

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Donald R. Berthiaume, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to increase the Medicaid life insurance exemption.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Donald R. Berthiaume, Jr.</i>	<i>5th Worcester</i>	<i>1/16/2025</i>

HOUSE No.

[Pin Slip]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act to increase the Medicaid life insurance exemption.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 25 of chapter 118E of the Massachusetts General Laws, as most recently
2 appearing, is hereby amended by inserting at the end thereof the following new section:-

3 (6)(A) For the purposes of this section the following words shall have the following
4 meanings:

5 “Cash Surrender Value (CSV)”, shall mean, the amount available in cash upon
6 cancellation of an insurance policy before it becomes payable upon death or maturity.

7 “Term Life Insurance”, shall mean, insurance that provides coverage for a set period and
8 does not accumulate any cash value. These policies are excluded from Medicaid asset
9 calculations.

10 “Permanent Life Insurance”, shall mean, whole life, universal life, and any other life
11 insurance policies that accumulate cash surrender value over time.

12 (B) The exemption for life insurance policies with cash surrender value when
13 determining Medicaid eligibility shall be \$10,000 in face value. This exemption applies to the
14 combined face value of all whole life, universal life, and any other permanent life insurance
15 policies held by the Medicaid applicant or recipient.

16 (C) The face value exemption shall be adjusted for inflation every 5 years based on the
17 Consumer Price Index (CPI). Adjustments will be rounded to the nearest \$100.

18 (D) Term life insurance policies shall continue to be excluded from Medicaid eligibility
19 calculations, as they do not accumulate any cash surrender value and are intended purely for
20 death benefit protection.

21 (E) Every three year, the office of Medicaid shall submit a report to the senate and house
22 committees on ways and means evaluating the financial impact of the increased exemption on
23 the Medicaid program, including any changes in beneficiary access to life insurance policies and
24 funeral costs covered by these policies.