

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

FISCAL ESTIMATE
 DOA-2048 N(R10/96)

Subject
 Irrevocable Burial Trusts

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation
 or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb
 Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
- Decrease Existing Appropriation Decrease Existing Revenues
- Create New Appropriation

Decrease Costs

Local: No local government costs

- 1. Increase Costs
 Permissive Mandatory
- 2. Decrease Costs
 Permissive Mandatory

- 3. Increase Revenues
 Permissive Mandatory
- 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
- Towns Villages Cities
 - Counties Others _____
 - School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.435 (4) (b) 20.435 (4) (0)

Assumptions Used in Arriving at Fiscal Estimate

Current law allows the exclusion of certain assets for individuals over 65 when determining eligibility for Medicaid (MA). One such asset is irrevocable burial trusts. An irrevocable burial trust is money which is set aside for funeral/burial costs with no pre-arrangement of services. Current law allows for the exclusion of burial trusts up to a value of \$2,000 with an increase in the allowable value to \$2,500 on January 1, 2001. This bill would raise the allowable value to \$3,500 effective immediately and delete the change to \$2,500 on January 1, 2001.

MA eligibility reports show that approximately 1,000 persons per month apply for MA institutional services (nursing home services) in Wisconsin. Of those 1,000 applicants, 16% report having burial trusts with an estimated value of \$2,000. Data is not currently available on the number and income levels of individuals with burial trusts over \$2,000. Therefore, this fiscal estimate will be limited to the 16% of MA institutional services applicants for whom there is data.

Of the 16% MA institutional services applicants per month who report having burial trusts (approximately 160 persons), it is estimated that two thirds, 106 applicants, would have such assets as to benefit from the proposed legislation. If effective immediately, the proposed legislation would allow 106 applicants per month to keep an additional \$1,500 of assets which otherwise would have been spent on MA institutional care. Thus the fiscal effect of the proposed legislation can be calculated as follows: 106 applicants/mo. X \$1,500 per applicant x 12 months = \$1,908,000 AF (\$786,100 GPR).

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

DHFS/Anne Miller 266-5422

Authorized Signature/Telephone No.

John A. Kiesow
 John A. Kiesow, 266-9622

Date

2/2/00

FISCAL ESTIMATE WORKSHEET

1999-2000 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/96)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
LRB-3876/1 SB307

Amendment No.


Subject
Irrevocable Burial Trusts

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations	1,908,000	-
TOTAL State Costs by Category	\$ 1,908,000	\$ -0
B. State Costs by Source of Funds		
GPR	\$ 786,100	\$ -
FED	1,121,900	-
PRO/PRS		-
SEG/SEG-S		-
State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$ 0	\$ -0

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$1,908,000 _____	\$0 _____
NET CHANGE IN REVENUES	\$0 _____	\$0 _____

Agency/Prepared by: (Name & Phone No.) DHFS/Anne Miller 266-5422	Authorized Signature/Telephone No. John A. Kiesow, 266-9622 	Date 2/8/00
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