

February 19, 2004

To: House Health and Human Services Committee

From: Pam Scott, Executive Director
Kansas Funeral Directors and Embalmers Association

Re: House Bill No. 2718

Chairman Morrison and members of the Committee, I appear before you today on behalf of the Kansas Funeral Directors and Embalmers Association (KFDA) in support of House Bill No. 2718. The KFDA represents over 300 funeral homes across the state of Kansas.

House Bill No.2718 was introduced at the request of the KFDA. The bill would increase the dollar amount of funds that can be placed in an irrevocable funeral agreement, contract or plan to \$5000 plus the retail price of a casket, urn and outside burial container. Currently \$3500 plus the retail price of a casket, urn and outside burial container can be placed in an irrevocable account. This has not increased for over 5 years.

The KFDA is requesting this increase because the \$3500 is not sufficient when considering today's funeral costs. The \$3500 has not been increased since 1998. Statistics released by Federated Funeral Directors of America for 2002 show the cost of an average "Regular Adult Funeral" nationwide as \$5211.21. This amount does not include the outside burial container, cemetery expenses or cash advance items. The average Gross sale reported was \$6876.10. The Federated Funeral Directors of America statistics show the cost of an average "Regular Adult Funeral" in Kansas is \$5123.57. The increase in the amount of funds that can be placed in these accounts is needed to cover the cost of an average funeral.

We do not believe the increase contained in this bill will have any adverse fiscal impact on the state of Kansas. In fact it could have a favorable fiscal impact. Individuals going on medical assistance are encouraged to place funds into prearranged funeral agreements when spending down their assets to qualify for assistance. The placing of funds in a prearranged funeral account has the effect of reducing the amount of funds the state pays out under the funeral assistance program because recipients have set aside funds to pay for their funeral expenses instead of leaving the state responsible. Any funds remaining in a prearranged funeral account, after the payment of funeral

expenses, are paid to the Estate Recovery Unit of the Kansas Department of Social and Rehabilitation Services, to the extent of medical assistance that has been expended on the deceased.

We would appreciate your support of House Bill No.2718. I would be happy to respond to any questions you may have.