

Testimony
House Bill 1477 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
March 2, 2009

Chairman Lee, members of the Human Services Committee, I am Maggie Anderson, Director of Medical Services for the Department of Human Services. I am here in support of House Bill 1477.

The current asset limit for Medicaid eligibility is set at \$3,000 for a single household and \$6,000 for a two-member household. In addition, each eligible individual may have a pre-need funeral account of up to \$5,000. A recipient could designate any part of the \$3,000 asset allowance to also be used for funeral expenses. All earnings from the pre-need funeral accounts are not counted toward the asset limit. The current limit has been in effect since July 2005, at which time it was increased from \$3,000 to \$5,000.

During the current interim, the North Dakota Funeral Directors Association provided information to the Department that demonstrates the average cost for a funeral is \$9,314; they also requested the funeral set aside be increased to \$7,000.

The Department's 2009-2011 Executive Budget request to the House included the funding to increase the funeral set aside from \$5,000 to \$7,000.

The House amended HB 1477 and HB 1012 (DHS Appropriation) to increase the Funeral Set Aside from \$5,000 to \$6,000, rather than \$7,000 originally requested in 2009-2011 Executive Budget request. The

estimated cost for the amended bill is \$283,000 of which \$104,649 are general funds, and \$178,351 are federal funds. The funding for the Funeral Set Aside is contained in HB 1012.

This funding estimate is based on the Department's projection of the additional costs that will be incurred because individuals will be able to set aside additional assets and, therefore, will become eligible for Medicaid earlier than under the current limits on pre-need funeral funds.

Contingent upon approval of the Centers for Medicare and Medicaid Services (CMS), this increase is expected to be effective July 1, 2009.

I would be happy to respond to any questions you may have.