

SESSION OF 2004

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2718

As Recommended by House Committee
on Health and Human Services

Brief*

HB 2718 concerns funeral and cemetery merchandise. The bill increases the dollar amount of funds that can be placed in an irrevocable funeral agreement, contract, or plan to \$5,000 plus the price of a casket, urn, and outside burial container. Current law allows \$3,500 to be placed in such agreements, contracts, and plans.

Background

HB 2718 was requested by the Kansas Funeral Directors and Embalmers Association whose representative explained that the dollar amount in the law has not been changed since 1998; however, the cost of an average adult funeral nationwide, including outside container, has increased to more than \$6,800. The increase in the amount that can be placed in these funeral accounts is needed to help cover the cost of an average funeral.

The bill also was supported by the Department of Social and Rehabilitation Services, whose representative commented that Medicaid eligibility rules allow such agreements to be exempt as countable assets. In the Department's experience, many elderly enter into such agreements in order to provide resources for their funeral and burial needs. Given limited dollars in the Medicaid program for funeral assistance, prepaid plans offer better protection for both the individual recipient and the individual's family.

The fiscal note prepared by the Division of the Budget indicates passage of the bill will have no fiscal effect.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>