

SB 2718

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February 4, 2010

MEMORANDUM

TO: Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 2718 – RELATING TO DEATH BENEFITS**

Hearing: Thursday, February 4, 2010, 4:00 PM.
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to provide a State lump-sum death benefit in an amount equal to the Social Security Administration's Lump-Sum Death Benefit for deceased medical or financial assistance recipients who are ineligible for the Social Security Administration benefit.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration-sponsored bill. The proposed amendment will ensure a standard of equal treatment of both state and federal governmental benefits.

DHS currently provides a fully state-funded funeral payment of up to \$800 to surviving relatives to defray the mortuary and burial services costs for medical and

financial assistance recipients who do not qualify for a federal death benefit at the time of their death.

The federal benefit provided by the Social Security Administration to surviving spouses or children of eligible individuals who have 40 quarters of work history or receive monthly Social Security income is a lump sum death benefit of \$255.

The proposed amendment will require the State to provide a lump-sum death benefit identical to the federal Social Security Administration's lump-sum death benefit.

This change will result in an estimated cost savings of approximately \$430,000 in state funds per year, as well as bring parity in the level of government assistance provided to all medical and financial assistance recipients.

The disposition of unclaimed bodies and costs remains unchanged in this proposed bill.

Additionally, this bill also simplifies the eligibility determination process and will allow staff to prioritize core functions.

The State's fiscal difficulties has challenged the Department of Human Services to prioritize core services and reduce State spending.

Thank you for this opportunity to provide testimony.