

MINUTES OF THE HOUSE FINANCIAL INSTITUTIONS COMMITTEE

The meeting was called to order by Chairman Ray Cox at 12:57 p.m. on February 4, 2004 at the rail on the third floor of the Capitol.

All members were present except:

Committee staff present:

Bruce Kinzie, Revisor's Office
Bill Wolff Legislative Research Department
Maggie Breen, Secretary

Conferees appearing before the committee:

Chuck Stones, Kansas Bankers Association

Others attending:

None

Chuck Stones, Kansas Bankers Association, requested a bill be introduced dealing with funeral arrangement accounts. (**Attachment 1**)

Chairman Cox said that without objection, the bill would be introduced.

Meeting adjourned at 12:58 p.m.

Next meeting is scheduled for February 9, 2004

KBA Bill Request – 2004

Funeral Agreement Accounts

16-304. Same; payments upon death, conditions; balances. (a) If any balance remains in the account upon the death of the person for whose services the funds were paid, the same shall not be paid by such bank, credit union or savings and loan association to the person, association, partnership, firm or corporation until the expiration of at least five days after the date of death of the person for whose services such funds were paid. The funds shall not be paid by the bank, credit union or savings and loan association until a certified copy of the death certificate of such person, a verification of death form or other acceptable proof of death shall have been furnished to the bank, credit union or savings and loan association, together with a verified statement setting forth that all of the terms and conditions of such agreement have been fully performed by the person, association, partnership, firm or corporation.

(b) If any balance remains in the fund after disposition of the fund in accordance with the terms of the agreement, contract or plan such balance shall inure to the benefit of the estate of the purchaser of the agreement, contract or plan unless the purchaser was a person who received medical assistance from the department of social and rehabilitation services or a deceased surviving spouse of a recipient of medical assistance, **and the bank, credit union or savings and loan association has received written notice from the department of social and rehabilitation services, the funeral home or the recipient, stating that medical assistance has been expended on the recipient for which the department of social and rehabilitation services may have a claim.** ~~in which case~~ **If such notice has been received,** the balance shall be paid to the secretary of social and rehabilitation services or the secretary's designee to the extent of medical assistance expended on the deceased recipient.

(c) **The bank, credit union or savings and loan association shall not be liable to the department of social and rehabilitation services for the balance in the fund if written notice has not been received and the balance of the fund has been paid to the estate of the purchaser of the agreement as provided above.**

16-311. Same; duty of medical assistance recipient to inform; payments of balances upon death; conditions. (a) Whenever a person, who is or has been a recipient of medical assistance from the department of social and rehabilitation services, enters into a prearranged funeral agreement, contract or plan pursuant to K.S.A. 16-301, and amendments thereto, or a prearranged funeral agreement, contract or plan funded by insurance proceeds, such person shall inform the secretary of social and rehabilitation services or the secretary's designee of the existence of such an agreement, contract or plan and shall inform the funeral establishment that such person is or has been a recipient of medical assistance.

(b) If any balance remains after payment for the final disposition of a dead human body, or for funeral or burial services, or funeral or burial merchandise, and the purchaser of the agreement, contract, or plan is or has been a recipient of medical assistance or a deceased surviving spouse of a recipient of medical assistance, any remaining balance shall be paid according to K.S.A. 16-304, and amendments thereto, or if said agreement, contract or plan was funded by insurance, any remaining balance shall be paid by the insurance company or the person, association, partnership, firm or corporation providing the services or merchandise to the secretary of social and rehabilitation services or the secretary's designee, to the extent of medical assistance expended on the deceased recipient. ***The insurance company or the person, association, partnership, firm or corporation providing the services or merchandise shall not be liable to the department of social and rehabilitation services for the balance in the account if written notice has not been received stating that medical assistance has been expended on the recipient for which the department of social and rehabilitation services may have a claim, and the balance of the account has been paid to the estate of the deceased or in the case of insurance, the designated beneficiary.***

(c) Payments to the secretary of social and rehabilitation services under subsection (b) and K.S.A. 16-304, and amendments thereto, shall be governed by subsection (g)(2) of K.S.A. 39-709, and amendments thereto.