals in LTC with income in excess of the special income standard, this is a means of excluding income in order to establish Medicaid eligibility.

**REAL PROPERTY** - Land, including the buildings or improvements, natural assets, and mobile homes or trailers when used as a dwelling.

**RESOURCE ASSESSMENT** - An evaluation of the combined countable resources of the institutionalized spouse and community spouse completed at the beginning of the continuous period of institutionalization. The resource assessment, which may be completed without applying for Medicaid, involves documenting and verifying all countable resources owned by the couple if the receipt of a vendor payment services began on or after September 30, 1989. The combined countable resources are compared to the current Medicaid resource allowances for the institutionalized spouse and the community spouse to determine if the institutionalized spouse meets initial resource eligibility for Medicaid. Resource assessments are only completed if there is a community spouse. However, at any time an institutionalized applicant, a spouse, committee or representative acting on behalf of the institutionalized applicant makes contact with the agency, a resource assessment is completed.

RESOURCES - Available money, property or other assets.

RESTRICTED MEDICAID COVERAGE - Restricted Medicaid coverage involves denial of vendor payment status. The individual may be eligible for all other MA services on an ongoing or spend down basis.

RSDI - The Social Security benefits payable under Title II of the Social Security Act. The term stands for **R**etirement, **S**urvivors, **D**isability **I**nsurance (RSDI) and is known by other acronyms such as: (A) SSD – Social Security Disability; (b) SSDI – Social Security Disability Insurance; or (C) Title II Benefits.

SEPARATION MONTH - The month a couple ceases living together in a household.

SPENDDOWN - Time-Limited Medicaid issued to an individual or a family who meets all technical and resource eligibility but has income in excess of the MA scale for the family size.

SSI ALERT - An institutionalized individual receiving SSI with other income of \$50 or more.

STATE SUPPLEMENTATION PAYMENT - The payment made to an aged, blind or disabled individual who has insufficient income to meet special needs for care in a licensed Personal Care Home (PCH), licensed Family Care Home (FCH), Community Integration Supplementation (CIS) living arrangement, or to purchase caretaker services to prevent institutionalization.

SUBSTANTIAL GAINFUL ACTIVITY (SGA) - A term used by the Social Security Administration (SSA) to describe a level of work and earnings. It is considered in situations involving disabled or blind individuals. Work can be classified as "substantial" if it involves physical or mental activity or a combination of both. Full or part-time work can be classified as substantial. In order for a work activity to be classified "gainful", it must be: (A) Performed for pay or profit; or (B) Generally performed for pay or profit; or (C) Intended for profit, whether or not a profit is realized.

SUPPLEMENTAL SECURITY INCOME (SSI) - A federally funded program that makes monthly payments to individuals who have limited income and resources if they are 65 years of age or older or if they are blind or have another disability. Being eligible for SSI means an individual receives a monthly SSI payment and Medicaid.

TOTAL COUNTABLE INCOME - The sum of countable earned and unearned income.

TRANSFER OF RESOURCES - Transfer of resources is any cash, liquid asset or property which is voluntarily transferred, sold, given away or otherwise disposed of at less than fair market value, solely for the purpose of establishing MA eligibility.

TRUST PROPERTY - Any property that is placed in a trust where the principal amount in the trust and distribution from the trust are controlled by the terms of the trust. Property which can be placed in trust includes, but is not limited to, stocks, bonds, certificates of deposit, cash, checking accounts, savings accounts, and real estate.

UNCOMPENSATED EQUITY VALUE - Uncompensated equity value is the difference between the fair market value, less any outstanding debt owed on the resource, and the amount received for the resource.

UNDUE HARDSHIP - Undue hardship is when the denial of Medicaid, due to a transfer of resources penalty or consideration of funds placed in a trust, deprives an individual of medical care to the extent the individual's health and life would be endangered. Undue hardship also exists when application of the transfer of resources or trust provisions would deprive the individual of food, clothing, shelter, or other necessities of life.

