



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #397

Cemetery, Funeral, and Burial Aids (DHFS -- MA, BadgerCare, and SeniorCare -- Administration)

[LFB 2005-07 Budget Summary: Page 261, #3]

CURRENT LAW

DHFS is required to reimburse counties and tribes for funeral and burial expenses (up to \$1,500 per individual) and cemetery expenses (up to \$1,000 per individual) for deceased individuals who, at the time they died, were receiving W-2, supplemental security income (SSI) benefits, or medical assistance (MA) benefits and whose estates are insufficient to pay these expenses. The county or tribe is not required to pay for any cemetery expenses if the total cemetery expense exceeds \$3,500. In addition, the county or tribe is not required to pay for any funeral or burial expenses if these total expenses exceed \$3,500. DHFS may waive the \$3,500 limit if it determines that a special circumstance exists.

Funeral expenses are items or services provided by a funeral home, including cremation, unless the funeral home provides certain items or services on the behalf of a cemetery (including opening and closing of the grave and the outer burial vault), in which case the expense is counted as a cemetery expense. If the item or service is provided by a cemetery or crematorium, it is a cemetery expense.

GOVERNOR

Modify current law to require DHFS to provide these reimbursements to counties and tribes to the extent that funds are available for this purpose.

DISCUSSION POINTS

1. Before 2003-04, the Department of Workforce Development (DWD) administered the cemetery, funeral, and burial aids program. 2003 Wisconsin Act 33 (the 2003-05 biennial budget act) transferred the administration of the burial aids program to DHFS, including \$4,550,200 GPR annually, beginning in 2003-04, to support benefits under this program. This funding is budgeted in DHFS in a GPR appropriation, which also supports: (a) county and tribal income maintenance (IM) contracts; (b) FoodShare administration and benefits for individuals who are eligible for benefits under state law but not under federal law; and (c) a portion of the Department's fraud and program integrity activities. In 2004-05, \$36,476,600 GPR is budgeted to support all of these programs. The cemetery, funeral, and burial aids program is supported entirely with GPR.

2. DHFS allocates funding annually to counties and tribes to reimburse them for the cemetery, funeral, and burial costs of eligible individuals under this program. The attachment to this paper lists the allocations for 2004 and 2005, as well as the actual expenses for each county or tribe in 2004. As the attachment shows, \$4,550,200 was allocated to counties and tribes in 2004 and 2005 and actual expenses claimed by counties for calendar year 2004, totaled \$5,346,400. The amount allocated to a county or tribe in each year is based on the county or tribe's relative average of the two previous years of actual agency expenses.

3. Total payments to counties and tribes for reimbursable cemetery, funeral, and burial costs have been increasing, as illustrated in the following table. DHFS staff does not know why claims have increased during this period, since counties currently do not report information to the state other than their claims for reimbursement. The increasing costs may be due to an increasing number of deaths of eligible individuals, increases in average reimbursable costs per eligible individual, or both. As reimbursable costs have increased, state payments to counties and tribes have increased.

Cemetery, Funeral, and Burial Actual Expenditures 1999-00 through 2003-04

<u>Year</u>	<u>Expenditures</u>	<u>Percent Change From Previous Year</u>
1999-00	\$3,466,100	N.A.
2000-01	3,534,700	2.0%
2001-02	4,796,600	35.7
2002-03	5,764,700	20.2
2003-04	5,559,900	-3.6

4. The appropriation that supports county and tribal reimbursement is a biennial, sum certain appropriation. In each year since the program was transferred to DHFS, the costs of reimbursing counties and tribes for cemetery, funeral, and burial expenses have exceeded the base

funding that was transferred from DWD to DHFS in Act 33 (\$4,550,200) to support these costs. Consequently, DHFS has been required to use more of the funding budgeted in the IM appropriation to reimburse counties and tribes for the cemetery, funeral, and burial aids program, reducing the amount of funding that would otherwise be available for county IM activities.

5. Under the bill, DHFS would be required to provide reimbursement for cemetery, funeral, and burial expenses to the extent that funds are available for this purpose. The administration considers the annual funding that was transferred to DHFS in 2003-04 (\$4,550,200 GPR) to be the amount "available for this purpose." However, since the statutory change in the bill does not include this dollar figure, counties and tribes would have no guarantee that this amount, or any amount, would be provided annually to support eligible cemetery, funeral, and burial expenses. In addition, some could argue that the amount "available for this purpose" would include all funds budgeted in the IM appropriation. Under this interpretation, there would be no change from current practice.

