

Testimony
Senate Bill Number 2075 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
January 11, 2011

Chairman Lee, members of the Human Services Committee, I am Jonathan Alm, an attorney with the Department of Human Services. I am here today in support of Senate Bill 2075.

This bill is designed to clarify that any amount in a pre-need funeral service contract, prepayment, or deposit designated under North Dakota Century Code Section 50-24.1-02.3 not used for funeral or burial expenses must be returned to the estate of the medical assistance recipient and will be subject to the Department's claim against the estate. The Department is required by federal law and by North Dakota Century Code Section 50-24.1-07 to file a claim against the estate of a medical assistance recipient or the recipient's spouse. The Department is also authorized to collect assets belonging to a deceased recipient of medical assistance or spouse using the affidavit for collection method set forth by North Dakota Century Code Chapter 30.1-23.

The Department was contacted by a couple of individuals who are actively involved in the funeral service industry. The individuals raised a concern about a growing trend in which they see family members opting for a different funeral service than what the decedent had indicated pursuant to a burial pre-arrangement. The family members, in turn, retain the balance of the burial account rather than return it to the decedent's estate. This bill provides a tool for the funeral service industry to inform family members that if there are funds remaining in the burial account after all arrangements have been made, the funds are subject to estate

recovery by medical assistance. This bill will not change the Department's current ability to collect the excess funds in the burial account.

This concludes my testimony. I would be happy to try to answer any questions the committee may have. Thank you.