

NEIL ABERCROMBIE
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March 29, 2012

TO: The Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2796, S.D. 1 - RELATING TO DEATH BENEFITS**

Hearing: Thursday, March 29, 2012; 10:00 a.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of this bill is to make permanent the reduced death benefits for medical and financial assistance recipients as approved in Act 205, Session Laws of Hawaii 2010 and to establish that the Department is responsible for the payment of the crematory and mortuary services for unclaimed dead human bodies after approving the determination that a dead human body is unclaimed.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill. In the current economic climate of decreased State revenue and the unfortunate necessity of reducing medical assistance benefits, identifying areas to decrease expenditures with minimal impact on the public becomes increasingly important.

In 2010, the Twenty-Fifth Legislature passed House Bill No. 2774, which was enacted as Act 205, Session Laws of Hawaii 2010. Part II of Act 205 amended section 346-15, Hawaii Revised Statutes, by reducing death benefits for medical and financial assistance recipients to an amount equal to the Social Security Administration's one-time lump-sum death benefit of \$255.

Act 205 has a repeal date of June 30, 2012, at which time section 346-15 will be reenacted in the form in which it read on the day prior to the act's effective date. Savings from this change in the death benefit was approximately \$306,000 last year.

Maintaining the reduced death benefit amount authorized in Act 205 by repealing the sunset date in section 9 of Act 250 for the amendments to section 346-15, Hawaii Revised Statutes, will help preserve health care benefits for low-income adults and children.

Additionally, the wording in Act 205 amending section 346-15 appears to make the Department of Human Services responsible for the disposition of unclaimed corpses. Section 346-15 should allow the Department of Human Services to pay for mortuary and crematory costs for unclaimed corpses after approving the determination that a dead human body is unclaimed pursuant to section 327-32, Hawaii Revised Statutes.

The title and subsections (b) and (e) of section 346-15 have also been amended to be consistent with language in section 327-32.

S.B. 2796 is the complementary bill to S.B. 2818 which is the Administration bill that amends section 327-32, Hawaii Revised Statutes and would repeal the authority of the Department of Health (DOH) to deliver or distribute an unclaimed dead human body to a university, hospital, or institution for medical educational and research purposes, and clarifies the responsibilities of the person who has possession, charge, or control of an unclaimed dead human body with respect to gathering and providing information to state agencies.

The Department of Health and the Department of Human Services worked together on S.B. 2796 and S.B. 2818 to make the responsibilities for the disposition of dead human bodies consistent and clear between the DOH and DHS. The changes proposed in S.B. 2796 and S.B. 2818 will result in improvements in efficiency, record keeping, and customer services.

Thank you for the opportunity to testify on this bill.