6. The Committee could create an annual GPR appropriation in DHFS to support the cemetery, funeral, and burial aids program and transfer \$4,550,200 GPR that is currently budgeted in the IM appropriation to this new burial aids program appropriation and retain the Governor's provision that would require DHFS to reimburse counties and tribes for cemetery, funeral, and burial expenses to the extent that funds are available in this new GPR appropriation for this purpose. However, based on total reimbursable claims DHFS paid in 2003-04 (\$5,559,900), it is unlikely that the appropriation would be sufficient to meet all claims in 2005-06 and 2006-07. Consequently, DHFS would not pay any claims in the fiscal year after the appropriation was fully expended.

7. The Committee could reduce the statutory reimbursement limits as a way to reduce program costs. In its 2005-07 biennial budget submission, DHFS requested that these limits be reduced from \$1,500 to \$1,150 for funeral and burial expenses and from \$1,000 to \$750 for cemetery expenses. Compared to the Governor's recommendation, reducing the statutory reimbursement limits would allow DHFS to reimburse counties for more cases, but reduce the maximum amount of reimbursement a county would receive for each case. Under this alternative, it is estimated that the base funding would be sufficient to pay all eligible claims.

8. If the state's level of reimbursement for each individual is reduced, and the cemetery, funeral, or burial costs do not also decrease, it is possible that counties would fund more of the cemetery, funeral, or burial costs for these individuals. Under current law, a county coroner or medical examiner is required to "cause the body to be decently buried or cremated" for individuals whose identity is unknown or whose body is unclaimed. The burial or cremation expenses are required to be paid out of the county treasury. Additionally, county sheriffs are required to "properly bury" bodies recovered by the sheriff that are not claimed by friends or relatives or wanted for instructional purposes by medical schools. While the statutes do not state that counties are responsible for the burial of individuals whose bodies are claimed by family or friends or whose estates do not support the costs of burial, the statutes could be interpreted to indicate that counties or tribal governing bodies are responsible for the burial.

9. Alternatively, if the Committee wants to fully reimburse counties and tribes for their cemetery, funeral, and burial costs at the current maximum reimbursement rates, the Committee could delete the Governor's provision and create a GPR sum sufficient appropriation for cemetery, funeral, and burial aids. In addition, a reference to this new appropriation could be added under the current law requirement that DHFS reimburse counties and tribes for the expenses under the cemetery, funeral, and burial aids program.

10. The best estimate for future cemetery, funeral, and burial costs is probably actual total reimbursable claims DHFS paid in 2003-04 of \$5,559,900. Therefore, under this alternative, the Committee would need to transfer an additional \$1,009,700 GPR in both 2005-06 and 2006-07 from the IM appropriation to support the estimated costs of this program. This would reduce the amount of funding available to support IM activities in the 2005-07 biennium, which would occur if no change were made to the statutes. Alternatively, additional funding could be budgeted to support these projected cost increases.

11. Finally, the Committee could repeal the requirement that the state reimburse counties and tribes for these costs, and specify that there is no state, county, or tribal responsibility relating to these costs. However, counties would maintain responsibilities described under Discussion Point 8. Under this alternative, families of the deceased would assume greater responsibility for all cemetery, funeral, and burial costs. This alternative would most likely result in many of these recipients receiving minimal services, and an increase in services provided, either by counties, funeral homes, and cemeteries, for which no payment is made by family members.

ALTERNATIVES

1. Adopt the Governor's recommendation.
2. Delete the Governor's recommendation. Instead: (a) create a GPR, annual appropriation for the cemetery, funeral, and burial aids program; (b) provide \$4,550,200 GPR annually in this new appropriation and decrease funding from the current appropriation for IM activities by a corresponding amount; and (c) require DHFS to reimburse counties and tribes to the extent that funding is available from this appropriation.
3. Delete the Governor's recommendations. Instead: (a) reduce the reimbursement limits to \$1,150 for funeral and burial expenses and \$750 for cemetery expenses; (b) create a GPR, annual appropriation for the cemetery, funeral, and burial aids program; (c) provide \$4,550,200 GPR annually in this new appropriation and decrease funding from the current appropriation for IM activities by a corresponding amount; and (d) require DHFS to reimburse counties and tribes to the extent that funding is available from this appropriation.
4. Delete the Governor's recommendation. Instead: (a) create a GPR, sum sufficient appropriation for the cemetery, funeral, and burial aids program; (b) transfer \$5,559,900 GPR annually from the IM appropriation to the new cemetery, funeral, and burial aids appropriation; and

(c) include a reference to this new appropriation under the current law provisions relating to the cemetery, funeral, and burial aids program.

5. Delete the Governor's recommendation. Instead: (a) create a GPR, sum sufficient appropriation for the cemetery, funeral, and burial aids program and provide \$5,559,900 GPR annually for this purpose; (b) delete \$4,550,200 GPR annually from the IM appropriation to reflect that funding for this program would be provided from the new appropriation; and (c) include a reference to this new appropriation under the current law provisions relating to the cemetery, funeral, and burial aids program.

