

## DEPARTMENT OF HEALTH SERVICES

1744 P STREET  
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SACRAMENTO, CA 94234-7320



TO: All County Welfare Directors  
All County Administrative Officers  
All County Medi-Cal Program Specialists/Liaisons

March 5, 1992  
Letter No.: 92-17

SUBJECT: CHANGE TO TITLE 22, CALIFORNIA CODE OF REGULATIONS (CCR),  
SECTION 50476 - BURIAL INSURANCE

The purpose of this memo is to provide instructions to counties on the implementation of a regulation change to Title 22, CCR, Section 50476, "Burial Insurance". Under the revised regulation counties are required to consider any cash surrender value of burial insurance policies as part of the \$1500 allowed for designated burial funds (previously these policies were exempt). Therefore, under the revision some applicants and beneficiaries may now have excess property because burial insurance, regardless of cash surrender, is no longer considered exempt. The effective date of this regulation was June 28, 1991. The Department is requiring that counties implement no later than July 1, 1992.

All cases known to the County to have excess property under Section 50476 must be denied or discontinued after beneficiaries have received adequate notice. Known to the County includes those cases that are brought to the County's attention or reopened cases. Beneficiaries affected by this regulation must be provided one full calendar month from the date on the notice of action for the beneficiary to:

- 1) irrevocably assign, up to \$1800 of such cash surrender value to the mortuary/cemetery, and/or
- 2) begin taking steps to obtain the cash surrender value so that the cash surrender value can be considered unavailable until received. The form titled, "Medi-Cal General Property Limitations For All Medi-Cal Applicants" (MC Information Notice 007), must be provided so that the applicants or beneficiaries will know how to reduce their proceeds should they decide to obtain the cash surrender value.

After July 1, 1992, counties must simply deny new applications when such a nonexempt burial insurance policy results in excess property. Counties should continue to process already on-going cases in accordance with the directions provided in the above paragraph until all on-going cases have been processed in accordance with the new Section 50476.

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The updated Medi-Cal Eligibility Manual (MEM) Sections on burial insurance and burial funds were sent to the counties in Medi-Cal Eligibility Manual Letter No. 1, for the MEM Third Edition, dated December 23, 1991. If you did not receive the update to your new MEM please call Anna Tenderella at (916) 657-1064.

If you have any questions on this issue, please call Sharyl Shanen-Raya at (916) 657-2942.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch