



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #338

Funeral and Cemetery Aids (DHS -- Medical Assistance and FoodShare -- Administration)

[LFB 2013-15 Budget Summary: Page 244, #6]

CURRENT LAW

The Department of Health Services (DHS) provides funding to support funeral and cemetery services to certain indigent individuals who were enrolled in the state's medical assistance (MA) program or participating in Wisconsin Works at the time of their death. Under the program, the state pays the lesser of either: (a) the amount not covered by the estate or other persons; or (b) \$1,000 for cemetery reimbursement and \$1,500 for funeral and burial expenses. However, the program does not pay any funeral, burial or cemetery expenses if the total expenses for funeral services exceed \$4,500, or if the total expenses for cemetery services exceed \$3,500.

Prior to calendar year 2012, DHS reimbursed counties and tribes for expenses they incurred to pay funeral and cemetery services providers for eligible services. 2011 Wisconsin Act 32 (the 2011-13 biennial budget act) authorized the creation of regional income maintenance consortia, beginning in calendar year 2012, and specified which income maintenance functions would be performed by the consortia, the state, and both the state and the consortia. Although Act 32 identified administration of the Wisconsin funeral and cemetery aids program as a state responsibility [s. 49.78(2r) of the statutes], the act did not amend the statutory provisions relating to the program (s. 49.785 of the statutes). Consequently, these statutes reflect the manner in which DHS administered the program prior to the 2012 calendar year.

Even though the program is an entitlement program, funding for the program is budgeted in a biennial GPR appropriation. DHS does not have the authority to deny payment for eligible claims, nor can it prorate claims payments if it determines that the amount of funding budgeted for the program is insufficient to pay eligible claims. Base funding for the program is \$8,594,000 GPR annually.

GOVERNOR

Provide \$1,274,900 GPR in 2013-14 and \$1,704,700 GPR in 2014-15 to fund projected increases in program costs in the 2013-15 biennium so that \$9,868,900 GPR in 2013-14 and \$10,298,700 GPR in 2014-15 would be budgeted for the program.

MODIFICATION

Increase funding in the bill by \$490,600 GPR in 2013-14 and by \$506,200 GPR in 2014-15 to reflect revised estimates of the amount of funding that will be needed to fund the program in the 2013-15 biennium. In addition, modify provisions in s. 49.785 of the statutes to delete references to counties and tribes submitting claims for reimbursement under the program, since DHS currently reimburses funeral service providers and cemeteries directly for these services.

Explanation: The funding increases in the bill were based on projections DHS prepared in July, 2012, and included in the Department's September, 2012, 2013-15 budget submission. Based on a review of monthly expenditures through April, 2013, total expenditures for 2012-13 are projected to be approximately \$9,850,000, or approximately \$1,256,000 GPR greater than the amount budgeted for the program in the current year. DHS indicates that it intends to seek a transfer of funds under s. 13.10 of the statutes to address a projected shortfall for the program in the current biennium. Based on the more recent monthly total expenditure and average cost data, it is currently estimated that total costs of the program will be approximately \$10,359,500 GPR in 2013-14 and \$10,804,900 GPR in 2014-15. Consequently, funding in the bill should be increased by an additional \$490,600 GPR in 2013-14 and by \$506,200 GPR in 2014-15 to reflect the revised cost estimates. In addition, the modification would make statutory changes to the program to fully codify the program changes enacted in Act 32.

Change to Bill Funding	
GPR	\$996,800

Prepared by: Charles Morgan