<u>Alternative 5</u>	<u>GPR</u>
2005-07 FUNDING (Change to Bill)	\$2,019,400

6. Repeal the requirement that DHFS reimburse counties and tribes for cemetery, funeral, and burial expenses and specify that the state, counties, and tribes are not responsible for the cemetery, funeral, and burial costs for the population that is currently eligible for state reimbursement.

<u>Alternative 6</u>	<u>GPR</u>
2005-07 FUNDING (Change to Bill)	-\$9,100,400

Prepared by: Yvonne M. Onsager
Attachment

ATTACHMENT

2004 and 2005 Cemetery, Funeral, and Burial Allocations and Expenses

<u>County/Tribe</u>	<u>2004 Allocation</u>	<u>2004 Expenses Reimbursed</u>	<u>2005 Allocation</u>
Adams	\$30,551	\$48,885	\$36,368
Ashland	31,879	56,089	38,682
Barron	66,983	64,056	79,151
Bayfield	25,500	27,174	17,619
Brown	101,184	121,458	110,728
Buffalo	12,465	11,460	8,417
Burnett	19,615	27,763	15,013
Calumet	21,754	12,342	12,253
Chippewa	63,202	67,485	59,898
Clark	21,164	28,059	20,294
Columbia	42,452	26,930	46,211
Crawford	17,442	19,497	15,643
Dane	255,028	283,464	236,434
Dodge	34,025	35,844	33,406
Door	7,356	16,432	10,173
Douglas	35,338	43,482	44,756
Dunn	31,828	53,165	26,352
Eau Claire	86,506	91,961	98,361
Florence	1,991	19,411	8,473
Fond du Lac	87,878	125,234	84,841
Forest	11,154	19,326	5,849
Grant	59,063	47,848	50,152
Green	40,786	30,249	36,177
Green Lake	17,024	9,250	21,536
Iowa	34,581	18,979	30,146
Iron	10,525	6,913	8,763
Jackson	9,071	13,756	7,127
Jefferson	36,534	53,256	41,509
Juneau	22,951	24,745	23,010
Kenosha	144,008	241,989	165,343
Kewaunee	4,798	11,743	5,008
La Crosse	99,188	110,202	91,975
Lafayette	7,795	17,174	6,347
Langlade	25,906	39,463	18,385
Lincoln	16,758	23,522	14,941
Manitowoc	68,718	73,826	65,872
Marathon	58,413	99,233	62,917
Marinette	48,388	56,321	35,819
Marquette	15,349	16,276	11,762
Menominee	4,226	0	2,464

<u>County/Tribe</u>	<u>2004 Allocation</u>	<u>2004 Expenses Reimbursed</u>	<u>2005 Allocation</u>
Milwaukee	\$1,248,126	\$1,471,334	\$1,249,206
Monroe	52,050	46,225	40,702
Oconto	22,232	26,148	23,555
Oneida	31,757	21,489	32,351
Outagamie	45,323	78,257	51,912
Ozaukee	12,535	25,331	14,269
Pepin	5,066	12,124	2,227
Pierce	23,397	14,110	21,680
Polk	76,735	42,440	67,799
Portage	45,678	75,112	59,659
Price	15,688	31,138	17,787
Racine	175,354	228,875	194,613
Richland	10,552	19,931	16,008
Rock	151,640	202,359	168,957
Rusk	48,808	31,378	37,624
St. Croix	38,422	21,043	33,119
Sauk	91,511	116,851	78,868
Sawyer	27,448	23,194	23,834
Shawano	27,591	37,730	35,970
Sheboygan	59,163	76,315	62,346
Taylor	15,018	12,476	17,483
Trempealeau	47,443	41,908	49,165
Vernon	17,648	8,470	27,440
Vilas	13,394	11,481	18,172
Walworth	37,543	69,408	34,447
Washburn	22,447	23,535	21,311
Washington	44,528	55,373	54,644
Waukesha	89,496	81,812	76,834
Waupaca	83,056	76,694	71,845
Waushara	22,158	12,656	18,271
Winnebago	137,995	181,947	142,884
Wood	52,321	67,582	59,323
Bad River Tribe	3,200	5,505	1,320
Lac du Flambeau Tribe	12,800	1,900	8,888
Oneida Tribe	4,700	0	4,928
Potawatomi Tribe	1,000	0	500
Red Cliff Tribe	4,100	0	880
Sokaogon Tribe	1,800	0	500
Stockbridge-Munsee Tribe	<u>1,100</u>	<u>0</u>	<u>704</u>
TOTAL	\$4,550,200	\$5,346,393	\$4,550,200