UNEARNED INCOME - Money received which does not involve direct physical activity by the individual.

### **BURIAL AND LIFE INSURANCE DEFINITIONS**

BURIAL FUND – Monies deposited in a financial institution with a contractual agreement which designates that the funds deposited are for burial purposes only.

BURIAL INSURANCE – Insurance whose terms specifically state the proceeds can be used only to pay burial expenses of the insured.

BURIAL RESERVES – Method by which funds are set aside for the individual's burial expenses. Burial reserves can be a combination of multiple funding sources. These can be life insurance policies designated for burial, burial funds, prearranged funeral contracts and any other identifiable fund or resource designated as set aside for the individual's burial expense.

BURIAL RESERVE EXCLUSION – An allowable \$1,500 exclusion from liquid resources when a client indicates these resources are to be used for burial purposes. Form MA-36, Burial Designation, must be signed in order for the \$1,500 exclusion to be allowed.

BURIAL SPACES – Cemetery plots, crypts, mausoleums, urns, vaults, caskets, headstones, opening and closing of the grave or other repository which is used for the remains of a deceased person. Each household member is allowed one burial container and location, one headstone and opening of closing of grave or other repository.

CASH SURRENDER VALUE (CSV) OF LIFE INSURANCE – The dollar amount the individual would receive for cashing in a life insurance policy. This amount represents the cash value less any outstanding loan on the policy.

COUNTABLE BURIAL SPACE – The value of burial plots owned in excess of the one excluded for each household member (individual and community spouse and/or disabled/minor child if applicable).

FACE VALUE (FV) OF LIFE INSURANCE – The basic death benefit or maturity amount specified by the policy. The face value does not include dividends, additional amounts payable because of accidental death or other special provisions.

FULLY FUNDED/PAID IN FULL PREARRANGED FUNERAL CONTRACT – A prearranged funeral contract for which the individual has provided adequate funding (through a life insurance policy, cash, etc.) to pay for all services and goods needed for the individual's burial. The only time fully funded status must be verified is when the individual wishes to add additional funding to the prearranged funeral contract.

IRREVOCABLE ASSIGNMENT OF OWNERSHIP – When ownership of a resource is legally transferred to a person or funeral home and ownership cannot be changed again.

**IRREVOCABLE FUNERAL TRUSTS** – A legal agreement funded by cash entered into between the member and a specific funeral home. This agreement outlines the arrangement and pre-selection of goods and services. The trust must be accompanied by the Irrevocable Funeral Trust Agreement Form signed within 30 days of the Medicaid application, and an itemized statement of goods and services.

**PREARRANGED FUNERAL CONTRACT** – A contractual agreement between the client and funeral home that itemizes the selection of goods and services. All prearranged funeral contracts must have an itemized statement of goods and services selected for the individual and signed by both the funeral home and the client. This contract can be funded by multiple sources such as life insurance and cash. The funding source must have one or more of the following: (A) An acknowledged change of ownership of the insurance policy; or (B) Irrevocable assignment to the funeral home that guarantees that the funeral home receives the funds of the life insurance; or (C) Irrevocable assignment of beneficiary of the life insurance to the funeral home; or (D) Irrevocable trust agreement if funded by cash. **NOTE: ALL** prearranged funeral contracts, regardless of the amount of funding, must be reviewed and the appropriate checklist must be completed by the worker and scanned into the Electronic Case File (ECF).

**TERM LIFE INSURANCE** – Life insurance that covers a specified period of time during which premiums are paid over time. The face value is payable only if death occurs within that time period. There is generally no loan value or cash surrender value on a term life insurance policy. Modified Term Life policies may have a cash surrender value.

**WHOLE LIFE INSURANCE** – Insurance on an individual for a fixed amount that is paid each year during the entire lifetime of the insured. Whole life insurance may have a loan value and a cash surrender value.