



KANSAS FUNERAL DIRECTORS ASSOCIATION

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PAM SCOTT
Topeka

To: Senate Public Health and Welfare Committee

From: Pam Scott, Executive Director
Kansas Funeral Directors Association

Re: Senate Bill No. 359

Date: February 13, 2020

Chairman Suellentrop and members of the Committee, I am Pam Scott, Executive Director of the Kansas Funeral Directors Association (KFDA). Thank you for the opportunity to appear before you today in support of Senate Bill No. 359 which was introduced at the request of the KFDA.

This bill would amend K.S.A. 16- 303(c) to remove the limit on the amount of funds a person can place in an irrevocable prearranged funeral agreement. A prearranged funeral agreement is entered into by a person to preplan and prepay for their funeral and burial expenses. This is usually done to take the burden off of the family to plan and pay for a funeral at the time of death. A person may also enter into an irrevocable prepaid funeral agreement when they need to spend down their assets to be eligible for nursing home coverage under Medicaid. Funds placed into such an agreement are exempt asset when determining eligibility.

Current law provides that \$7000 plus the retail price of a casket, urn and outside burial container can be placed in an irrevocable account. In the past, the KFDA has come before the legislature approximately every six years to ask that the cap be increased to keep pace with inflation. We have not done so since 2010. Eliminating the limit that can be placed in an irrevocable contract would eliminate the need to come back to the legislature to obtain increases.

Laws across the country vary as to the amount of funds that can be placed in an irrevocable prearranged funeral agreement. A majority of states have no dollar cap on the amount that can be placed in an irrevocable prearranged funeral agreement. In Kansas, as in other states, if there are funds remaining in an account after the payment of funeral expenses, the excess funds are paid to the state's estate recovery unit to the extent of medical expenses expended. This would benefit the state financially.

Funeral pricing is regulated on the national level by the Federal Trade Commission. A general price list and a Statement of Funeral Good and Services must be provided to anyone purchasing a funeral. A Statement of Funeral Goods and Services selected by the purchaser of the agreement is attached to a prearranged funeral agreement. The amount of funds placed into the agreement cannot exceed the cost of the funeral and cemetery expenses selected.

Thank you again for the opportunity to testify. The KFDA and its member funeral homes would appreciate your support of Senate Bill No. 359. I would be happy to stand for any questions you may have.