

## **PAYMENT OF THE FUNERAL AND MEDICAL BILLS**

### CHAPTER FIVE:

*This chapter summarizes benefits available and information regarding paying medical and funeral expenses of the deceased.*

## PAYMENT OF FUNERAL AND MEDICAL BILLS

### Is There Enough Money?

#### Medical Expenses.

There are basically four sources of money that may be used to pay these expenses: 1) private medical insurance or HMO (under a group or an individual plan); 2) government medicare; 3) life insurance; and 4) personal assets. Where the deceased had group coverage:

“The final illness of the deceased will likely be covered in part or wholly by the insurance company according to your schedule of benefits. When you receive the medical bills, file your claim quickly. This will eliminate the unpleasantness of these bills arriving for months after the death has occurred. At the same time be sure to convert to individual coverage. Do not leave it up to the insurer to make the adjustment. Some employers have an arrangement with their health insurance company by which you may continue group health insurance for up to one year or more through your spouse’s existing policy. Even though you will have to pay the employer directly for your coverage, you will find that you can save a substantial amount of money by taking advantage of group rates. Whatever you do, try to make sure your medical coverage is adequate. Whatever money you have could evaporate overnight if you are caught ill and uninsured.”<sup>1</sup>

#### Funeral Expenses.

Social Security will pay a one-time death benefit of \$255 to surviving spouses (but not to other family survivors if there is no surviving spouse).

Veteran’s benefits regarding funeral expenses change from time to time. Your funeral director should be thoroughly familiar with these benefits and usually will be the one to notify the Veteran’s Administration and work out the details. Disabled veterans (30% or more) are entitled to a \$150 burial allowance and a flag for the coffin. If the death is service connected the allowance is \$1,500. Active duty military members are entitled to a casket. Retired and active duty military members are entitled to a burial plot in a National Cemetery, if space is available. In Maryland, residents of Maryland for one year or more who are honorably discharged veterans, are entitled to a burial plot in one of the four Veteran’s Cemeteries operated by the Maryland Veteran’s Cemetery Commission. Other states have similar arrangements.

Legal Limitations. Unless authorized by your Will, in many states your estate must seek court approval to pay funeral expenses. I recommend your Will authorize payment of these expenses.

<sup>1</sup>ibid. p. 102.